FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

For the fiscal year ended March 31, 2002

Commission File Number 0-21762

Gateway Tax Credit Fund III Ltd.
(Exact name of Registrant as specified in its charter)

Florida
(State or other jurisdiction of incorporation or organization)

59-3090386
(I.R.S. Employer No.)

880 Carillon Parkway, St. Petersburg, Florida
(Address of principal executive offices)

33716
(Zip Code)

Registrant's Telephone No., Including Area Code: (727)573-3800

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

Securities registered pursuant to Section 12(g) of the Act:
Title of Each Class: Beneficial Assignee Certificates

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

YES X NO ____

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

Title of Each Class	Number of Record Holders March 31, 2002
Limited Partnership Interest	2,254
General Partner Interest	2

DOCUMENTS INCORPORATED BY REFERENCE

Parts III and IV - Form S-11 Registration Statement and all amendments and supplements thereto. File No. 33-44238

PART I

Item 1. Business

Gateway Tax Credit Fund III Ltd. ("Gateway") is a Florida Limited Partnership. The general partners are Raymond James Tax Credit Funds, Inc., the Managing General Partner, and Raymond James Partners, Inc., both sponsors of Gateway Tax Credit Fund III Ltd. and wholly-owned subsidiaries of Raymond James Financial, Inc. Gateway was formed October 17, 1991 and commenced operations July 16, 1992 with the first admission of Limited Partners.

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, 2002, Gateway received capital contributions of $1,000 from the General Partners and from the Limited Partners, $10,395,000 in Series 7, $9,980,000 from Series 8, $6,254,000 from Series 9, $5,043,000 from Series 10 and $5,127,000 from Series 11.

Gateway offered Limited Partnership units in series. Each series is treated as though it were 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 limited partners of such series.

Operating profits and losses, cash distributions from operations and Tax Credits are allocated 99% to the Limited Partners and 1% to the General Partners. Profit or loss and cash distributions from sales of property will be allocated as described in the Limited Partnership Agreement.

As of March 31, 2002, Gateway had invested in 39 Project Partnerships for Series 7, 43 Project Partnerships for Series 8, 24 Project Partnerships for Series 9, 15 Project Partnerships for Series 10 and 12 Project Partnerships for Series 11. Gateway acquired its interests in these properties by becoming a limited partner in the Project Partnerships that own the properties. The primary source of funds for each series is the capital contributions from Limited Partner investors.

All but eight of the properties are financed 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. One recently acquired property in Series 7 received conventional financing. One property in Series 9, two properties in Series 10 and one property in Series 11 are fully financed through the HOME Investment Partnerships Program.

These HOME Program loans provide financing at rates of 0 % to 0.5% for a period of 15 to 42 years. One property in Series 11 is partially financed by HOME. Two properties in Series 11 received conventional financing.

Risks related to the operations of Gateway are described in detail on pages 29 through 38 of the Prospectus, as supplemented, under the Caption "Risk Factors" which is incorporated herein by reference. The investment objectives of Gateway are to:

1) Provide tax benefits to Limited Partners 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 39 through 47 of the Prospectus, as supplemented, 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, 2002 the Series' investor capital contributions were successfully invested in Project Partnerships which met the investment criteria. Management anticipates that competition for tenants will only be with other low income housing projects and not with conventionally financed housing. With a significant number of rural American households living below the poverty level in substandard housing, management believes there will be a continuing demand for affordable low income housing for the foreseeable future.

Gateway has no direct employees. Services are performed by the Managing General Partner and its affiliates and by agents retained by it. The Managing General Partner has full and exclusive discretion in management and control of Gateway.

Item 2. Properties

Gateway owns a majority interest in properties through its limited partnership investments in Project Partnerships. The largest single net investment in a Project Partnership in Series 7 is 5.2% of the Series' total balance sheet assets, Series 8 is 5.6%, Series 9 is 10.7%, Series 10 is 11.0% and Series 11 is 21.1%. The following table provides certain summary information regarding the Project Partnerships in which Gateway had an interest as of December 31, 2001:

Item 2 - Properties (continued):

SERIES 7

PARTNERSHIP	LOCATION OF.PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU- PANCY RATE
Nottingham	Pisgah, AL	18	6/92	719,462	94%
Cedar Hollow	Waterloo, NE	24	7/92	964,926	96%
Sunrise	Mission, SD	44	7/92	2,527,112	98%
Mountain City	Mountain City, TN	40	8/92	1,604,911	98%
Burbank	Falls City, NE	24	8/92	1,021,838	100%
Washington	Bloomfield, NE	24	9/92	976,229	58%
BrookStone	McCaysville, GA	40	9/92	1,462,345	100%
Tazewell	New Tazewell, TN	44	9/92	1,702,901	100%
N. Irvine	Irvine, KY	24	9/92	1,021,031	100%
Horton	Horton, KS	24	9/92	932,540	75%
Manchester	Manchester, GA	42	9/92	1,475,740	95%
Waynesboro	Waynesboro, GA	24	9/92	817,498	100%
Lakeland II	Lakeland, GA	30	9/92	1,009,647	100%
Mt. Vernon	Mt. Vernon, GA	24	9/92	900,526	88%
Meadow Run	Dawson, GA	48	9/92	1,744,840	88%
Spring Creek II	Quitman, GA	24	9/92	808,475	100%
Warm Springs	Warm Springs, GA	22	9/92	823,327	73%
Blue Ridge	Blue Ridge, GA	41	9/92	1,339,143	95%
Walnut	Elk Point, SD	24	9/92	1,023,974	92%
Pioneer	Mountain View, AR	48	9/92	1,351,822	98%
Dilley	Dilley, TX	28	9/92	890,263	96%
Elsa	Elsa, TX	40	9/92	1,341,804	100%
Clinch View	Gate City, VA	42	9/92	1,778,844	98%
Jamestown	Jamestown, TN	40	9/92	1,513,680	98%
Leander	Leander, TX	36	9/92	1,115,112	100%
Louisa Sr.	Louisa, KY	36	9/92	1,509,987	100%
Orchard Commons	Crab Orchard, KY	12	9/92	479,661	100%
Vardaman	Vardaman, MS	24	9/92	913,925	100%
Heritage Park	Paze, AZ	32	9/92	1,582,531	100%
BrooksHollow	Jasper, GA	40	9/92	1,440,296	100%
Cavalry Crossing	Ft. Scott, KS	40	9/92	1,789,451	98%
Carson City	Carson City, KS	24	11/92	959,001	88%
Matteson	Capa, KS	24	11/92	942,092	100%
Pembroke	Pembroke, KY	16	12/92	623,304	100%
Robynwood	Cynthiana, KY	24	12/92	1,011,684	100%
Atoka	Atoka, OK	24	1/93	835,334	96%
Coalgate	Coalgate, OK	24	1/93	828,505	96%
Hill Creek	West Blocton, AL	24	11/93	970,010	100%
Cardinal	Mountain Home, AR	32	11/93	781,436	91%
		1,195		45,535,207	

An average effective rental per unit is $3,486 per year ($290 per month).

Item 2 - Properties (continued):

SERIES 8

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Purdy	Purdy, MO	16	12/92	579,158	88%
Galena	Galena, KS	24	12/92	765,292	92%
Antlers 2	Antlers, OK	24	1/93	787,859	96%
Holdenville	Holdenville, OK	24	1/93	892,598	100%
Wetumka	Wetumka, OK	24	1/93	812,853	100%
Mariners Cove	Marine City, MI	32	1/93	1,279,431	84%
Mariners Cove Sr.	Marine City, MI	24	1/93	998,158	96%
Antlers	Antlers, OK	36	3/93	1,321,039	100%
Bentonville	Bentonville, AR	24	3/93	758,489	96%
Deerpoint	Elgin, AL	24	3/93	932,474	96%
Aurora	Aurora, MO	28	3/93	904,702	100%
Baxter	Baxter Springs, KS	16	4/93	543,863	100%
Arbor Gate	Bridgeport, AL	24	5/93	918,303	96%
Timber Ridge	Collinsville, AL	24	5/93	898,022	83%
Concordia Sr.	Concordia, KS	24	5/93	826,389	92%
Mountainburg	Mountainburg, AR	24	6/93	883,990	96%
Lincoln	Pierre, SD	25	5/93	1,115,950	100%
Fox Ridge	Russellville, AL	24	6/93	902,785	92%
Meadow View	Bridgeport, NE	16	6/93	724,100	97%
Sheridan	Auburn, NE	16	6/93	764,457	100%
Morningside	Kenton, OH	32	6/93	1,189,817	94%
Grand Isle	Grand Isle, ME	16	6/93	1,200,210	56%
Meadowview	Van Buren, AR	29	8/93	994,717	94%
Taylor	Taylor, TX	44	9/93	1,530,768	100%
Brookwood	Gainesboro, TN	44	9/93	1,810,597	91%
Pleasant Valley	Lynchburg, TN	33	9/93	1,356,358	100%
Reelfoot	Ridgely, TN	20	9/93	823,087	100%
River Rest	Newport, TN	34	9/93	1,403,425	100%
Kirskville	Kirksville, MO	24	9/93	831,492	100%
Cimmaron	Arco, ID	24	9/93	1,107,162	83%
Kenton	Kenton, OH	46	9/93	1,781,759	93%
Lovingston	Lovingston, VA	64	9/93	2,729,317	92%
Pontotoc	Pontotoc, MS	36	10/93	1,330,474	97%
So. Brenchley	Rexburg, ID	30	10/93	1,549,606	100%
Hustonville	Hustonville, KY	16	10/93	696,400	81%
Northpoint	Jackson, KY	24	10/93	1,086,029	100%
Brooks Field	Louisville, GA	32	10/93	1,175,418	97%
Brooks Lane	Clayton, GA	36	10/93	1,347,963	100%
Brooks Point	Dahlonega, GA	41	10/93	1,659,179	95%
Brooks Run	Jasper, GA	24	10/93	925,875	100%
Logan Heights	Russellville, KY	24	11/93	951,730	67%
Lakeshore 2	Tuskegee, AL	36	12/93	1,417,128	97%
Cottondale	Cottondale, FL	25	1/94	948,319	100%
		1,207		47,456,742	

An average effective rental per unit is $3,453 per year ($288 per month).

Item 2 - Properties (continued):

SERIES 9

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Jay	Jay, OK	24	9/93	810,597	100%
Boxwood	Lexington, TX	24	9/93	770,939	100%
Stilwell 3	Stilwell, OK	16	9/93	587,132	94%
Arbor Trace	Lake Park, GA	24	11/93	918,358	100%
Arbor Trace 2	Lake Park, GA	42	11/93	1,806,434	95%
Omega	Omega, GA	36	11/93	1,407,304	97%
Cornell 2	Watertown, SD	24	11/93	1,171,077	96%
Elm Creek	Pierre, SD	24	11/93	1,191,217	58%
Marionville	Marionville, MO	20	11/93	710,872	95%
Lamar	Lamar, AR	24	12/93	904,325	100%
Mt. Glen	Heppner, OR	24	12/93	1,063,971	96%
Centreville	Centreville, AL	24	12/93	975,033	100%
Skyview	Troy, AL	36	12/93	1,412,352	94%
Sycamore	Coffeyville, KS	40	12/93	1,809,720	98%
Bradford	Cumberland, KY	24	12/93	1,055,632	100%
Cedar Lane	London, KY	24	12/93	1,002,522	100%
Stanton	Stanton, KY	24	12/93	1,001,158	100%
Abernathy	Abernathy, TX	24	1/94	781,898	96%
Pembroke	Pembroke, KY	24	1/94	1,006,295	96%
Meadowview	Greenville, AL	24	2/94	1,136,913	88%
Town Branch	Mt. Vernon, KY	24	12/93	984,410	100%
Fox Run	Ragland, AL	24	3/94	975,631	100%
Maple Street	Emporium, PA	32	3/94	1,703,664	94%
Manchester	Manchester, GA	18	5/94	737,835	89%
		624		25,925,289	

An average effective rental per unit is $3,355 per year ($280 per month).

Item 2 - Properties (continued):

SERIES 10

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Redstone	Challis, ID	24	11/93	1,132,064	92%
Albany	Albany, KY	24	1/94	1,042,529	96%
Oak Terrace	Bonifay, FL	18	1/94	665,588	100%
Wellshill	West Liberty, KY	32	1/94	1,350,944	100%
Applegate	Florence, AL	36	2/94	1,838,637	100%
Heatherwood	Alexander, AL	36	2/94	1,611,756	97%
Peachtree	Gaffney, SC	28	3/94	1,073,512	96%
Donna	Donna, TX	50	1/94	1,780,076	96%
Wellsville	Wellsville, NY	24	2/94	1,350,037	100%
Tecumseh	Tecumseh, NE	24	4/94	1,086,896	58%
Clay City	Clay City, KY	24	5/94	1,024,376	96%
Irvine West	Irvine, KY	24	5/94	1,089,546	100%
New Castle	New Castle, KY	24	5/94	1,022,311	96%
Stigler	Stigler, OK	20	7/94	754,056	100%
Courtyard	Huron, SD	21	8/94	769,669	100%
		409		17,591,997	

An average effective rental per unit is $3,457 per year ($288 per month).

Item 2 - Properties (continued):

SERIES 11

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Homestead	Pinetop, AZ	32	9/94	1,790,878	97%
Mountain Oak	Collinsville, AL	24	9/94	879,424	88%
Eloy	Eloy, AZ	24	11/94	937,225	75%
Gila Bend	Gila Bend, AZ	36	11/94	1,314,052	78%
Creekstone	Dallas, GA	40	12/94	2,008,604	93%
Tifton	Tifton, GA	36	12/94	1,706,886	100%
Cass Towne	Cartersville, GA	10	12/94	327,374	80%
Warsaw	Warsaw, VA	56	12/94	3,336,463	100%
Royston	Royston, GA	25	12/94	935,906	96%
Red Bud	Mokane, MO	8	12/94	301,117	88%
Cardinal	Mountain Home, AR	32	12/94	509,809	100%
Parsons	Parsons, KS	38	12/94	1,345,937	92%
		361		15,393,675	

An average effective rental per unit is $3,942 per year ($328 per month).

Item 2 - Properties (continued):

A summary of the cost of the properties at December 31, 2001, 2000 and 1999 is as follows:

12/31/01

	SERIES 7	SERIES 8	SERIES 9
Land	$ 1,633,733	$ 1,978,810	$ 1,099,659
Land Improvements	171,081	438,402	191,950
Buildings	42,034,681	43,352,026	23,610,863
Furniture and Fixtures	1,695,712	1,687,504	1,022,817
Properties, at Cost	45,535,207	47,456,742	25,925,289
Less: Accum.Depreciation	13,115,126	13,207,423	6,489,753
Properties, Net	$32,420,081	$34,249,319	$19,435,536

	SERIES 10	SERIES 11	TOTAL
Land	$ 648,625	$ 599,197	$ 5,960,024
Land Improvements	59,331	0	860,764
Buildings	16,331,572	14,308,048	139,637,190
Furniture and Fixtures	552,469	486,430	5,444,932
Properties, at Cost	17,591,997	15,393,675	151,902,910
Less: Accum.Depreciation	3,710,595	3,255,491	39,778,388
Properties, Net	$13,881,402	$12,138,184	$112,124,522

12/31/00

	SERIES 7	SERIES 8	SERIES 9
Land	$ 1,629,533	$ 1,978,810	$ 1,099,659
Land Improvements	169,981	434,656	180,333
Buildings	41,899,148	43,329,157	23,595,258
Furniture and Fixtures	1,741,414	1,635,661	988,906
Properties, at Cost	45,440,076	47,378,284	25,864,156
Less: Accum.Depreciation	11,657,985	11,686,945	5,669,383
Properties, Net	$33,782,091	$35,691,339	$20,194,773

	SERIES 10	SERIES 11	TOTAL
Land	$ 648,625	$ 599,196	$ 5,955,823
Land Improvements	59,331	0	844,301
Buildings	16,318,322	14,293,070	139,434,955
Furniture and Fixtures	532,906	452,992	5,351,879
Properties, at Cost	17,559,184	15,345,258	151,586,958
Less: Accum.Depreciation	3,232,262	2,731,802	34,978,377
Properties, Net	$14,326,922	$12,613,456	$116,608,581

12/31/99	SERIES 7	SERIES 8	SERIES 9
Land	$ 1,619,533	$ 1,978,810	$ 1,099,659
Land Improvements	168,279	425,856	178,022
Buildings	41,891,396	43,313,983	23,585,182
Furniture and Fixtures	1,654,537	1,591,115	962,595
Properties, at Cost	45,333,745	47,309,764	25,825,458
Less: Accum.Depreciation	10,191,396	10,111,399	4,837,043
Properties, Net	$35,142,349	$37,198,365	$20,988,415

	SERIES 10	SERIES 11	TOTAL
Land	$ 648,625	$ 599,197	$ 5,945,824
Land Improvements	59,331	0	831,488
Buildings	16,293,622	14,273,888	139,358,071
Furniture and Fixtures	498,951	423,500	5,130,698
Properties, at Cost	17,500,529	15,296,585	151,266,081
Less: Accum.Depreciation	2,735,822	2,218,007	30,093,667
Properties, Net	$14,764,707	$13,078,578	$121,172,414

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, 2002, 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 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 Interests 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 Limited Partnership units are transferred. The criteria for and the details regarding transfers are found on pages A-28 and A-29 of the Limited Partnership Agreement under ARTICLE XII under the caption "Transfers of Units" found in the Prospectus, which is incorporated herein by reference.

There have been no distributions to Limited Partner investors from inception to date.

(b) Approximate Number of Equity Security Holders:

Title of Class	Number of Holders as of March 31, 2002
Limited Partner Interest	2,254
General Partner Interest	2

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,

SERIES 7	2002	2001	2000	1999	1998
Total Revenues	$ 60,809	$ 59,053	$ 51,236	$ 43,550	$ 44,592
Net Loss	(390,210)	(508,769)	(555,736)	(812,428)	(1,010,863)
Equity in Losses of Project Partnerships	(317,296)	(434,461)	(471,721)	(718,721)	(909,991)
Total Assets	2,171,233	2,509,975	2,972,199	3,481,841	4,255,853
Investments In Project Partnerships	1,436,847	1,773,751	2,237,728	2,749,505	3,517,852
Per Weighted Average Limited Partnership Unit: (A)					
Tax Credits	163.08	161.40	161.40	161.40	161.50
Portfolio Income	11.28	13.30	11.50	11.20	10.30
Passive Loss	(129.83)	(131.90)	(117.20)	(112.50)	(117.30)
Net Loss	(37.16)	(48.45)	(52.93)	(77.37)	(96.27)

FOR THE YEARS ENDED MARCH 31,

SERIES 8	2002	2001	2000	1999	1998
Total Revenues	$ 45,655	$ 55,568	$ 48,434	$ 45,764	$ 46,987
Net Loss	(365,765)	(539,766)	(1,247,292)	(1,055,240)	(1,060,938)
Equity in Losses of Project Partnerships	(272,241)	(457,729)	(1,158,932)	(960,106)	(963,455)
Total Assets	1,442,531	1,749,931	2,238,666	3,435,008	4,446,829
Investments In Project Partnerships	654,569	940,463	1,423,188	2,612,574	3,608,229
Per Weighted Average Limited Partnership Unit: (A)					
Tax Credits	162.38	160.80	160.80	160.80	160.80
Portfolio Income	11.09	12.30	10.70	10.60	10.60
Passive Loss	(142.75)	(141.80)	(133.70)	(137.00)	(130.60)
Net Loss	(36.28)	(53.54)	(123.73)	(104.68)	(105.56)

FOR THE YEARS ENDED MARCH 31,

SERIES 9	2002	2001	2000	1999	1998
Total Revenues	$ 25,461	$ 28,868	$ 25,243	$ 24,872	$ 25,209
Net Loss	(407,619)	(457,177)	(547,924)	(570,231)	(512,506)
Equity in Losses of Project Partnerships	(355,237)	(409,450)	(496,765)	(517,316)	(459,629)
Total Assets	1,982,691	2,326,088	2,774,157	3,289,179	3,830,465
Investments In Project Partnerships	1,506,444	1,849,358	2,303,872	2,818,653	3,363,377
Per Weighted Average Limited Partnership Unit: (A)					
Tax Credits	154.93	153.40	153.40	153.40	153.40
Portfolio Income	9.42	11.40	10.40	10.10	9.10
Passive Loss	(136.20)	(130.00)	(124.90)	(106.70)	(100.80)
Net Loss	(64.53)	(72.37)	(86.74)	(90.27)	(81.13)

FOR THE YEARS ENDED MARCH 31,

SERIES 10	2002	2001	2000	1999	1998
Total Revenues	$ 19,793	$ 26,582	$ 24,705	$ 24,421	$ 24,885
Net Loss	(227,243)	(321,107)	(328,409)	(264,781)	(224,779)
Equity in Losses of Project Partnerships	(191,862)	(292,747)	(299,182)	(237,276)	(195,183)
Total Assets	2,674,512	2,889,469	3,202,510	3,523,986	3,784,494
Investments In Project Partnerships	2,232,728	2,451,287	2,764,397	3,086,492	3,352,669
Per Weighted Average Limited Partnership Unit: (A)					
Tax Credits	151.14	149.60	149.60	149.60	149.60
Portfolio Income	10.98	12.50	11.30	11.10	9.70
Passive Loss	(96.98)	(105.00)	(103.70)	(89.60)	(82.30)
Net Loss	(44.61)	(63.04)	(64.47)	(51.98)	(44.13)

FOR THE YEARS ENDED MARCH 31,

SERIES 11	2002	2001	2000	1999	1998
Total Revenues	$ 22,823	$ 29,446	$ 27,431	$ 27,001	$ 26,502
Net Loss	(209,234)	(202,390)	(164,613)	(152,545)	(183,183)
Equity in Losses of Project Partnerships	(180,099)	(181,405)	(143,181)	(128,802)	(163,364)
Total Assets	3,590,467	3,797,213	3,998,687	4,163,711	4,314,491
Investments In Project Partnerships	3,111,560	3,328,681	3,534,837	3,701,295	3,861,731
Per Weighted Average Limited Partnership Unit: (A)					
Tax Credits	147.20	145.70	145.70	145.70	146.20
Portfolio Income	10.16	11.70	10.20	10.80	9.50
Passive Loss	(56.98)	(61.40)	(51.10)	(51.20)	(58.40)
Net Loss	(40.40)	(39.08)	(31.79)	(29.46)	(35.37)

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

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

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

Results of Operations, Liquidity and Capital Resources

Operations commenced on July 16, 1992 with the first admission of Limited Partners in Series 7. The proceeds from Limited Partner investors' capital contributions available for investment are used to acquire interests in Project Partnerships.

As disclosed on the statement of operations for each Series, except as described below, interest income is comparable for the years ended March 31, 2002, March 31, 2001 and March 31, 2000. General and Administrative expenses - General Partner and General and Administrative expenses - Other for the year ended March 31, 2002 are comparable to March 31, 2001 and March 31, 2000.

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.)

The sources of funds to pay the operating costs of each Series are short-term investments and interest earned thereon, the maturity of U.S. Treasury Security Strips ("Zero Coupon Treasuries"), which were purchased with funds set aside for this purpose, and cash distributed to the Series from the operations of the Project Partnerships.

Series 7 - Gateway closed this series on October 16, 1992 after receiving $10,395,000 from 635 Limited Partner investors. As of March 31, 2002, the series had invested $7,732,089 in 39 Project Partnerships located in 14 states containing 1,195 apartment units. Average occupancy of the Project Partnerships was 96% at December 31, 2001.

The Equity in Losses of Project Partnerships decreased from $434,461 for the year ended March 31, 2001 to $317,296 for the year ended March 31, 2002 as a result of not including losses of $712,066, as these losses would reduce the investment in certain Project Partnerships below zero. Equity in losses of Project Partnerships for the year ended March 31, 2000 of $471,721 were comparable to the Equity in Losses of Project Partnerships for the year ended March 31, 2001. 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 $1,502,758, $1,466,589 and $1,457,962 for the periods ended December 31, 1999, 2000 and 2001, respectively.) As a result, management expects that this Series, as well as the Series described below, will report its equity in Project Partnerships as a loss for tax and financial reporting purposes. Overall management believes the Project Partnerships are operating as expected and are generating tax credits, which meet projections.

At March 31, 2002, the Series had $384,626 of short-term investments (Cash and Cash Equivalents). It also had $349,760 in Zero Coupon Treasuries with annual maturities providing $64,000 in fiscal year 2003 increasing to $86,000 in fiscal year 2008. 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 $390,210 for the year ending March 31, 2002. However, after adjusting for Equity in Losses of Project Partnerships of $317,296 and the changes in operating assets and liabilities, net cash used in operating activities was $39,057 of which $47,061 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $69,845 consisting of $37,656 in cash distributions from the Project Partnerships and $32,189 from matured Zero Coupon Treasuries. There were no unusual events or trends to describe.

Series 8 - Gateway closed this Series on June 28, 1993 after receiving $9,980,000 from 664 Limited Partner investors. As of March 31, 2002, the series had invested $7,586,105 in 43 Project Partnerships located in 18 states containing 1,207 apartment units. Average occupancy of the Project Partnerships was 95% at December 31, 2001.

Equity in Losses of Project Partnerships decreased from $1,158,932 for the year ended March 31, 2000 to $457,729 for the year ended March 31, 2001 to $272,241 for the year ended March 31, 2002. The decreases resulted from not including suspended losses, which increased from $429,743 for the year ended March 31, 2000 to $689,097 for the year ended March 31, 2001 to $832,101 for the year ended March 31, 2002, as these losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $2,101,828, $1,578,473 and $1,522,646 for the periods ended December 31, 1999, 2000 and 2001, respectively.) Overall management believes the Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2002, the Series had $456,356 of short-term investments (Cash and Cash Equivalents). It also had $331,606 in Zero Coupon Treasuries with annual maturities providing $59,000 in fiscal year 2003 increasing to $82,000 in fiscal year 2008. 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 $365,765 for the year ending March 31, 2002. However, after adjusting for Equity in Losses of Project Partnerships of $272,241 and the changes in operating assets and liabilities, net cash used in operating activities was $41,614 of which $44,786 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $50,627 consisting of $19,211 received in cash distributions from the Project Partnerships and $31,416 from matured Zero Coupon Treasuries. 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. There were no unusual events or trends to describe.

Series 9 - Gateway closed this Series on September 30, 1993 after receiving $6,254,000 from 406 Limited Partner investors. As of March 31, 2002, the series had invested $4,914,116 in 24 Project Partnerships located in 11 states containing 624 apartment units. Average occupancy of the Project Partnerships was 95% at December 31, 2001.

The Equity in Losses of Project Partnerships decreased from $496,765 for the year ended March 31, 2000 to $409,450 for the year ended March 31, 2001 to $355,237 for the year ended March 31, 2002. The decreases resulted from not including suspended losses, which increased from $78,588 for the year ended March 31, 2000 to $200,607 for the year ended March 31, 2001 to $300,173 for the year ended March 31, 2002, as these losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $842,272, $832,666 and $820,700 for the years ended December 31, 1999, 2000 and 2001, respectively.) Overall management believes the Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2002, the Series had $251,331 of short-term investments (Cash and Cash Equivalents). It also had $224,916 in Zero Coupon Treasuries with annual maturities providing $35,000 in fiscal year 2003 increasing to $47,000 in fiscal year 2009. 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 $407,619 for the period ending March 31, 2002. After adjusting for Equity in Losses of Project Partnerships of $355,237 and the changes in operating assets and liabilities, net cash used in operating activities was $17,167 of which $17,846 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $35,810 consisting of $14,461 received in cash distributions from the Project Partnerships and $21,349 from matured Zero Coupon Treasuries. 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. There were no unusual events or trends to describe.

Series 10 - Gateway closed this Series on January 21, 1994 after receiving $5,043,000 from 325 Limited Partner investors. As of March 31, 2002, the series had invested $3,914,672 in 15 Project Partnerships located in 10 states containing 409 apartment units. Average occupancy of the Project Partnerships was 95% at December 31, 2001.

The Equity in Losses of Project Partnerships decreased from $292,747 for the year ended March 31, 2001 to $191,862 for the year ended March 31, 2002 as a result of not including losses of $60,069, as these losses would reduce the investment in certain Project Partnerships below zero. Equity in Losses of Project Partnerships of $299,182 for the year ended March 31, 2000 were comparable to Equity in Losses for the year ended March 31, 2001. (These Project Partnerships reported depreciation and amortization of $502,179, $496,926 and $478,396 for the years ended December 31, 1999, 2000, and 2001 respectively.) Overall management believes the Project Partnerships are operating as expected and are generating tax credits, which meet projections.

At March 31, 2002, the Series had $252,149 of short-term investments (Cash and Cash Equivalents). It also had $189,635 in Zero Coupon Treasuries with annual maturities providing $27,000 in fiscal year 2003 increasing to $40,000 in fiscal year 2010. 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 net loss of $227,243 for the year ending March 31, 2002. After adjusting for Equity in Losses of Project Partnerships of $191,862 and the changes in operating assets and liabilities, net cash used in operating activities was $21,945 of which $26,216 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $37,572 consisting of $21,886 received in cash distributions from the Project Partnerships and $15,686 from matured Zero Coupon Treasuries. 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. There were no unusual events or trends to describe.

Series 11 - Gateway closed this Series on April 29, 1994 after receiving $5,127,000 from 330 Limited investors. As of March 31, 2002 the series had invested $4,128,042 in 12 Project Partnerships located in 7 states containing 361 apartments. Average occupancy of the Project Partnerships was 92% at December 31, 2001.

Equity in losses of Project Partnerships were comparable for the years ended March 31, 2000, 2001 and 2002. (These Project Partnerships reported depreciation and amortization of $516,489, $516,766 and $524,869 for the periods ended December 31, 1999, 2000 and 2001.) Overall management believes the Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2001, the Series had $266,059 of short-term investments (Cash and Cash Equivalents). It also had $212,848 in Zero Coupon Treasuries with annual maturities providing $30,000 in fiscal year 2003 increasing to $44,000 in fiscal year 2010. 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 net loss of $209,234 for the year ending March 31, 2002. After adjusting for Equity in Losses of Project Partnerships of $180,099 and the changes in operating assets and liabilities, net cash used in operating activities was $23,338 of which $31,172 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $45,058 consisting of $16,330 from matured Zero Coupon Treasures and $28,728 received in cash distributions from Project Partnerships. 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. There were no unusual events or trends to describe.

Item 8. Financial Statements and Supplementary Data

INDEPENDENT AUDITOR'S REPORT

To the Partners of Gateway Tax Credit Fund III Ltd.

We have audited the accompanying balance sheets of each of the five Series (Series 7 through 11) constituting Gateway Tax Credit Fund III Ltd. (a Florida Limited Partnership) as of March 31, 2002 and 2001 and the related statements of operations, members equity, and cash flows of each of the five Series for 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 did not audit the financial statements of certain Project Partnerships for which cumulative equity in losses included on the balance sheets as of March 31, 2002 and 2001 and net losses included on the statements of operations for each of the three years in the period ended March 31, 2002 are:

	Cumulative Equity In Losses March 31,		Partnership Loss Year Ended March 31,		
	2002	2001	2002	2001	2000
Series 7	$4,262,598	$4,096,590	$ 166,008	$301,031	$357,271
Series 8	4,150,404	3,996,490	153,916	270,179	837,764
Series 9	1,077,602	879,822	179,779	174,853	173,999
Series 10	485,619	400,455	85,164	93,627	97,059
Series 11	1,047,897	878,172	169,727	157,100	148,088

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such underlying partnerships, is based solely on the reports of the other auditors.

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

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of each of the five Series (Series 7 through 11) constituting Gateway Tax Credit Fund III Ltd. as of March 31, 2002 and 2001, and the results of their operations and their 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 14(a)(2) in the index are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audits and the reports of other auditors, fairly stated in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

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

Clearwater, Florida
June 21, 2002

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

SERIES 7	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 384,626	$ 353,838
Investments in Securities	60,470	56,801
Total Current Assets	445,096	410,639
Investments in Securities	289,290	325,585
Investments in Project Partnerships, Net	1,436,847	1,773,751
Total Assets	$2,171,233	$2,509,975
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 68,252	$ 57,117
Total Current Liabilities	68,252	57,117
Long-Term Liabilities:		
Payable to General Partners	396,917	356,584
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2002 and 2001)	1,780,281	2,166,589
General Partners	(74,217)	(70,315)
Total Partners' Equity	1,706,064	2,096,274
Total Liabilities and Partners' Equity	$2,171,233	$2,509,975

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

SERIES 8	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 456,356	$ 447,343
Investments in Securities	55,888	52,185
Total Current Assets	512,244	499,528
Investments in Securities	275,718	309,940
Investments in Project Partnerships, Net	654,569	940,463
Total Assets	$1,442,531	$1,749,931
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 60,485	$ 48,367
Total Current Liabilities	60,485	48,367
Long-Term Liabilities:		
Payable to General Partners	458,902	412,655
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2002 and 2001)	1,001,538	1,363,645
General Partners	(78,394)	(74,736)
Total Partners' Equity	923,144	1,288,909
Total Liabilities and Partners' Equity	$1,442,531	$1,749,931

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

SERIES 9	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 251,331	$ 232,688
Investments in Securities	33,325	32,416
Total Current Assets	284,656	265,104
Investments in Securities	191,591	211,626
Investments in Project Partnerships, Net	1,506,444	1,874,596
Total Assets	$1,982,691	$2,351,326
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 34,316	$ 27,514
Total Current Liabilities	34,316	27,514
Long-Term Liabilities:		
Payable to General Partners	279,505	247,323
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2002 and 2001)	1,707,018	2,110,561
General Partners	(38,148)	(34,072)
Total Partners' Equity	1,668,870	2,076,489
Total Liabilities and Partners' Equity	$1,982,691	$2,351,326

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

SERIES 10	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	252,149	$ 236,522
Investments in Securities	25,668	24,731
Total Current Assets	277,817	261,253
Investments in Securities	163,967	176,929
Investments in Project Partnerships, Net	2,232,728	2,451,287
Total Assets	$2,674,512	$2,889,469
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 34,582	$ 30,195
Total Current Liabilities	34,582	30,195
Long-Term Liabilities:		
Payable to General Partners	72,361	64,462
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2002 and 2001)	2,586,073	2,811,044
General Partners	(18,504)	(16,232)
Total Partners' Equity	2,567,569	2,794,812
Total Liabilities and Partners' Equity	$2,674,512	$2,889,469

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

SERIES 11	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 266,059	$ 244,339
Investments in Securities	28,271	26,421
Total Current Assets	294,330	270,760
Investments in Securities	184,577	197,772
Investments in Project Partnerships, Net	3,111,560	3,328,681
Total Assets	$3,590,467	$3,797,213
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 34,342	$ 29,452
Total Current Liabilities	34,342	29,452
Long-Term Liabilities:		
Payable to General Partners	17,094	19,496
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2002 and 2001	3,549,631	3,756,773
General Partners	(10,600)	(8,508)
Total Partners' Equity	3,539,031	3,748,265
Total Liabilities and Partners' Equity	$3,590,467	$3,797,213

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

TOTAL SERIES 7 -11	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,610,521	$ 1,514,730
Investments in Securities	203,622	192,554
Total Current Assets	1,814,143	1,707,284
Investments in Securities	1,105,143	1,221,852
Investments in Project Partnerships, Net	8,942,148	10,368,778
Total Assets	$11,861,434	$13,297,914
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 231,977	$ 192,645
Total Current Liabilities	231,977	192,645
Long-Term Liabilities:		
Payable to General Partners	1,224,779	1,100,520
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2002 and 2001)	10,624,541	12,208,612
General Partners	(219,863)	(203,863)
Total Partners' Equity	10,404,678	12,004,749
Total Liabilities and Partners' Equity	$11,861,434	$13,297,914

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 7	2002	2001	2000
Revenues:			
Interest Income	$ 36,075	$ 46,167	$ 43,650
Other Income	24,734	12,886	7,586
Total Revenues	60,809	59,053	51,236
Expenses:			
Asset Management Fee-General Partner	87,394	87,683	87,952
General and Administrative:			
General Partner	20,917	16,312	14,609
Other	18,727	19,610	18,494
Amortization	6,685	9,756	14,196
Total Expenses	133,723	133,361	135,251
Loss Before Equity in Losses of Project Partnerships	(72,914)	(74,308)	(84,015)
Equity in Losses of Project Partnerships	(317,296)	(434,461)	(471,721)
Net Loss	$ (390,210)	$ (508,769)	$ (555,736)
Allocation of Net Loss:			
Assignees	$ (386,308)	$ (503,681)	$ (550,179)
General Partners	(3,902)	(5,088)	(5,557)
	$ (390,210)	$ (508,769)	$ (555,736)
Net Loss Per Beneficial Assignee Certificate	$ (37.16)	$ (48.45)	$ (52.93)
Number of Beneficial Assignee Certificates Outstanding	10,395	10,395	10,395

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 8	2002	2001	2000
Revenues:			
Interest Income	$ 35,358	$ 48,557	$ 45,674
Other Income	10,297	7,011	2,760
Total Revenues	45,655	55,568	48,434
Expenses:			
Asset Management Fee-General Partner	91,032	91,364	91,655
General and Administrative:			
General Partner	23,062	17,985	16,108
Other	20,346	20,870	19,976
Amortization	4,739	7,386	9,055
Total Expenses	139,179	137,605	136,794
Loss Before Equity in Losses of Project Partnerships	(93,524)	(82,037)	(88,360)
Equity in Losses of Project Partnerships	(272,241)	(457,729)	(1,158,932)
Net Loss	$(365,765)	$(539,766)	$(1,247,292)
Allocation of Net Loss:			
Assignees	$(362,107)	$(534,368)	$(1,234,819)
General Partners	(3,658)	(5,398)	(12,473)
	$(365,765)	$(539,766)	$(1,247,292)
Net Loss Per Beneficial Assignee Certificate	$ (36.28)	$ (53.54)	$ (123.73)
Number of Beneficial Assignee Certificates Outstanding	9,980	9,980	9,980

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 9	2002	2001	2000
Revenues:			
Interest Income	$ 20,661	$ 27,149	$ 25,243
Other Income	4,800	1,719	0
Total Revenues	25,461	28,868	25,243
Expenses:			
Asset Management Fee-General Partner	50,027	50,178	50,319
General and Administrative:			
General Partner	12,872	10,038	8,991
Other	11,690	11,826	11,373
Amortization	3,254	4,553	5,719
Total Expenses	77,843	76,595	76,402
Loss Before Equity in Losses of Project Partnerships	(52,382)	(47,727)	(51,159)
Equity in Losses of Project Partnerships	(355,237)	(409,450)	(496,765)
Net Loss	$(407,619)	$(457,177)	$(547,924)
Allocation of Net Loss:			
Assignees	$(403,543)	$(452,605)	$(542,445)
General Partners	(4,076)	(4,572)	(5,479)
	$(407,619)	$(457,177)	$(547,924)
Net Loss Per Beneficial Assignee Certificate	$ (64.53)	$ (72.37)	$ (86.74)
Number of Beneficial Assignee Certificates Outstanding	6,254	6,254	6,254

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 10	2002	2001	2000
Revenues:			
Interest Income	$ 19,793	$ 26,582	$ 24,705
Other Income	0	0	0
Total Revenues	19,793	26,582	24,705
Expenses:			
Asset Management Fee-General Partner	34,115	34,212	34,309
General and Administrative:			
General Partner	8,045	6,274	5,619
Other	8,203	8,834	8,382
Amortization	4,811	5,622	5,622
Total Expenses	55,174	54,942	53,932
Loss Before Equity in Losses of Project Partnerships	(35,381)	(28,360)	(29,227)
Equity in Losses of Project Partnerships	(191,862)	(292,747)	(299,182)
Net Loss	$(227,243)	$(321,107)	$(328,409)
Allocation of Net Loss:			
Assignees	$(224,971)	$(317,896)	$(325,125)
General Partners	(2,272)	(3,211)	(3,284)
	$(227,243)	$(321,107)	$(328,409)
Net Loss Per Beneficial Assignee Certificate	$ (44.61)	$ (63.04)	$ (64.47)
Number of Beneficial Assignee Certificates Outstanding	5,043	5,043	5,043

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 11	2002	2001	2000
Revenues:			
Interest Income	$ 22,823	$ 29,446	$ 27,431
Other Income	0	0	0
Total Revenues	22,823	29,446	27,431
Expenses:			
Asset Management Fee-General Partner	28,770	29,087	28,465
General and Administrative:			
General Partner	6,436	5,019	4,495
Other	8,458	8,031	7,609
Amortization	8,294	8,294	8,294
Total Expenses	51,958	50,431	48,863
Loss Before Equity in Losses of Project Partnerships	(29,135)	(20,985)	(21,432)
Equity in Losses of Project Partnerships	(180,099)	(181,405)	(143,181)
Net Loss	$(209,234)	$(202,390)	$(164,613)
Allocation of Net Loss:			
Assignees	$(207,142)	$(200,366)	$(162,967)
General Partners	(2,092)	(2,024)	(1,646)
	$(209,234)	$(202,390)	$(164,613)
Net Loss Per Beneficial Assignee Certificate	$ (40.40)	$ (39.08)	$ (31.79)
Number of Beneficial Assignee Certificates Outstanding	5,127	5,127	5,127

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

TOTAL SERIES 7 - 11	2002	2001	2000
Revenues:			
Interest Income	$ 134,710	$ 177,901	$ 166,703
Other Income	39,831	21,616	10,346
Total Revenues	174,541	199,517	177,049
Expenses:			
Asset Management Fee-General Partner	291,338	292,524	292,700
General and Administrative:			
General Partner	71,332	55,628	49,822
Other	67,424	69,171	65,834
Amortization	27,783	35,611	42,886
Total Expenses	457,877	452,934	451,242
Loss Before Equity in Losses of Project Partnerships	(283,336)	(253,417)	(274,193)
Equity in Losses of Project Partnerships	(1,316,735)	(1,775,792)	(2,569,781)
Net Loss	$(1,600,071)	$(2,029,209)	$(2,843,974)
Allocation of Net Loss:			
Assignees	$(1,584,071)	$(2,008,916)	$(2,815,535)
General Partners	(16,000)	(20,293)	(28,439)
	$(1,600,071)	$(2,029,209)	$(2,843,974)

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 7	Limited Partners	General Partners	Total
Balance at March 31, 1999	$3,220,449	$ (59,670)	$3,160,779
Net Loss	(550,179)	(5,557)	(555,736)
Balance at March 31, 2000	2,670,270	(65,227)	2,605,043
Net Loss	(503,681)	(5,088)	(508,769)
Balance at March 31, 2001	2,166,589	(70,315)	2,096,274
Net Loss	(386,308)	(3,902)	(390,210)
Balance at March 31, 2002	$1,780,281	$ (74,217)	$1,706,064

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 8	Limited Partners	General Partners	Total
Balance at March 31, 1999	$3,132,832	$(56,865)	$3,075,967
Net Loss	(1,234,819)	(12,473)	(1,247,292)
Balance at March 31, 2000	1,898,013	(69,338)	1,828,675
Net Loss	(534,368)	(5,398)	(539,766)
Balance at March 31, 2001	1,363,645	(74,736)	1,288,909
Net Loss	(362,107)	(3,658)	(365,765)
Balance at March 31, 2002	$1,001,538	$(78,394)	$ 923,144

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 9	Limited Partners	General Partners	Total
Balance at March 31, 1999	$3,105,611	$ (24,021)	$3,081,590
Net Loss	(542,445)	(5,479)	(547,924)
Balance at March 31, 2000	2,563,166	(29,500)	2,533,666
Net Loss	(452,605)	(4,572)	(457,177)
Balance at March 31, 2001	2,110,561	(34,072)	2,076,489
Net Loss	(403,543)	(4,076)	(407,619)
Balance at March 31, 2002	$1,707,018	$ (38,148)	$1,668,870

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 10	Limited Partners	General Partners	Total
Balance at March 31, 1999	$3,454,065	$ (9,737)	$3,444,328
Net Loss	(325,125)	(3,284)	(328,409)
Balance at March 31, 2000	3,128,940	(13,021)	3,115,919
Net Loss	(317,896)	(3,211)	(321,107)
Balance at March 31, 2001	2,811,044	(16,232)	2,794,812
Net Loss	(224,971)	(2,272)	(227,243)
Balance at March 31, 2002	$2,586,073	$ (18,504)	$2,567,569

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 11	Limited Partners	General Partners	Total
Balance at March 31, 1999	$4,120,106	$ (4,838)	$4,115,268
Net Loss	(162,967)	(1,646)	(164,613)
Balance at March 31, 2000	3,957,139	(6,484)	3,950,655
Net Loss	(200,366)	(2,024)	(202,390)
Balance at March 31, 2001	3,756,773	(8,508)	3,748,265
Net Loss	(207,142)	(2,092)	(209,234)
Balance at March 31, 2002	$3,549,631	$(10,600)	$3,539,031

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

TOTAL SERIES 7 - 11	Limited Partners	General Partners	Total
Balance at March 31, 1999	$17,033,063	$ (155,131)	$16,877,932
Net Loss	(2,815,535)	(28,439)	(2,843,974)
Balance at March 31, 2000	14,217,528	(183,570)	14,033,958
Net Loss	(2,008,916)	(20,293)	(2,029,209)
Balance at March 31, 2001	12,208,612	(203,863)	12,004,749
Net Loss	(1,584,071)	(16,000)	(1,600,071)
Balance at March 31, 2002	$10,624,541	$(219,863)	$10,404,678

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 7	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(390,210)	$(508,769)	$(555,736)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	6,685	9,756	14,196
Accreted Interest Income on Investments in Securities	(27,373)	(29,071)	(30,291)
Equity in Losses of Project Partnerships	317,296	434,461	471,721
Interest Income from Redemption of Securities	27,811	23,730	19,227
Distributions Included in Other Income	(24,734)	(12,886)	(7,586)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	51,468	46,545	46,093
Net Cash Used in Operating Activities	(39,057)	(36,234)	(42,376)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	37,656	32,646	33,446
Redemption of Investment in Securities	32,189	33,270	33,773
Net Cash Provided by Investing Activities	69,845	65,916	67,219
Increase in Cash and Cash Equivalents	30,788	29,682	24,843
Cash and Cash Equivalents at Beginning of Year	353,838	324,156	299,313
Cash and Cash Equivalents at End of Year	$ 384,626	$ 353,838	$ 324,156

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 8	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(365,765)	$(539,766)	$(1,247,292)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	4,739	7,386	9,055
Accreted Interest Income on Investments in Securities	(24,482)	(26,093)	(27,199)
Equity in Losses of Project Partnerships	272,241	457,729	1,158,932
Interest Income from Redemption of Securities	23,584	20,667	15,938
Distributions Included in Other Income	(10,297)	(7,011)	(2,760)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	58,366	51,030	50,950
Net Cash Used in Operating Activities	(41,614)	(36,058)	(42,376)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	19,211	24,621	24,159
Redemption of Investment in Securities	31,416	33,333	32,062
Net Cash Provided by Investing Activities	50,627	57,954	56,221
Increase in Cash and Cash Equivalents	9,013	21,896	13,845
Cash and Cash Equivalents at Beginning of Year	447,343	425,447	411,602
Cash and Cash Equivalents at End of Year	$ 456,356	$ 447,343	$ 425,447

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 9	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(407,619)	$(457,177)	$(547,924)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	3,254	4,553	5,719
Accreted Interest Income on Investments in Securities	(14,874)	(15,723)	(16,413)
Equity in Losses of Project Partnerships	355,237	409,450	496,765
Interest Income from Redemption of Securities	12,651	10,477	8,693
Distributions Included in Other Income	(4,800)	(1,719)	0
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	38,984	34,348	32,902
Net Cash Used in Operating Activities	(17,167)	(15,791)	(20,258)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	14,461	16,992	12,297
Redemption of Investment in Securities	21,349	21,523	22,307
Net Cash Provided by Investing Activities	35,810	38,515	34,604
Increase in Cash and Cash Equivalents	18,643	22,724	14,346
Cash and Cash Equivalents at Beginning of Year	232,688	209,964	195,618
Cash and Cash Equivalents at End of Year	$ 251,331	$ 232,688	$ 209,964

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 10	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(227,243)	$(321,107)	$(328,409)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	4,811	5,622	5,622
Accreted Interest Income on Investments in Securities	(13,976)	(14,616)	(15,114)
Equity in Losses of Project Partnerships	191,862	292,747	299,182
Interest Income from Redemption of Securities	10,314	8,792	7,223
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	12,287	8,065	6,932
Net Cash Used in Operating Activities	(21,945)	(20,497)	(24,564)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	21,886	14,741	17,291
Redemption of Investment in Securities	15,686	16,208	16,777
Net Cash Provided by Investing Activities	37,572	30,949	34,068
Increase in Cash and Cash Equivalents	15,627	10,452	9,504
Cash and Cash Equivalents at Beginning of Year	236,522	226,070	216,566
Cash and Cash Equivalents at End of Year	$ 252,149	$ 236,522	$ 226,070

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 11	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(209,234)	$(202,390)	$(164,613)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	8,294	8,294	8,294
Accreted Interest Income on Investments in Securities	(16,655)	(17,218)	(17,584)
Equity in Losses of Project Partnerships	180,099	181,405	143,181
Interest Income from Redemption of Securities	11,670	9,570	7,629
Changes in Operating Assets and Liabilities:			
Increase (Decrease) in Payable to General Partners	2,488	917	(411)
Net Cash Used in Operating Activities	(23,338)	(19,422)	(23,504)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	28,728	16,457	14,983
Redemption of Investment in Securities	16,330	16,430	16,371
Net Cash Provided by Investing Activities	45,058	32,887	31,354
Increase in Cash and Cash Equivalents	21,720	13,465	7,850
Cash and Cash Equivalents at Beginning of Year	244,339	230,874	223,024
Cash and Cash Equivalents at End of Year	$ 266,059	$ 244,339	$ 230,874

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

TOTAL SERIES 7 - 11	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(1,600,071)	$(2,029,209)	$(2,843,974)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	27,783	35,611	42,886
Accreted Interest Income on Investments in Securities	(97,360)	(102,721)	(106,601)
Equity in Losses of Project Partnerships	1,316,735	1,775,792	2,569,781
Interest Income from Redemption of Securities	86,030	73,236	58,710
Distributions Included in Other Income	(39,831)	(21,616)	(10,346)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	163,593	140,905	136,466
Net Cash Used in Operating Activities	(143,121)	(128,002)	(153,078)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	121,942	105,457	102,176
Redemption of Investment in Securities	116,970	120,764	121,290
Net Cash Provided by Investing Activities	238,912	226,221	223,466
Increase in Cash and Cash Equivalents	95,791	98,219	70,388
Cash and Cash Equivalents at Beginning of Year	1,514,730	1,416,511	1,346,123
Cash and Cash Equivalents at End of Year	$1,610,521	$1,514,730	$1,416,511

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2002, 2001 AND 2000

NOTE 1 - ORGANIZATION:

Gateway Tax Credit Fund III Ltd. ("Gateway"), a Florida Limited Partnership, was formed October 17, 1991 under the laws of Florida. Gateway offered its limited partnership interests in Series. The first Series for Gateway is Series 7. Operations commenced on July 16, 1992 for Series 7, January 4, 1993 for Series 8, September 30, 1993 for Series 9, January 21, 1994 for Series 10 and April 29, 1994 for Series 11. Each Series invests, as a limited partner, in other limited partnerships ("Project Partnerships"), each of which owns and operates 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. As of March 31, 2002, Gateway had received capital contributions of $1,000 from the General Partners and $36,799,000 from the investor Limited Partners.

Raymond James Partners, Inc. and Raymond James Tax Credit Funds, Inc., wholly-owned subsidiaries of Raymond James Financial, Inc., are the General Partner and Managing General Partner, respectively. The Managing General Partner manages and controls the business of Gateway.

Gateway received capital contributions of $10,395,000, $9,980,000, $6,254,000, $5,043,000 and $5,127,000 from the investor Limited Partners in Series 7, 8, 9, 10 and 11, respectively. Each Series will be treated as though it were a separate partnership, investing in a separate and distinct pool of Project Partnerships. Income or loss and all tax items from the Project Partnerships acquired by each Series will be specifically allocated among the limited partners of such Series.

Operating profits and losses, cash distributions from operations and Tax Credits from each Series are generally allocated 99% to the Limited Partners in that Series and 1% to the General Partners. Profit or loss and cash distributions from sales of property by each Series are allocated as formulated in the Limited Partnership Agreement.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

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

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

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

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

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

Amortization is calculated on a straight line basis over 35 years, as this is the average estimated useful life of the underlying assets. The amortization expense is shown on the Statements of Operations.

Pursuant to the limited partnership agreements for the Project Partnerships, cash losses generated by the Project Partnerships are allocated to the general partners of those partnerships. In subsequent years, cash profits, if any, are first allocated to the general partners to the extent of the allocation of prior years' cash losses.

Since Gateway invests as a limited partner, and therefore is not obligated to fund losses or make additional capital contributions, it does not recognize losses from individual Project Partnerships to the extent that these losses would reduce the investment in those Project Partnerships below zero. The suspended losses will be used to offset future income from the individual Project Partnerships.

Gateway reviews its investments in Project Partnerships to determine if there has been any permanent impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If the sum of the expected future cash flows is less than the carrying amount of the investment, Gateway recognizes an impairment loss. No impairment loss has been recognized in the accompanying financial statements.

Gateway, as a limited partner in the Project Partnerships, is subject to risks inherent in the ownership of property which are beyond its control, such as fluctuations in occupancy rates and operating expenses, variations in rental schedules, proper maintenance and continued eligibility of tax credits. If the cost of operating a property exceeds the rental income earned thereon, Gateway may deem it in its best interest to voluntarily provide funds in order to protect its investment.

Cash and Cash Equivalents

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

Concentrations of Credit Risk

Financial instruments which potentially subject Gateway to concentrations of credit risk consist of cash investments in a money market mutual fund that is a wholly-owned subsidiary of Raymond James Financial, Inc.

Use of Estimates in the Preparation of Financial Statements

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

Investment in Securities

Effective April 1, 1994, Gateway adopted Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities ("FAS 115"). Under FAS 115, Gateway is required to categorize its debt securities as held-to-maturity, available-for-sale or trading securities, dependent upon Gateway's intent in holding the securities. Gateway's intent is to hold all of its debt securities (U. S. Treasury Security Strips) until maturity and to use these reserves to fund Gateway's ongoing operations. Interest income is recognized ratably on the U.S. Treasury Strips using the effective yield to maturity.

Offering and Commission Costs

Offering and commission costs are charged against Limited Partners' Equity upon admission of Limited Partners.

Income Taxes

No provision for income taxes has been made in these financial statements, as income taxes are a liability of the partners rather than of Gateway.

Reclassifications

For comparability, the 2000 and 2001 figures have been reclassified, where appropriate, to conform with the financial statement presentation used in 2002.

NOTE 3 - INVESTMENT IN SECURITIES:

The March 31, 2002 Balance Sheet includes Investment in Securities consisting of U.S. Treasury Security Strips which represents their cost, plus accreted interest income of $173,648 for Series 7, $152,244 for Series 8, $90,029 for Series 9, $81,136 for Series 10 and $93,656 for Series 11.

	Estimated Market Value	Cost Plus Accreted Interest	Gross Unrealized Gains and (Losses)
Series 7	$ 448,000	$ 349,760	$ 98,240
Series 8	420,000	331,606	88,394
Series 9	287,000	224,916	62,084
Series 10	257,000	189,635	67,365
Series 11	296,000	212,848	83,152

As of March 31, 2002, the cost and accreted interest of debt securities by contractual maturities is as follows:

	Series 7	Series 8	Series 9
Due within 1 year	$ 60,470	$ 55,888	$ 33,325
After 1 year through 5 years	233,621	221,398	130,147
After 5 years through 10 years	55,669	54,320	61,444
Total Amount Carried on Balance Sheet	$ 349,760	$ 331,606	$ 224,916

	Series 10	Series 11	Total
Due within 1 year	$ 25,668	$ 28,271	$ 203,622
After 1 year through 5 years	95,874	109,409	790,449
After 5 years through 10 years	68,093	75,168	314,694
Total Amount Carried on Balance Sheet	$ 189,635	$ 212,848	$1,308,765

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.

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

For the periods ended March 31, 2002, 2001, and 2000 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 receive an annual asset management fee equal to the greater of (i) $2,000 for each limited partnership in which Gateway invests, as adjusted by the Consumer Price Index, or (ii) 0.275% of Gateway's gross proceeds from the sale of limited partnership interests. In either event (i) or (ii), the maximum amount may not exceed 0.2% of the aggregate cost (Gateway's capital contribution plus Gateway's share of the Properties' mortgage) of Gateway's interest in properties 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 Statement of Operations.

	2002	2001	2000
Series 7	$ 87,394	$ 87,683	$ 87,952
Series 8	91,032	91,364	91,655
Series 9	50,027	50,178	50,319
Series 10	34,115	34,212	34,309
Series 11	28,770	29,087	28,465
Total	$ 291,338	$ 292,524	$ 292,700

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 Statement of Operations.

	2002	2001	2000
Series 7	$ 20,917	$ 16,312	$ 14,609
Series 8	23,062	17,985	16,108
Series 9	12,872	10,038	8,991
Series 10	8,045	6,274	5,619
Series 11	6,436	5,019	4,495
Total	$ 71,332	$ 55,628	$ 49,822

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

SERIES 7

As of March 31, 2002, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 39 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, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 7,732,089	$ 7,732,089
Cumulative equity in losses of Project Partnerships (1)	(6,725,125)	(6,407,829)
Cumulative distributions received from Project Partnerships	(190,234)	(177,311)
Investment in Project Partnerships before Adjustment	816,730	1,146,949
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	793,335	793,335
Accumulated amortization of acquisition fees and expenses	(173,218)	(166,533)
Investments in Project Partnerships	$ 1,436,847	$ 1,773,751

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $1,932,905 for the year ended March 31, 2002 and cumulative suspended losses of $1,220,839 for the year ended March 31, 2001 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 8

As of March 31, 2002, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 43 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, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 7,586,105	$ 7,586,105
Cumulative equity in losses of Project Partnerships (1)	(7,221,095)	(6,948,856)
Cumulative distributions received from Project Partnerships	(152,130)	(143,214)
Investment in Project Partnerships before Adjustment	212,880	494,035
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	549,773	549,773
Accumulated amortization of acquisition fees and expenses	(108,084)	(103,345)
Investments in Project Partnerships	$ 654,569	$ 940,463

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $2,199,653 for the year ended March 31, 2002 and cumulative suspended losses of $1,367,552 for the year ended March 31, 2001 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 9

As of March 31, 2002, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 24 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, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 4,914,116	$ 4,914,116
Cumulative equity in losses of Project Partnerships (1)	(3,490,627)	(3,135,390)
Cumulative distributions received from Project Partnerships	(110,670)	(101,009)
Investment in Project Partnerships before Adjustment	1,312,819	1,677,717
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	244,087	244,087
Accumulated amortization of acquisition fees and expenses	(50,462)	(47,208)
Investments in Project Partnerships	$ 1,506,444	$ 1,874,596

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $579,368 for the year ended March 31, 2002 and cumulative suspended losses of $279,195 for the year ended March 31, 2001 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 10

As of March 31, 2002, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 15 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, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 3,914,672	$ 3,914,672
Cumulative equity in losses of Project Partnerships (1)	(1,696,369)	(1,504,507)
Cumulative distributions received from Project Partnerships	(137,244)	(115,357)
Investment in Project Partnerships before Adjustment	2,081,059	2,294,808
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	196,738	196,738
Accumulated amortization of acquisition fees and expenses	(45,069)	(40,259)
Investments in Project Partnerships	$ 2,232,728	$ 2,451,287

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $60,069 for the year ended March 31, 2002 and cumulative suspended losses of $0 for the year ended March 31, 2001 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 11

As of March 31, 2002, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 12 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, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 4,128,042	$ 4,128,042
Cumulative equity in losses of Project Partnerships	(1,123,530)	(943,431)
Cumulative distributions received from Project Partnerships	(123,651)	(94,923)
Investment in Project Partnerships before Adjustment	2,880,861	3,089,688
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	290,335	290,335
Accumulated amortization of acquisition fees and expenses	(59,636)	(51,342)
Investments in Project Partnerships	$ 3,111,560	$ 3,328,681

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

The following is a summary of Investments in Project Partnerships:

TOTAL SERIES 7 - 11	MARCH 31, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$28,275,024	$28,275,024
Cumulative equity in losses of Project Partnerships	(20,256,746)	(18,940,013)
Cumulative distributions received from Project Partnerships	(713,929)	(631,814)
Investment in Project Partnerships before Adjustment	7,304,349	8,703,197
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	2,074,268	2,074,268
Accumulated amortization of acquisition fees and expenses	(436,469)	(408,687)
Investments in Project Partnerships	$ 8,942,148	$10,368,778

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

	DECEMBER 31,		
SERIES 7	2001	2000	1999
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 3,400,437	$ 3,324,385	$ 3,174,516
Investment properties, net	32,420,081	33,782,091	35,142,349
Other assets	10,935	10,922	28,061
Total assets	$35,831,453	$37,117,398	$38,344,926
Liabilities and Partners' Equity:			
Current liabilities	$ 881,958	$ 902,946	$ 900,937
Long-term debt	36,328,189	36,474,343	36,610,170
Total liabilities	37,210,147	37,377,289	37,511,107
Partners' equity			
Gateway	(1,213,146)	(147,086)	899,796
General Partners	(165,548)	(112,805)	(65,977)
Total Partners' equity	(1,378,694)	(259,891)	833,819
Total liabilities and partners' equity	$35,831,453	$37,117,398	$38,344,926
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 5,997,121	$ 5,883,288	$ 5,950,865
Expenses:			
Operating expenses	3,092,324	2,934,848	2,715,749
Interest expense	2,486,595	2,496,733	2,609,929
Depreciation and amortization	1,457,962	1,466,589	1,502,758
Total expenses	7,036,881	6,898,170	6,828,436
Net loss	$(1,039,760)	$(1,014,882)	$ (877,571)
Other partners' share of net loss	$ (10,398)	$ (10,149)	$ (8,975)
Partnership’s share of net loss	$(1,029,362)	$(1,004,733)	$ (868,596)
Suspended losses	712,066	570,272	396,875
Equity in Losses of Project Partnerships	$ (317,296)	$ (434,461)	$ (471,721)

As of December 31, 2001, the largest Project Partnership constituted 5.2% and 5.4%, and as of December 31, 2000 the largest Project Partnership constituted 5.3% and 5.3% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

	DECEMBER 31, 2001	2000	1999
SERIES 8			
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 3,022,526	$ 2,897,105	$ 2,763,988
Investment properties, net	34,249,319	35,691,339	37,198,365
Other assets	27,071	27,518	43,163
Total assets	$37,298,916	$38,615,962	$40,005,516
Liabilities and Partners' Equity:			
Current liabilities	$ 1,241,513	$ 1,215,026	$ 1,230,881
Long-term debt	38,312,780	38,480,477	38,627,538
Total liabilities	39,554,293	39,695,503	39,858,419
Partners' equity			
Gateway	(1,790,759)	(662,872)	329,035
General Partners	(464,618)	(416,669)	(181,938)
Total Partners' equity	(2,255,377)	(1,079,541)	147,097
Total liabilities and partners' equity	$37,298,916	$38,615,962	$40,005,516
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 5,945,510	$ 5,851,713	$ 5,939,426
Expenses:			
Operating expenses	3,035,450	2,911,723	2,693,468
Interest expense	2,506,737	2,524,343	2,746,735
Depreciation and amortization	1,522,646	1,578,473	2,101,828
Total expenses	7,064,833	7,014,539	7,542,031
Net loss	$(1,119,323)	$(1,162,826)	$(1,602,605)
Other partners' share of net loss	$ (14,981)	$ (16,000)	$ (13,930)
Partnership’s share of net loss	$(1,104,342)	$(1,146,826)	$(1,588,675)
Suspended losses	832,101	689,097	429,743
Equity in Losses of Project Partnerships	$ (272,241)	$ (457,729)	$(1,158,932)

As of December 31, 2001, the largest Project Partnership constituted 5.6% and 5.7%, and as of December 31, 2000 the largest Project Partnership constituted 5.6% and 5.8% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

	DECEMBER 31, 2001	2000	1999
SERIES 9			
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 1,681,955	$ 1,714,614	$ 1,649,874
Investment properties, net	19,435,536	20,194,773	20,988,415
Other assets	6,026	5,979	4,865
Total assets	$21,123,517	$21,915,366	$22,643,154
Liabilities and Partners' Equity:			
Current liabilities	$ 327,147	$ 340,274	$ 337,306
Long-term debt	20,302,379	20,378,805	20,450,051
Total liabilities	20,629,526	20,719,079	20,787,357
Partners' equity			
Gateway	699,416	1,370,557	2,011,160
General Partners	(205,425)	(174,270)	(155,363)
Total Partners' equity	493,991	1,196,287	1,855,797
Total liabilities and partners' equity	$21,123,517	$21,915,366	$22,643,154
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 3,063,822	$ 3,022,359	$ 2,998,599
Expenses:			
Operating expenses	1,563,587	1,453,869	1,395,335
Interest expense	1,341,565	1,352,043	1,353,859
Depreciation and amortization	820,700	832,666	842,272
Total expenses	3,725,852	3,638,578	3,591,466
Net loss	$ (662,030)	$ (616,219)	$ (592,867)
Other partners' share of net loss	$ (6,620)	$ (6,162)	$ (17,514)
Partnership's share of net loss	$ (655,410)	$ (610,057)	$ (575,353)
Suspended losses	300,173	200,607	78,588
Equity in Losses of Project Partnerships	$ (355,237)	$ (409,450)	$ (496,765)

As of December 31, 2001, the largest Project Partnership constituted 10.7 % and 8.5%, and as of December 31, 2000 the largest Project Partnership constituted 7.5% and 7.1% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

	DECEMBER 31, 2001	2000	1999
SERIES 10			
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 1,496,692	$ 1,363,874	$ 1,294,767
Investment properties, net	13,881,402	14,326,922	14,764,707
Other assets	2,779	2,972	3,460
Total assets	$15,380,873	$15,693,768	$16,062,934
Liabilities and Partners' Equity:			
Current liabilities	$ 312,885	$ 277,628	$ 251,800
Long-term debt	13,275,761	13,324,659	13,373,440
Total liabilities	13,588,646	13,602,287	13,625,240
Partners' equity			
Gateway	2,032,117	2,299,451	2,608,619
General Partners	(239,890)	(207,970)	(170,925)
Total Partners' equity	1,792,227	2,091,481	2,437,694
Total liabilities and partners' equity	$15,380,873	$15,693,768	$16,062,934
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 1,886,324	$ 1,826,336	$ 1,907,138
Expenses:			
Operating expenses	999,409	961,097	943,618
Interest expense	664,466	665,521	764,983
Depreciation and amortization	478,396	496,926	502,179
Total expenses	2,142,271	2,123,544	2,210,780
Net loss	$ (255,947)	$ (297,208)	$ (303,642)
Other partners' share of net loss	$ (4,016)	$ (4,461)	$ (4,460)
Partnership’s share of net loss	$ (251,931)	$ (292,747)	$ (299,182)
Suspended losses	60,069	0	0
Equity in Losses of Project Partnerships	$ (191,862)	$ (292,747)	$ (299,182)

As of December 31, 2001, the largest Project Partnership constituted 11.0% and 12.9%, and as of December 31, 2000 the largest Project Partnership constituted 11.0% and 12.8% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 11	DECEMBER 31, 2001	2000	1999
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 1,210,403	$ 1,225,996	$ 1,150,315
Investment properties, net	12,138,184	12,613,456	13,078,577
Other assets	56,436	12,136	15,108
Total assets	$13,405,023	$13,851,588	$14,244,000
Liabilities and Partners' Equity:			
Current liabilities	$ 311,045	$ 316,341	$ 339,188
Long-term debt	10,360,413	10,520,430	10,630,905
Total liabilities	10,671,458	10,836,771	10,970,093
Partners' equity			
Limited Partner	2,890,186	3,098,992	3,295,200
General Partners	(156,621)	(84,175)	(21,293)
Total Partners' equity	2,733,565	3,014,817	3,273,907
Total liabilities and partners' equity	$13,405,023	$13,851,588	$14,244,000
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 1,738,366	$ 1,652,984	$ 1,731,125
Expenses:			
Operating expenses	943,728	861,060	849,882
Interest expense	463,182	471,257	522,499
Depreciation and amortization	524,869	516,766	516,489
Total expenses	1,931,779	1,849,083	1,888,870
Net loss	$ (193,413)	$ (196,099)	$ (157,745)
Other partners' share of net loss	$ (13,314)	$ (14,694)	$ (14,564)
Partnership’s share of net loss	$ (180,099)	$ (181,405)	$ (143,181)
Suspended losses	0	0	0
Equity in Losses of Project Partnerships	$ (180,099)	$ (181,405)	$ (143,181)

As of December 31, 2001, the largest Project Partnership constituted 21.1% and 20.7%, and as of December 31, 2000 the largest Project Partnership constituted 20.5% and 20.8% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

	DECEMBER 31, 2001	2000	1999
TOTAL SERIES 7 - 11			
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 10,812,013	$ 10,525,974	$ 10,033,460
Investment properties, net	112,124,522	116,608,581	121,172,413
Other assets	103,247	59,527	94,657
Total assets	$123,039,782	$127,194,082	$131,300,530
Liabilities and Partners' Equity:			
Current liabilities	$ 3,074,548	$ 3,052,215	$ 3,060,112
Long-term debt	118,579,522	119,178,714	119,692,104
Total liabilities	121,654,070	122,230,929	122,752,216
Partners' equity			
Limited Partner	2,617,814	5,959,042	9,143,810
General Partners	(1,232,102)	(995,889)	(595,496)
Total Partners' equity	1,385,712	4,963,153	8,548,314
Total liabilities and partners' equity	$123,039,782	$127,194,082	$131,300,530
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 18,631,143	$ 18,236,680	$ 18,527,153
Expenses:			
Operating expenses	9,634,498	9,122,597	8,598,052
Interest expense	7,462,545	7,509,897	7,998,005
Depreciation and amortization	4,804,573	4,891,420	5,465,526
Total expenses	21,901,616	21,523,914	22,061,583
Net loss	$(3,270,473)	$(3,287,234)	$(3,534,430)
Other partners' share of net loss	$ (49,329)	$ (51,466)	$ (59,443)
Partnership’s share of net loss	$(3,221,144)	$(3,235,768)	$(3,474,987)
Suspended losses	1,904,409	1,459,976	905,206
Equity in Losses of Project Partnerships	$(1,316,735)	$(1,775,792)	$(2,569,781)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

The Partnership's equity by Series as reflected by the Project Partnerships differs from the Partnership's Investments in Partnerships before acquisition fees and expenses and amortization by Series primarily because of suspended losses on the Partnership's books.

	Equity Per Project Partnership	Equity Per Partnership
Series 7	$(1,213,146)	$ 816,730
Series 8	(1,790,759)	212,880
Series 9	699,416	1,312,820
Series 10	2,032,117	2,081,059
Series 11	2,890,186	2,880,861

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 7	2002	2001	2000
Net Loss per Financial Statements	$(390,210)	$(508,769)	$(555,736)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(882,199)	(787,758)	(606,891)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(20,798)	(5,087)	(7,940)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	40,604	43,842	44,358
Amortization Expense	20,227	11,739	15,651
Partnership loss for tax purposes as of December 31	$(1,232,376)	$(1,246,033)	$(1,110,558)
	December 31, 2001	December 31, 2000	December 31, 1999
Federal Low Income Housing Tax Credits (Unaudited)	$ 1,695,195	$ 1,695,199	$ 1,695,195

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$1,436,847	$(1,863,148)	$ 3,299,995
Other Assets	$ 734,386	$ 1,910,471	$(1,176,085)
Liabilities	$ 465,169	$ 9,899	$ 455,270

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 8	2002	2001	2000
Net Loss per Financial Statements	$ (365,765)	$ (539,766)	$(1,247,292)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(1,002,523)	(819,558)	(48,737)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	1,017	(433)	(8,158)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	46,564	47,922	48,979
Amortization Expense	6,135	6,067	15,647
Partnership loss for tax purposes as of December 31	$(1,314,572)	$(1,305,768)	$(1,239,561)
	December 31, 2001	December 31, 2000	December 31, 1999
Federal Low Income Housing Tax Credits (Unaudited)	$ 1,620,507	$ 1,620,506	$ 1,620,508

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 654,569	$(2,260,786)	$ 2,915,355
Other Assets	$ 787,962	$ 1,961,746	$(1,173,784)
Liabilities	$ 519,387	$ 10,776	$ 508,611

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 9	2002	2001	2000
Net Loss per Financial Statements	$ (407,619)	$ (457,177)	$ (547,924)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(420,765)	(328,207)	(214,022)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(502)	(938)	(2,265)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	32,339	32,760	31,864
Amortization Expense	3,677	4,780	8,602
Partnership loss for tax purposes as of December 31	$ (792,870)	$ (748,782)	$ (723,745)

	December 31, 2001	December 31, 2000	December 31, 1999
Federal Low Income Housing Tax Credits (Unaudited)	$ 968,960	$ 968,961	$ 968,960

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 1,506,444	$ 50,979	$ 1,455,465
Other Assets	$ 476,247	$ 1,216,153	$ (739,906)
Liabilities	$ 313,821	$ 6,150	$ 307,671

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 10	2002	2001	2000
Net Loss per Financial Statements	$ (227,243)	$ (321,107)	$ (328,409)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(221,853)	(163,670)	(154,419)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	1,745	863	628
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	7,995	6,943	6,488
Amortization Expense	5,625	5,619	4,931
Partnership loss for tax purposes as of December 31	$ (433,731)	$ (471,352)	$ (470,781)

	December 31, 2001	December 31, 2000	December 31, 1999
Federal Low Income Housing Tax Credits (Unaudited)	$ 762,218	$ 762,217	$ 762,218

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 2,232,728	$ 1,050,099	$ 1,182,629
Other Assets	$ 441,784	$ 1,027,419	$ (585,635)
Liabilities	$ 106,943	$ 4,117	$ 102,826

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 11	2002	2001	2000
Net Loss per Financial Statements	$ (209,234)	$ (202,390)	$ (164,613)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(40,367)	(63,857)	(54,220)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	2,828	494	(2,978)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	(1,563)	202	(1,697)
Amortization Expense	8,297	8,291	11,962
Partnership loss for tax purposes as of December 31	$ (240,039)	$ (257,260)	$ (211,546)

	December 31, 2001	December 31, 2000	December 31, 1999
Federal Low Income Housing Tax Credits (Unaudited)	$ 754,678	$ 754,677	$ 754,677

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 3,111,560	$ 2,777,060	$ 334,500
Other Assets	$ 478,907	$ 919,967	$ (441,060)
Liabilities	$ 51,436	$ 3,562	$ 47,874

NOTE 6 - TAXABLE INCOME (LOSS):

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

TOTAL SERIES 7 –11	2002	2001	2000
Net Loss per Financial Statements	$(1,600,071)	$(2,029,209)	$(2,843,974)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(2,567,707)	(2,163,050)	(1,078,289)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(15,710)	(5,101)	(20,713)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	125,939	131,669	129,992
Amortization Expense	43,961	36,496	56,793
Partnership loss for tax purposes as of December 31	$(4,013,588)	$(4,029,195)	$(3,756,191)

The difference in the total value of the Partnership's Investment in Project Partnerships is approximately $3,300,000 higher for Series 7, $2,915,000 higher for Series 8, $1,455,000 higher for Series 9, $1,183,000 higher for Series 10 and $335,000 higher for Series 11 for financial reporting purposes than for tax return purposes because (i) there were depreciation differences between financial reporting purposes and tax return purposes and (ii) certain expenses are not deductible for tax return purposes.

The differences in the assets and liabilities of the Fund for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 8,942,148	$ (245,796)	$ 9,187,944
Other Assets	$ 2,919,286	$ 7,035,756	$(4,116,470)
Liabilities	$ 1,456,756	$ 34,504	$ 1,422,252

NOTE 7 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED):

Series 7

Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 10,331	$ 9,588	$ 8,589	$ 32,301
Net Income (Loss)	$(104,287)	$(114,728)	$(104,218)	$ (66,977)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (9.93)	$ (11.04)	$ (9.81)	$ (6.38)

Series 8

Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 2/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 10,503	$ 9,489	$ 8,227	$ 17,436
Net Income (Loss)	$(123,048)	$ (72,011)	$(164,343)	$ (6,363)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (12.21)	$ (7.22)	$ (16.22)	$ (0.63)

Series 9

Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 6,012	$ 5,500	$ 4,861	$ 9,088
Net Income (Loss)	$ (88,925)	$(106,134)	$(143,554)	$ (69,006)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (14.08)	$ (16.80)	$ (22.72)	$ (10.93)

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

Series 10 Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 5,814	$ 5,332	$ 4,671	$ 3,976
Net Income (Loss)	$ (72,931)	$ (67,301)	$ (76,067)	$ (10,944)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (14.32)	$ (13.21)	$ (14.93)	$ (2.15)

Series 11 Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 6,582	$ 6,078	$ 5,375	$ 4,788
Net Income (Loss)	$ (28,796)	$ (68,003)	$ (46,937)	$ (65,498)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (5.56)	$ (13.13)	$ (9.06)	$ (12.65)

Series 7 - 11 Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 39,242	$ 35,987	$ 31,723	$ 67,589
Net Income (Loss)	$(417,987)	$(472,820)	$(490,476)	$(218,788)

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

Series 7 Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 11,720	$ 11,934	$ 11,622	$ 23,777
Net Income (Loss)	$(180,360)	$(225,497)	$ (32,627)	$ (70,285)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (17.18)	$ (21.47)	$ (3.11)	$ (6.69)

Series 8 Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 12,359	$ 12,650	$ 12,236	$ 18,323
Net Income (Loss)	$(168,048)	$(155,643)	$ (47,165)	$(168,910)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (16.67)	$ (15.44)	$ (4.68)	$ (16.75)

Series 9 Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 6,832	$ 7,015	$ 6,869	$ 8,152
Net Income (Loss)	$(157,151)	$(152,279)	$ (98,315)	$ (49,432)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (24.88)	$ (24.11)	$ (15.56)	$ (7.82)

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

Series 10 Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 6,779	$ 6,947	$ 6,721	$ 6,135
Net Income (Loss)	$(102,398)	$(122,831)	$ 914	$ (96,792)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (20.10)	$ (24.12)	$ (0.18)	$ (19.00)

Series 11 Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 7,456	$ 7,605	$ 7,404	$ 6,981
Net Income (Loss)	$ (65,832)	$ (93,747)	$ 28,984	$ (71,795)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (12.72)	$ (18.10)	$ 5.60	$ (13.86)

Series 7 - 11 Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 45,146	$ 46,151	$ 44,852	$ 63,368
Net Income (Loss)	$(673,789)	$(749,997)	$(148,209)	$(457,214)

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INDEPENDENT AUDITORS' REPORT

To the Partners
Maple Street Apartments Limited Partnership
Emporium, Pennsylvania

We have audited the accompanying balance sheets of Maple Street Apartments Limited Partnership, as of December 31, 2001 and 2000, the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maple Street Apartments Limited Partnership of December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 25, 2002 on our consideration of Maple Street Apartments Limited Partnership internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

/s/ Hill, Barth & King LLC
Certified Public Accountants

January 25, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Creekstone Apartments, L.P.

We have audited the accompanying balance sheets of CREEKSTONE APARTMENTS, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CREEKSTONE APARTMENTS, L.P. as of December 31, 2001 and 2000, and the results of its operations, its changes in partners equity (deficit), and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

/s/ Habif, Arogeti & Wynne, LLP
Certified Public Accountants

Atlanta, Georgia
January 25, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Gila Bend Housing, Ltd.
(An Arizona Limited Partnership)

We have audited the balance sheets of Gila Bend Housing, Ltd. (an Arizona Limited Partnership) as of December 31, 2001 and 2000 and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards,* issued by the Comptroller General of the United States, and the Farmers Home Administration regulations as set forth in the FmHA Audit Guide dated December, 1989, specifically, Attachment 2 relating to Rural Rental Housing Loans. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gila Bend Housing, Ltd. (An Arizona Limited Partnership) as of December 31, 2001 and 2000 and the results of its operations, changes in partners' equity (deficit) and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 24, 2002, on our consideration of the Partnership's internal controls and a report dated January 24, 2002, on its compliance with laws and regulations. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

This report is intended solely for the information of the Partners, management of Gila Bend Housing, Ltd. and for filing with RD and should not be used by anyone other than these specified parties.

/s/ Blackman & Associates, P.C.
Certified Public Accountants

January 24, 2002
Omaha, Nebraska

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INDEPENDENT AUDITORS' REPORT

To the Partners
Manchester Elderly Housing, L.L.P.

We have audited the accompanying balance sheets of MANCHESTER ELDERLY HOUSING, L.L.P. (USDA Rural Development Case No. 10-099-581965616), a limited partnership, as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MANCHESTER ELDERLY HOUSING, L.L.P. as of December 31, 2001and 2000, and the results of its operations, its changes in partners equity (deficit), and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 25, 2002, on our consideration of MANCHESTER ELDERLY HOUSING, L.L.P.'s internal control and a report dated January 25, 2002, on its compliance with laws and regulations applicable to the financial statements. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 12-14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Habif, Arogeti & Wynne, LLP
Certified Public Accountants

Atlanta, Georgia
January 25, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Meadow Run Apartments, L.P.
Valdosta, Georgia

We have audited the accompanying balance sheets of Meadow Run Apartments, L.P. (a limited partnership), Federal ID #:58-1994614, as of December 31, 2001 and 2000, and the related statements of income, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meadow Run Apartments, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued reports dated January 29, 2002, on our consideration of Meadow Run Apartments, L.P.'s internal control structure and its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Mt. Vernon Rental Housing, L.P.
Valdosta, Georgia

We have audited the accompanying balance sheets of Mt. Vernon Rental Housing, L.P. (a limited partnership), Federal ID #:58-1965613, as of December 31, 2001 and 2000, and the related statements of income, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mt. Vernon Rental Housing, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting standards generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued reports dated January 29, 2002, on our consideration of Mt. Vernon Rental Housing, L.P.'s internal control structure and a report dated January 29, 2002 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Lakeland II L.P.
Lakeland, Georgia

We have audited the accompanying balance sheets of Lakeland II, L.P. (a limited partnership), Federal ID #58-1965624, as of December 31, 2001 and 2000, and the related statements of income, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakeland II, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued reports dated January 29, 2002, on our consideration of Lakeland II, L.P.'s internal control structure and its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Blue Ridge Elderly Housing, L.P.
Valdosta, Georgia

We have audited the accompanying balance sheets of Blue Ridge Elderly Housing, L.P. (a limited partnership), Federal ID No.: 58-1936981 as of December 31, 2001 and 2000, and the related statements of income, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blue Ridge Elderly Housing, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with auditing standards generally accepted in the United States of America.

In accordance with Government Auditing Standards we have also issued a report dated January 29, 2002 on our consideration of Blue Ridge Elderly Housing, L.P.'s internal control structure and a report dated January 29, 2002 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Arbor Trace Apartments Phase II, L.P.
Lake Park, Georgia

We have audited the accompanying balance sheets of Arbor Trace Apartments Phase II, L.P. (a limited partnership), Federal ID No. 58-2032771 as of December 31, 2001 and 2000, and the related statements of income, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Arbor Trace Apartments Phase II, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 29, 2002 on our consideration of Arbor Trace Apartments Phase II, L.P.'s internal control structure and a report dated January 29, 2002 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Omega Rental Housing, L.P.

We have audited the accompanying balance sheets of OMEGA RENTAL HOUSING, L.P., (RHS Project No.11-037-582031602) as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OMEGA RENTAL HOUSING, L.P. as of December 31, 2001 and 2000, and the results of its operations, its changes in partners equity, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 18, 2002 on our consideration of OMEGA RENTAL HOUSING, L.P.'s internal control and a report dated January 18, 2002, on its compliance with laws and regulations applicable to the financial statements.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on page 11 - 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Habif, Arogeti & Wynne, LLP
Certified Public Accountants

Atlanta, Georgia
January 18, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Magnolia Place, L.P.

We have audited the accompanying balance sheets of MAGNOLIA PLACE, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MAGNOLIA PLACE, L.P. as of December 31, 2001 and 2000, and the results of its operations, its changes in partners’ equity, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

/s/ Habif, Arogeti & Wynne, LLP
Certified Public Accountants

Atlanta, Georgia
January 18, 2002

Baird, Kurtz & Dobson, LLP
5000 Rogers Avenue, Suite 700
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INDEPENDENT AUDITORS' REPORT

Partners
Antlers Properties I, A Limited Partnership
D/B/A Woodbine Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Antlers Properties I, A Limited Partnership, D/B/A Woodbine Apartments as of December 31, 2001 and 2000, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Antlers Properties I, A Limited Partnership, D/B/A Woodbine Apartments as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2002, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of the laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Meadowview Properties, A Limited Partnership
D/B/A Meadowview Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Meadowview Properties, A Limited Partnership, D/B/A Meadowview Apartments as of December 31, 2001 and 2000, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meadowview Properties, A Limited Partnership, D/B/A Meadowview Apartments as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2002, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of the laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

February 7, 2002

Eide Bailly LLP
200 E. 10th Street, Suite 500-P.O. Box 5126
Sioux Falls, SD 57117-5126
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FAX: 605-339-1306

INDEPENDENT AUDITORS' REPORT

The Partners
Sunrise I Apartments Limited Partnership
Sioux Falls, South Dakota

We have audited the accompanying balance sheets of **Sunrise I Apartments Limited Partnership** as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Sunrise I Apartments Limited Partnership** as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2002 on our consideration of **Sunrise I Apartments Limited Partnership's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on pages 11 and 12 is presented for the purposes of additional analysis and is not a required part of the financial statements of **Sunrise I Apartments Limited Partnership**. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Eide Bailly LLP
Certified Public Accountants

Sioux Falls, South Dakota
January 15, 2002

Miller & Rose, P.L.L.C.
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Searcy, AR 72143
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FAX: 501-268-9362

INDEPENDENT AUDITORS' REPORT

Partners
Pioneer Apartments, An Arkansas Limited Partnership
D/B/A Pioneer Apartments
351 E. 4th Street
Mountain Home, AR 72653

We have audited the accompanying financial statements of Pioneer Apartments, An Arkansas Limited Partnership D/B/A Pioneer Apartments as of December 31, 2001 and 2000, and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pioneer Apartments, An Arkansas Limited Partnership D/B/A Pioneer Apartments as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated March 7, 2002 on our consideration of Pioneer Apartments, An Arkansas Limited Partnership D/B/A Pioneer Apartments' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

/s/ Miller & Rose, P.L.L.C.
Certified Public Accountants

March 7, 2002

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FAX: 501-268-9362

INDEPENDENT AUDITORS' REPORT

Partners
Cardinal Apartments, An Arkansas Limited Partnership
D/B/A Cardinal Apartments
351 E. 4th Street
Mountain Home, AR 72653

We have audited the accompanying financial statements of Cardinal Apartments, An Arkansas Limited Partnership D/B/A Cardinal Apartments as of December 31, 2001 and 2000, and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cardinal Apartments, An Arkansas Limited Partnership, D/B/A Cardinal Apartments as of December 31, 2001 and 2000, 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.

/s/ Miller & Rose, P.L.L.C.
Certified Public Accountants

March 22, 2002

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PHONE: 336-294-4494
FAX: 336-547-0840

INDEPENDENT AUDITORS' REPORT

To the Partners
Peachtree Associates Limited Partnership
Charlotte, North Carolina

We have audited the accompanying balance sheets of Peachtree Associates Limited Partnership (a South Carolina limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peachtree Associates Limited Partnership as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2002, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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

January 31, 2002

Thomas C. Cunningham, CPA PC
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FAX: 276-669-5576

INDEPENDENT AUDITORS' REPORT

To the Partners
Mountain City Manor Limited Partnership

I have audited the accompanying balance sheets of Mountain City Manor Limited Partnership as of December 31, 2001 and 2000, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mountain City Manor Limited Partnership as of December 31, 2001 and 2000, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2002 on my consideration of Mountain City Manor Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

/s/ Thomas C. Cunningham, CPA PC
Certified Public Accountants

February 15, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Tazewell Village Limited Partnership

I have audited the accompanying balance sheets of Tazewell Village Limited Partnership as of December 31, 2001 and 2000, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tazewell Village Limited Partnership as of December 31, 2001 and 2000, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2002 on my consideration of Tazewell Village Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

/s/ Thomas C. Cunningham, CPA PC
Certified Public Accountants

February 15, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Jamestown Village Limited Partnership

I have audited the accompanying balance sheets of Jamestown Village Limited Partnership as of December 31, 2001 and 2000, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jamestown Village Limited Partnership as of December 31, 2001 and 2000, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2002 on my consideration of Jamestown Village Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

/s/ Thomas C. Cunningham, CPA PC
Certified Public Accountants

February 15, 2002

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FAX: 276-669-5576

INDEPENDENT AUDITORS' REPORT

To the Partners
Clinchview Manor Limited Partnership

I have audited the accompanying balance sheets of Clinchview Manor Limited Partnership as of December 31, 2001 and 2000, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clinchview Manor Limited Partnership as of December 31, 2001 and 2000, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2002 on my consideration of Clinchview Manor Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

/s/ Thomas C. Cunningham, CPA PC
Certified Public Accountants

February 15, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Warsaw Manor Limited Partnership

I have audited the accompanying balance sheets of Warsaw Manor Limited Partnership as of December 31, 2001 and 2000, and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warsaw Manor Limited Partnership as of December 31, 2001 and 2000, and the results of its operations, changes in partners' equity, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2002 on my consideration of Warsaw Manor Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

/s/ Thomas C. Cunningham, CPA PC
Certified Public Accountant

February 15, 2002

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FAX: 512-338-5395

INDEPENDENT AUDITORS' REPORT

To The Partners
Elsa Retirement, Ltd.-(A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Elsa Retirement, Ltd.- (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the related statements of income (loss), partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Elsa Retirement, Ltd.-(A Texas Limited Partnership) as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with Generally Accepted Accounting Principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 30, 2002, on our consideration of the internal control structure of Elsa Retirement, Ltd.-(A Texas Limited Partnership)and a report dated January 30, 2002, on its compliance with laws and regulations.

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

Austin, Texas
January 30, 2002

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FAX: 512-338-5395

INDEPENDENT AUDITORS' REPORT

To The Partners
Dilley Retirement, Ltd.-(A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Dilley Retirement, Ltd. (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the related statements of income (loss), partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dilley Retirement, Ltd. (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with Generally Accepted Accounting Principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 25, 2002, on our consideration of the internal control structure of Dilley Retirement, Ltd.-(A Texas Limited Partnership) and a report dated January 25, 2002, on its compliance with laws and regulations.

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

Austin, Texas
January 25, 2002

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INDEPENDENT AUDITORS' REPORT

To The Partners
Taylor Retirement, Ltd.-(A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Taylor Retirement, Ltd. (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the related statements of income (loss) and partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Taylor Retirement, Ltd.- (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with Generally Accepted Accounting Principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 25, 2002, on our consideration of the internal control structure of Taylor Retirement, Ltd.-(A Texas Limited Partnership)and a report dated January 25, 2002, on its compliance with laws and regulations.

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

Austin, Texas
January 25, 2002

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INDEPENDENT AUDITORS' REPORT

To The Partners
Donna Retirement, Ltd.-(A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Donna Retirement, Ltd.- (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the related statements of income (loss), partners' equity, and cash flows for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Donna Retirement, Ltd.- (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with Generally Accepted Accounting Principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 2002, on our consideration of the internal control structure of Donna Retirement, Ltd.- (A Texas Limited Partnership)and a report dated January 24, 2002, on its compliance with laws and regulations.

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

Austin, Texas
January 24, 2002

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Savannah, GA 31406
PHONE: 912-354-2334
FAX: 912-354-2443

INDEPENDENT AUDITORS' REPORT

To The Partners
Brooks Lane Apartments, L.P.

We have audited the accompanying balance sheets of BROOKS LANE APARTMENTS, L.P., as of December 31, 2001 and 2000 and the related statement of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of The Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BROOKS LANE APARTMENTS, L.P., as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 15, 2002, on our consideration of BROOKS LANE APARTMENTS, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of BROOKS LANE APARTMENTS, L.P., taken as a whole. The supplemental information on pages 9 through 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ David G. Pelliccione, C.P.A., P.C.
Certified Public Accountants

Savannah, Georgia
February 15, 2002

David G. Pelliccione, C.P.A., P.C.
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INDEPENDENT AUDITORS' REPORT

To The Partners
Brooks Field Apartments, L.P.

We have audited the accompanying balance sheets of BROOKS FIELD APARTMENTS, L.P., as of December 31, 2001 and 2000 and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of The Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BROOKS FIELD APARTMENTS, L.P., as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 15, 2002, on our consideration of BROOKS FIELD APARTMENTS, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of BROOKS FIELD APARTMENTS, L.P., taken as a whole. The supplemental information on pages 9 through 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ David G. Pelliccione, C.P.A., P.C.
Certified Public Accountants

Savannah, Georgia
February 15, 2002

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INDEPENDENT AUDITORS' REPORT

To The Partners
Brooks Point Apartments, L.P.

We have audited the accompanying balance sheets of BROOKS POINT APARTMENTS, L.P., as of December 31, 2001 and 2000, and the related statements of operations, partners' equity and cash flow for the years then ended. These financial statements are the responsibility of The Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BROOKS POINT APARTMENTS, L.P., as of December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 15, 2002, on our consideration of BROOKS POINT APARTMENTS, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of BROOK POINT APARTMENTS, L.P., taken as a whole. The supplemental information on pages 9 through 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ David G. Pelliccione, C.P.A., P.C.
Certified Public Accountants

Savannah, Georgia
February 15, 2002

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FAX: 517-347-5007

INDEPENDENT AUDITORS' REPORT

Partners
Mariner Cove Apartments Limited Partnership
DeWitt, Michigan

We have audited the accompanying balance sheets of Mariner Cove Apartments Limited Partnership as of December 31, 2001 and 2000, and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mariner Cove Apartments Limited Partnership as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 6, 2002, on our consideration of Mariner Cove Apartments Limited Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report considering the results of our audit.

/s/ McCartney & Company, P.C.
Certified Public Accountants

March 6, 2002

Simmons and Clubb
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INDEPENDENT AUDITORS' REPORT

General Partner
South Brenchley Housing Limited Partnership
Boise, Idaho

We have audited the accompanying balance sheets of South Brenchley Housing Limited Partnership as of December 31, 2001 and 2000, and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Brenchley Housing Limited Partnership as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 19, 2002, on our consideration of South Brenchley's internal control structure, and a report dated January 19, 2002, on its compliance with specific requirements applicable to major programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The partnership's tax returns have been filed allowing the partners to claim a benefit of a low income housing tax credit. Because the compliance and qualification standards of the low income tax housing tax credit are not related to the interest credit agreement and loan agreement, and because the low income housing tax credit relates to income taxes which are the responsibility of each individual partner, the scope of our audit was not designed or intended to audit the partnerships compliance with the low income housing tax credit laws. Accordingly, our audit cannot be relied upon to give assurance with regard to the partnerships compliance with any of the low income housing tax credit laws.

/s/ Roger Clubb
Simmons and Clubb
Certified Public Accountants

Boise, Idaho
January 19, 2002

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INDEPENDENT AUDITORS' REPORT

TO THE PARTNERS
HOMESTEAD WEST LIMITED PARTNERSHIP

We have audited the accompanying balance sheets of Homestead West Limited Partnership, as of December 31, 2001 and 2000 and the related statements of income, changes in partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's Management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Homestead West Limited Partnership, as of December 31, 2001 and 2000 and the results of its operations, changes in partners' capital, and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our reports dated February 4, 2002 on our consideration of Homestead West Limited Partnership's internal control and on its compliance with laws and regulations.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information shown on pages 13 through 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements of Homestead West Limited Partnership. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Gubler and Carter, P.C.
Certified Public Accountants
Salt Lake City, Utah
February 4, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Louisa Senior Apartments, Ltd.

Rural Development
Morehead, Kentucky

We have audited the accompanying balance sheets of Louisa Senior Apartments, Ltd., (a limited partnership) Case No. 20-064-407447188, as of December 31, 2001and 2000 and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisa Senior Apartments, Ltd. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2002 on our consideration of Louisa Senior Apartments, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

/s/ Miller, Mayer, Sullivan & Stevens, LLP
Certified Public Accountants

Lexington, Kentucky
January 30, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Wells Hill Apartments, Ltd.

Rural Development
Morehead, Kentucky

We have audited the accompanying balance sheets of Wells Hill Apartments, Ltd., (a limited partnership) Case No. 20-086-611204241, as of December 31, 2001 and 2000 and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wells Hill Apartments, Ltd. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2002 on our consideration of Wells Hill Apartments, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental data included in this report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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/ Miller, Mayer, Sullivan & Stevens LLP
Certified Public Accountants

Lexington, Kentucky
January 31, 2002

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INDEPENDENT AUDITORS' REPORT

The Partners
Lincoln, Ltd.
Pierre, South Dakota

We have audited the accompanying balance sheets of **Lincoln, Ltd.** (a limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Lincoln, Ltd.** as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2002 on our consideration of **Lincoln, Ltd.'s** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

/s/ Eide Bailly LLP
Certified Public Accountants

Sioux Falls, South Dakota
January 24, 2002

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INDEPENDENT AUDITORS' REPORT

The Partners
Courtyard, Ltd.
Huron, South Dakota

We have audited the accompanying balance sheets of **Courtyard, Ltd.** (a limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Courtyard, Ltd.** as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2002, on our consideration of **Courtyard, Ltd.'s** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on pages 13 and 14 is presented for purposes of additional analysis and is not a required part of the financial statements of **Courtyard, Ltd.** Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Eide Bailly LLP
Certified Public Accountants

Sioux Falls, South Dakota
January 28, 2002

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INDEPENDENT AUDITORS' REPORT

The Partners
Leander Housing 1990, Ltd.
Leander, Texas

We have audited the accompanying balance sheet of Leander Housing 1990, Ltd. (a Texas limited partnership) as of December 31, 2001 and 2000 and the related statements of operations, partners' capital (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Leander Housing 1990, Ltd. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Governmental Auditing Standards, we have also issued our report dated January 30, 2002, on our consideration of Leander Housing 1990, Ltd.'s internal control and on its compliance with laws and regulations applicable to the financial statements. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 9 through 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information presented in the Year End Report/Analysis (Form FmHA 1930-8); the Statement of Actual Budget and Income (Form FmHA 1930-7) for the year ended December 31, 2001, and the Supplemental Data Required by USDA Rural Development, is presented for purposes of complying with the requirements of USDA Rural Development and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Brockway, Gersbach, McKinnon & Niemeier, P.C.
Certified Public Accountants

January 30, 2002

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INDEPENDENT AUDITORS' REPORT

**To the General Partners of
Pleasant Valley Apartments, L.P.:**

We have audited the accompanying balance sheets of Pleasant Valley Apartments, L.P. as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pleasant Valley Apartments, L.P. as of December 31, 2001 and 2000, and the results of its operations, changes in partners' equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2002, on our consideration of the partnership's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Johnson, Hickey & Murchison, P.C.
Certified Public Accountants

January 17, 2002

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INDEPENDENT AUDITORS' REPORT

**To the General Partners of
Brookwood Apartments, L.P.:**

We have audited the accompanying balance sheets of Brookwood Apartments, L.P. as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookwood Apartments, L.P. as of December 31, 2001 and 2000, and the results of its operations, changes in partners' equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2002, on our consideration of the partnership's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Johnson, Hickey & Murchison, P.C.
Certified Public Accountants

January 15, 2002

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INDEPENDENT AUDITORS' REPORT

To the General Partners of
River Rest Apartments, L.P.:

We have audited the accompanying balance sheets of River Rest Apartments, L.P. as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of River Rest Apartments, L.P. as of December 31, 2001 and 2000, and the results of its operations, changes in partners' equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2002, on our consideration of the partnership's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Johnson, Hickey & Murchison, P.C.
Certified Public Accountants

January 17, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Royston Elderly Housing, L.P.

We have audited the accompanying balance sheets of ROYSTON ELDERLY HOUSING, L.P. (USDA Rural Development Case No. 10-059-582088484), a limited partnership, as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ROYSTON ELDERLY HOUSING, L.P. as of December 31, 2001 and 2000, and the results of its operations, its changes in partners’ equity (deficit), and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 25, 2002 on our consideration of ROYSTON ELDERLY HOUSING, L.P.'s internal control and a report dated January 25, 2002, on its compliance with laws and regulations applicable to the financial statements. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 12-14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Habif, Arogeti & Wynne, LLP
Certified Public Accountants

Atlanta, Georgia
January 25, 2002

Leavitt, Christensen & Co.
9100 W. Blackeagle Drive
Boise, ID 83709
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FAX: 208-322-7307

INDEPENDENT AUDITORS' REPORT

Managing General Partner
Heritage Park Associates Limited Partnership
Boise, Idaho

We have audited the accompanying balance sheets of Heritage Park Associates Limited Partnership, as of December 31, 2001 and 2000, and the related statements of operations, partners' capital (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heritage Park Associates Limited Partnership as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated January 25, 2002 on our consideration of Heritage Park Associates Limited Partnership's internal control and on its compliance with laws and regulations. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The partnership has filed tax returns with the Internal Revenue Service which allow the partners to receive the benefit of a low income housing tax credit. Because the qualifying standards of the low income housing tax credit are different than the requirements of the loan agreement and the interest credit agreements, and due to the fact that the low income housing tax credit relates to income taxes which are the responsibility of the individual partners, the scope of these audits were not designed or intended to audit the compliance with the various low income housing tax credit laws. Therefore, these audits can not be relied on to give assurances with regard to compliance with any low income housing tax credit laws.

/s/ Leavitt, Christensen & Co.
Certified Public Accountants

January 25, 2002

Bob T. Robinson
2084 Dunbarton Drive
Jackson, MS 39216
PHONE: 601-982-3875
FAX: 601-982-3876

INDEPENDENT AUDITORS' REPORT

To the Partners
Elderly Housing of Pontotoc, L.P.

I have audited the accompanying balance sheet of Elderly Housing of Pontotoc, L.P., (RD Case number 28-058-640818315), as of December 31, 2001 and 2000, and the related statements of income, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Elderly Housing of Pontotoc, L.P. as of December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated February 1, 2002 on my consideration of the partnership's internal control structure and a report dated February 1, 2002 on its compliance with laws and regulations.

My audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information is presented for the purposes of additional analysis and is not a required part of the financial statements of Elderly Housing of Pontotoc, L.P. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The annual budgets of Elderly Housing of Pontotoc, L.P. included in the accompanying prescribed form RD 1930-7 (Rev 10-96) have not been compiled or examined by me, and I do not express any form of assurance on them. In addition they may contain departures from guidelines for presentation of prospective financial information established by the American Institute of Certified Public Accountants. The actual results may vary from the presentation and the variations may be material.

/s/ Bob T. Robinson
Certified Public Accountant

February 1, 2002
Jackson, Mississippi

Donald W. Causey & Associates, P.C.
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Gadsden, AL 35902
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FAX: 256-543-9800

INDEPENDENT AUDITORS' REPORT

To the Partners
Lakeshore II, Ltd.
Tuskegee, Alabama

We have audited the accompanying balance sheets of Lakeshore II, Ltd., a limited partnership, RHS Project No.: 01-044-631056927 as of December 31, 2001 and 2000, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakeshore II, Ltd., RHS Project No.: 01-044-631056927 as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 10 through 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information presented in the Multiple Family Housing Borrower Balance Sheet (Form FmHA 1930-8) Parts I and II for the year ended December 31, 2001 and 2000, is presented for purposes of complying with the requirements of the Rural Housing Services and is also not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards,* we have also issued a report dated February 18, 2002 on our consideration of Lakeshore II, Ltd.’s, internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations.

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

Gadsden, Alabama
February 18, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Skyview Apartments, Ltd.
Troy, Alabama

We have audited the accompanying balance sheets of Skyview Apartments, Ltd., a limited partnership, RHS Project No.: 01-055-631086473 as of December 31, 2001 and 2000, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Skyview Apartments, Ltd., RHS Project No.: 01-055-631086473 as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 10 through 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information presented in the Multiple Family Housing Borrower Balance Sheet (Form FmHA 1930-8) Parts I and II for the year ended December 31, 2001 and 2000, is presented for purposes of complying with the requirements of the Rural Housing Services and is also not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole

In accordance with *Government Auditing Standards*, we have also issued a report dated February 19, 2002 on our consideration of Skyview Apartments, Ltd’s., internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations.

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

Gadsden, Alabama
February 19, 2002

Donald W. Causey & Associates, P.C.
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INDEPENDENT AUDITORS' REPORT

To the Partners
Meadowview Apartments, Ltd.
Greenville, Alabama

We have audited the accompanying balance sheets of Meadowview Apartments, Ltd., a limited partnership, as of December 31, 2001 and 2000, and the related statement of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meadowview Apartments, Ltd., as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 9 and 10 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 and Associates, P.C.
Certified Public Accountant

Gadsden, Alabama
February 25, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Applegate Apartments, Ltd.
Florence, Alabama

We have audited the accompanying balance sheets of Applegate Apartments, Ltd., a limited partnership, as of December 31, 2001 and 2000, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Applegate Apartments, Ltd., as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 9 and 10 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 28, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Heatherwood Apartments, Ltd.
Alexander City, Alabama

We have audited the accompanying balance sheets of Heatherwood Apartments, Ltd., a limited partnership, as of December 31, 2001 and 2000, and the related statement of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heatherwood Apartments, Ltd., as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 9 and 10 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 12, 2002

Turk & Giles, CPAs, P.C.
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INDEPENDENT AUDITORS' REPORT

To the Partners
Galena Seniors, L.P.
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Galena Seniors, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Galena Seniors L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Galena Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Purdy Apartments L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Purdy Apartments, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Purdy Apartments, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Aurora Seniors, L.P.
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Aurora Seniors, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aurora Seniors L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Aurora Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

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2025 Connecticut-P.O. Box 3766
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INDEPENDENT AUDITORS' REPORT

To the Partners
Baxter Springs Seniors, L.P.
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Baxter Springs Seniors, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baxter Springs Seniors L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Baxter Springs Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Marionville Seniors, L.P.
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Marionville Seniors, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marionville Seniors, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Marionville Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

Suellen Doubet, CPA
603 West Cherokee Street
Wagoner, OK 74467
PHONE: 918-485-8085
FAX: 918-485-3092

INDEPENDENT AUDITORS' REPORT

To the Partners
of Cavalry Crossing:

I have audited the accompanying balance sheets of Cavalry Crossing (a Kansas Limited Partnership) as of December 31, 2001, and 2000 and the related statements of income, partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cavalry Crossing as of December 31, 2001, and 2000 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, The Schedule of Maintenance Expenses has been subjected to the audit procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated March 15, 2002 on my consideration of Cavalry Crossing's compliance and on internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

/s/ Suellen Doubet, CPA
Certified Public Accountant
Wagoner, OK 74467
March 15, 2002

Suellen Doubet, CPA
603 West Cherokee Street
Wagoner, OK 74467
PHONE: 918-485-8085
FAX: 918-485-3092

INDEPENDENT AUDITORS' REPORT

To the Partners
of Sycamore Landing:

I have audited the accompanying balance sheets of Sycamore Landing (a Kansas Limited Partnership) as of December 31, 2001, and 2000 and the related statements of income, partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sycamore Landing as of December 31, 2001, and 2000 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, "The Schedule of Maintenance Expenses" has been subjected to the audit procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated March 13, 2002 on my consideration of Sycamore Landing's compliance and on internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

/s/ Suellen Doubet, CPA
Certified Public Accountan
Wagoner, OK 74467
March 13, 2002

Suellen Doubet, CPA
603 West Cherokee Street
Wagoner, OK 74467
PHONE: 918-485-8085
FAX: 918-485-3092

INDEPENDENT AUDITORS' REPORT

To the Partners of
Parsons Village:

I have audited the accompanying balance sheets of Parsons Village (a Kansas Limited Partnership) as of December 31, 2001, and 2000 and the related statements of operations, partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parsons Village as of December 31, 2001, and December 31, 2000 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, "The Schedule of Maintenance Expenses" has been subjected to the audit procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated March 8, 2002 on my consideration of Parsons Village's compliance and on internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

/s/ Suellen Doubet, CPA
Certified Public Accountant
Wagoner, OK 74467
March 8, 2002

David G. Pelliccione, C.P.A., P.C.
340 Eisenhower Drive, Suite 220
Savannah, GA 31406
PHONE: 912-354-2334
FAX: 912-354-2443

INDEPENDENT AUDITORS' REPORT

To The Partners
Brookstone Apartments, L.P.

We have audited the accompanying balance sheet of BROOKSTONE APARTMENTS, L.P., as of December 31, 2001 and 2000 and the related statement of operations, changes in partners' equity and cash flows for the years then ended. These financial statements are the responsibility of The Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BROOKSTONE APARTMENTS, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 15, 2002, on our consideration of BROOKSTONE APARTMENTS, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of BROOKSTONE APARTMENTS, L.P.'s taken as a whole. The supplemental information on pages 9 through 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ David G. Pelliccione, C.P.A., P.C.
Certified Public Accountants
Savannah, Georgia
February 15, 2002

David G. Pelliccione, C.P.A., P.C.
340 Eisenhower Drive, Suite 220
Savannah, GA 31406
PHONE: 912-354-2334
FAX: 912-354-2443

INDEPENDENT AUDITORS' REPORT

To The Partners
Brooks Hollow Apartments, L.P.

We have audited the accompanying balance sheet of BROOKS HOLLOW APARTMENTS, L.P., as of December 31, 2001 and 2000 and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of The Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BROOKS HOLLOW APARTMENTS, L.P., as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 15, 2002, on our consideration of BROOKS HOLLOW APARTMENTS, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of BROOKS HOLLOW APARTMENTS, L.P., taken as a whole. The supplemental information on pages 9 through 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ David G. Pelliccione, C.P.A., P.C.
Certified Public Accountants
Savannah, Georgia
February 15, 2002

Fentress, Brown, CPAs & Associates, LLC
8001 Ravines Edge Court, Suite 112
Columbus, OH 43235-5421
PHONE: 614-825-0011
FAX: 614-825-0014

INDEPENDENT AUDITORS' REPORT

To the Partners of
Morningside Villa Limited Partnership
DBA Morningside Villa Apartments
Mansfield, Ohio

Rural Housing Service
Servicing Office
Findlay, Ohio

We have audited the accompanying balance sheets of Morningside Villa Limited Partnership (a limited partnership), DBA Morningside Villa Apartments, Case No. 41-033-341704593, as of December 31, 2001 and 2000, and the related statements of income, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Morningside Villa Limited Partnership, DBA Morningside Villa Apartments, Case No. 41-033-341704593, at December 31, 2001 and 2000, and the results of its operations, changes in partners' equity (deficit) and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program,"* issued in December 1989, we have also issued a report dated January 30, 2002, on our consideration of Morningside Villa Limited Partnership's internal control and a report dated January 30, 2002, on its compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Fentress, Brown, CPAs & Associates, LLC
Certified Public Accountants
Columbus, Ohio
January 30, 2002

Fentress, Brown, CPAs & Associates, LLC
8001 Ravines Edge Court, Suite 112
Columbus, OH 43235-5421
PHONE: 614-825-0011
FAX: 614-825-0014

INDEPENDENT AUDITORS' REPORT

To the Partners of
Kenton Apartments Company Limited Partnership
DBA Springbrook Commons
Mansfield, Ohio

Rural Housing Service
Servicing Office
Findlay, Ohio

We have audited the accompanying balance sheets of Kenton Apartments Company Limited Partnership (a limited partnership), DBA Springbrook Commons, Case No. 41-033-0382999141, as of December 31, 2001 and 2000, and the related statements of income, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kenton Apartments Company Limited Partnership, DBA Springbrook Commons, Case No. 41-033-0382999141, at December 31, 2001 and 2000, and the results of its operations, changes in partners' equity (deficit) and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program," issued in December 1989,* we have also issued a report dated January 30, 2002, on our consideration of Kenton Apartments Company Limited Partnership's internal control and a report dated January 30, 2002, on its compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

/s/ Fentress, Brown, CPAs & Associates, LLC
Certified Public Accountants
Columbus, Ohio
January 30, 2002

Burrus, Paul & Turnbull, PLC
SunTrust Center, Suite 1230
Norfolk, VA 23510-2276
PHONE: 757-623-3236
FAX: 757-627-8603

INDEPENDENT AUDITORS' REPORT

To the Partners
Lovingston Ridge
(A Limited Partnership)
Yorktown, Virginia

We have audited the balance sheets of **Lovingston Ridge (A Limited Partnership)**, as of December 31, 2001 and 2000, and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lovingston Ridge (A Limited Partnership) as of December 31, 2001and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

/s/ Burrus, Paul & Turnbull PLC
Certified Public Accountants

May 23, 2002

Item 9. Disagreements on Accounting and Financial Disclosures

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. The officers and directors of the Managing General Partner are as follows:

Ronald M. Diner, age 58, is President and a Director. He is a Senior Vice President of Raymond James & Associates, Inc., with whom he has been employed since June 1983. Mr. Diner received an MBA degree from Columbia University (1968) and a BS degree from Trinity College (1966). Prior to joining Raymond James & Associates, Inc., he managed the broker-dealer activities of Pittway Real Estate, Inc., a real estate development firm. He was previously a loan officer at Marine Midland Realty Credit Corp., and spent three years with Common, Dann & Co., a New York regional investment firm. He has served as a member of the Board of Directors of the Council for Rural Housing and Development, a national organization of developers, managers and syndicators of properties developed under the RECD Section 515 program, and is a member of the Board of Directors of the Florida Council for Rural Housing and Development. Mr. Diner has been a speaker and panel member at state and national seminars relating to the low-income housing credit.

J. Davenport Mosby, age 46, is a Vice President and a Director. He is a Senior Vice President of Raymond James & Associates, Inc. which he joined in 1982. Mr. Mosby received an MBA from the Harvard Business School (1982). He graduated magna cum laude with a BA from Vanderbilt University where he was elected to Phi Beta Kappa.

Sandra L. Furey, age 40, is Secretary, Treasurer. Ms. Furey has been employed by Raymond James & Associates, Inc. since 1980 and currently serves as Closing Administrator for the Gateway Tax Credit Funds.

Raymond James Partners, Inc. -

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

Information regarding the officers and directors of Raymond James Partners, Inc. is included on page 68 of the Prospectus under the section captioned "Management" (consisting of pages 66 through 69 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 own any units of the outstanding securities of Gateway as of March 31, 2002. Ronald M. Diner, President of Raymond James Tax Credit Funds, Inc. owns 5 units of Series 7. None of the other directors and officers own any units of the outstanding securities of Gateway as of March 31, 2002.

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

Item 13. Certain Relationships and Related Transactions

Gateway has no officers or directors. However, under the terms of the public offering, various kinds of compensation and fees are payable to the General Partners and its 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 24 to 26 of the Prospectus under the caption "Management Compensation", which is incorporated herein by reference.

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

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

For the periods ended March 31, 2002, 2001, and 2000 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 receive an annual asset management fee equal to the greater of (i) $2,000 for each limited partnership in which Gateway invests, as adjusted by the Consumer Price Index or (ii) 0.275% of Gateway's gross proceeds from the sale of limited partnership interests. In either event (i) or (ii), the maximum amount may not exceed 0.2% of the aggregate cost (Gateway's capital contribution plus Gateway's share of the Properties' mortgage) of Gateway's interest in properties 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 Statement of Operations.

	2002	2001	2000
Series 7	$ 87,394	$ 87,683	$ 87,952
Series 8	91,032	91,364	91,655
Series 9	50,027	50,178	50,319
Series 10	34,115	34,212	34,309
Series 11	28,770	29,087	28,465
Total	$ 291,338	$ 292,524	$ 292,700

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 Statement of Operations.

	2002	2001	2000
Series 7	$ 20,917	$ 16,312	$ 14,609
Series 8	23,062	17,985	16,108
Series 9	12,872	10,038	8,991
Series 10	8,045	6,274	5,619
Series 11	6,436	5,019	4,495
Total	$ 71,332	$ 55,628	$ 49,822

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

a.(1) Financial Statements - see accompanying index to financial statements, Item 8.

(2) Financial Statement Schedules -

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

(3)Exhibit Index -

Table Number		Page
1.1	Form of Dealer Manager Agreement, including Soliciting Dealer Agreement	
1.2	Form of Escrow Agreement between Gateway Tax Credit Fund III Ltd. and First Union National Bank	
3.1	The form of Partnership Agreement of the Partnership is included as Exhibit "A" to the Prospectus	
3.1.1	Certificate of Limited Partnership of Gateway Tax Credit Fund III Ltd.	
3.2	Articles of Incorporation of Raymond James Partners, Inc.	
3.2.1	Bylaws of Raymond James Partners, Inc.*	
3.3	Articles of Incorporation of Raymond James Tax Credit Funds, Inc.	
3.3.1	Bylaws of Raymond James Tax Credit Funds, Inc.	
3.4	Amended and Restated Agreement of Limited Partnership of Nottingham Apartments, Ltd.	
3.5	Amended and Restated Agreement of Limited Partnership of Cedar Hollow Apartments Limited Partnership	
3.6	Amended and Restated Agreement of Limited Partnership of Sunrise I Apartments Limited Partnership	
5.1	Legality opinion of Riden, Earle & Kiefner, P.A. is included in Exhibit 8.1	
8.1	Tax opinion and consent of Riden, Earle & Kiefner, P.A.	
24.1	The consent of Spence, Marston, Bunch, Morris & Co.	
24.1.1	The consent of Spence, Marston, Bunch, Morris & Co. to all references made to them in the Registration Statement and the inclusion therein of the financial statements of Raymond James Tax Credit Funds, Inc. and Raymond James Partners, Inc. for the fiscal year ended September 25, 1992	
24.1.2	The consent of Spence, Marston, Bunch, Morris & Co. to all references made to them in the Registration Statement and the inclusion therein of the financial statements of Raymond James Tax Credit Funds, Inc. and Raymond James Partners, Inc. for the fiscal year ended September 25, 1992 and the Registrant for the period ended March 31, 1992	
24.4	The consent of Riden, Earle, & Kiefner, PA to all references made to them in the Prospectus included as a part of the Registration Statement of Gateway Tax Credit Fund III Ltd., and all amendments thereto is included in their opinions filed as Exhibit 8.1 to the Registration Statement.	
28.1	Table VI (Acquisition of Properties by Program) of Appendix II to Industry Guide 5, Preparation of Registration Statements Relating to Interests in Real Estate Limited Partnerships	

* Included with Form S-11, Registration No. 33-44238 and amendments and supplements thereto previously filed with the Securities and Exchange Commission.

b.Reports filed on Form 8-K - NONE

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 7
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Nottingham	Pisgah, AL	18	581,113
Cedar Hollow	Waterloo, NE	24	758,646
Sunrise	Mission, SD	44	2,019,319
Mountain City	Mountain City, TN	40	1,311,373
Burbank	Falls City, NE	24	802,656
Washington	Bloomfield, NE	24	796,303
BrookStone	McCaysville, GA	40	1,196,790
Tazewell	New Tazewell, TN	44	1,398,482
N. Irvine	Irvine, KY	24	788,629
Horton	Horton, KS	24	765,680
Manchester	Manchester, GA	42	1,203,818
Waynesboro	Waynesboro, GA	24	672,218
Lakeland II	Lakeland, GA	30	831,638
Mt. Vernon	Mt. Vernon, GA	24	739,853
Meadow Run	Dawson, GA	48	1,427,138
Spring Creek II	Quitman, GA	24	667,914
Warm Springs	Warm Springs, GA	22	673,520
Blue Ridge	Blue Ridge, GA	41	1,093,061
Walnut	Elk Point, SD	24	819,593
Pioneer	Mountain View, AR	48	1,205,116
Dilley	Dilley, TX	28	721,834
Elsa	Elsa, TX	40	1,033,700
Clinch View	Gate City, VA	42	1,457,580
Jamestown	Jamestown, TN	40	1,218,792
Leander	Leander, TX	36	912,954
Louisa Sr.	Louisa, KY	36	1,191,586
Orchard Commons	Crab Orchard, KY	12	353,219
Vardaman	Vardaman, MS	24	730,103
Heritage Park	Paze, AZ	32	1,240,183
BrooksHollow	Jasper, GA	40	1,180,724
Cavalry Crossing	Ft. Scott, KS	40	1,414,631
Carson City	Carson City, KS	24	787,581
Matteson	Capa, KS	24	761,775
Pembroke	Pembroke, KY	16	511,501
Robynwood	Cynthiana, KY	24	779,913
Atoka	Atoka, OK	24	678,345
Coalgate	Coalgate, OK	24	677,691
Hill Creek	West Blocton, AL	24	775,557
Cardinal	Mountain Home. AR	32	147,660
			$36,328,189

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 7
Apartment Properties

Partnership	Cost At Acquisition: Land	Cost At Acquisition: Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Nottingham	21,070	695,113	3,279
Cedar Hollow	25,000	889,355	50,571
Sunrise	30,000	837,000	1,660,112
Mountain City	67,000	1,345,826	192,085
Burbank	25,000	595,780	401,058
Washington	30,000	401,435	544,794
BrookStone	45,000	176,183	1,241,162
Tazewell	75,000	834,811	793,090
N. Irvine	27,600	696,407	297,024
Horton	15,615	641,460	275,465
Manchester	40,000	243,179	1,192,561
Waynesboro	45,310	107,860	664,328
Lakeland II	30,000	149,453	830,194
Mt. Vernon	19,500	156,335	724,691
Meadow Run	20,000	241,802	1,483,038
Spring Creek II	40,000	117,323	651,152
Warm Springs	45,000	196,691	581,636
Blue Ridge	0	234,193	1,104,950
Walnut	20,000	112,079	891,895
Pioneer	30,000	1,092,918	228,904
Dilley	30,000	847,755	12,508
Elsa	40,000	1,286,910	14,894
Clinch View	99,000	409,447	1,270,397
Jamestown	53,800	436,875	1,023,005
Leander	46,000	1,063,200	5,912
Louisa Sr.	90,000	449,409	970,578
Orchard Commons	28,789	452,556	(1,684)
Vardaman	15,000	93,877	805,048
Heritage Park	199,000	1,243,700	139,831
BrooksHollow	67,155	183,029	1,190,112
Cavalry Crossing	82,300	894,246	812,905
Carson City	86,422	354,778	517,801
Matteson	28,438	556,314	357,340
Pembroke	22,000	190,283	411,021
Robynwood	35,000	315,110	661,574
Atoka	16,000	819,334	0
Coalgate	22,500	806,005	0
Hill Creek	29,337	622,291	318,382
Cardinal	24,207	650,852	106,377
	$ 1,666,043	$ 21,441,174	$22,427,990

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 7
Apartment Properties

Partnership	Land	Buildings, Improvements and Equipment	Total
	Gross Amount At Which Carried At December 31, 2001		
Nottingham	21,070	698,392	719,462
Cedar Hollow	28,197	936,729	964,926
Sunrise	31,702	2,495,410	2,527,112
Mountain City	67,000	1,537,911	1,604,911
Burbank	37,000	984,838	1,021,838
Washington	53,933	922,296	976,229
BrookStone	45,000	1,417,345	1,462,345
Tazewell	75,000	1,627,901	1,702,901
N. Irvine	27,600	993,431	1,021,031
Horton	15,615	916,925	932,540
Manchester	49,455	1,426,285	1,475,740
Waynesboro	34,500	782,998	817,498
Lakeland II	29,600	980,047	1,009,647
Mt. Vernon	19,500	881,026	900,526
Meadow Run	40,000	1,704,840	1,744,840
Spring Creek II	30,000	778,475	808,475
Warm Springs	20,000	803,327	823,327
Blue Ridge	0	1,339,143	1,339,143
Walnut	62,700	961,274	1,023,974
Pioneer	38,614	1,313,208	1,351,822
Dilley	30,000	860,263	890,263
Elsa	40,000	1,301,804	1,341,804
Clinch View	99,000	1,679,844	1,778,844
Jamestown	53,800	1,459,880	1,513,680
Leander	133,549	981,563	1,115,112
Louisa Sr.	90,000	1,419,987	1,509,987
Orchard Commons	28,789	450,872	479,661
Vardaman	15,000	898,925	913,925
Heritage Park	199,000	1,383,531	1,582,531
BrooksHollow	67,000	1,373,296	1,440,296
Cavalry Crossing	94,118	1,695,333	1,789,451
Carson City	40,028	918,973	959,001
Matteson	39,000	903,092	942,092
Pembroke	22,000	601,304	623,304
Robynwood	35,000	976,684	1,011,684
Atoka	16,000	819,334	835,334
Coalgate	22,500	806,005	828,505
Hill Creek	29,337	940,673	970,010
Cardinal	24,207	757,229	781,436
	$1,804,814	$43,730,393	$45,535,207

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 7

Apartment Properties Partnership	Accumulated Depreciation	Depreciable Life
Nottingham	183,056	5.0-40.0
Cedar Hollow	241,954	7.0-40.0
Sunrise	813,990	5.0-27.5
Mountain City	544,767	7.0-27.5
Burbank	288,255	5.0-30.0
Washington	322,192	5.0-30.0
BrookStone	419,816	5.0-27.5
Tazewell	564,348	7.0-27.5
N. Irvine	238,600	5.0-40.0
Horton	344,454	5.0-25.0
Manchester	405,239	5.0-25.0
Waynesboro	231,151	10.0-30.0
Lakeland II	297,576	10.0-30.0
Mt. Vernon	239,272	5.0-30.0
Meadow Run	495,953	7.0-27.5
Spring Creek II	228,463	10.0-30.0
Warm Springs	249,673	5.0-40.0
Blue Ridge	419,885	5.0-25.0
Walnut	267,040	5.0-40.0
Pioneer	346,832	12.0-40.0
Dilley	163,681	5.0-50.0
Elsa	297,192	7.0-50.0
Clinch View	569,582	7.0-27.5
Jamestown	500,957	7.0-27.5
Leander	381,001	7.0-30.0
Louisa Sr.	361,749	5.0-40.0
Orchard Commons	122,867	5.0-40.0
Vardaman	210,946	5.0-40.0
Heritage Park	508,395	7.0-27.5
BrooksHollow	394,993	5.0-27.5
Cavalry Crossing	414,879	12.0-40.0
Carson City	319,202	7.0-27.5
Matteson	323,911	7.0-27.5
Pembroke	155,015	5.0-40.0
Robynwood	244,206	5.0-40.0
Atoka	301,048	5.0-25.0
Coalgate	302,469	5.0-25.0
Hill Creek	267,749	7.0-27.5
Cardinal	132,768	7.0-27.5
	$13,115,126	

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 8

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Purdy	Purdy, MO	16	459,769
Galena	Galena, KS	24	607,728
Antlers 2	Antlers, OK	24	639,337
Holdenville	Holdenville, OK	24	725,584
Wetumka	Wetumka, OK	24	660,048
Mariners Cove	Marine City, MI	32	1,034,830
Mariners Cove Sr.	Marine City, MI	24	801,471
Antlers	Antlers, OK	36	1,090,077
Bentonville	Bentonville, AR	24	573,545
Deerpoint	Elgin, AL	24	751,563
Aurora	Aurora, MO	28	726,376
Baxter	Baxter Springs, KS	16	428,877
Arbor Gate	Bridgeport, AL	24	754,876
Timber Ridge	Collinsville, AL	24	734,620
Concordia Sr.	Concordia, KS	24	683,575
Mountainburg	Mountainburg, AR	24	713,447
Lincoln	Pierre, SD	25	887,225
Fox Ridge	Russellville, AL	24	742,446
Meadow View	Bridgeiport, NE	16	590,861
Sheridan	Auburn, NE	16	609,028
Morningside	Kenton, OH	32	972,399
Grand Isle	Grand Isle, ME	16	939,354
Meadowview	Van Buren, AR	29	771,976
Taylor	Taylor, TX	44	1,246,379
Brookwood	Gainesboro, TN	44	1,465,932
Pleasant Valley	Lynchburg, TN	33	1,098,548
Reelfoot	Ridgely, TN	20	655,798
River Rest	Newport, TN	34	1,145,698
Kirskville	Kirksville, MO	24	682,306
Cimmaron	Arco, ID	24	830,575
Kenton	Kenton, OH	46	1,427,265
Lovingston	Lovingston, VA	64	2,229,682
Pontotoc	Pontotoc, MS	36	1,101,207
So. Brenchley	Rexburg, ID	30	1,235,875
Hustonville	Hustonville, KY	16	523,636
Northpoint	Jackson, KY	24	895,947
Brooks Field	Louisville, GA	32	954,417
Brooks Lane	Clayton, GA	36	1,101,359
Brooks Point	Dahlonega, GA	41	1,365,642
Brooks Run	Jasper, GA	24	757,839
Logan Heights	Russellville, KY	24	782,890
Lakeshore 2	Tuskegee, AL	36	1,150,540
Cottondale	Cottondale, FL	25	762,233
			$38,312,780

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 8

Partnership	Cost At Acquisition: Land	Cost At Acquisition: Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Purdy	64,823	493,596	20,739
Galena	19,200	362,505	383,587
Antlers 2	26,000	761,859	0
Holdenville	15,000	877,598	0
Wetumka	19,977	792,876	0
Mariners Cove	117,192	1,134,974	27,265
Mariners Cove Sr.	72,252	901,745	24,161
Antlers	50,529	1,270,510	0
Bentonville	15,220	743,269	0
Deerpoint	33,250	912,974	(13,750)
Aurora	164,350	716,471	23,881
Baxter	13,800	418,296	111,767
Arbor Gate	43,218	873,748	1,337
Timber Ridge	15,145	879,334	3,543
Concordia Sr.	65,000	776,131	(14,742)
Mountainburg	20,000	863,990	0
Lincoln	121,000	933,872	61,078
Fox Ridge	35,000	867,785	0
Meadow View	29,000	686,959	8,141
Sheridan	20,100	373,018	371,339
Morningside	31,163	1,152,691	5,963
Grand Isle	20,000	1,180,210	0
Meadowview	40,000	954,717	0
Taylor	105,335	1,185,923	239,510
Brookwood	28,148	1,780,090	2,359
Pleasant Valley	56,269	1,288,452	11,637
Reelfoot	13,000	118,127	691,960
River Rest	50,750	431,259	921,416
Kirskville	50,000	188,140	593,352
Cimmaron	18,000	611,963	477,199
Kenton	61,699	785,703	934,357
Lovingston	178,985	2,215,782	334,550
Pontotoc	40,500	312,296	977,678
So. Brenchley	99,658	492,781	957,167
Hustonville	20,000	672,270	4,130
Northpoint	140,000	942,599	3,430
Brooks Field	45,762	113,295	1,016,361
Brooks Lane	57,500	123,401	1,167,062
Brooks Point	108,000	135,053	1,416,126
Brooks Run	50,000	158,025	717,850
Logan Heights	24,600	422,778	504,352
Lakeshore 2	45,000	273,501	1,098,627
Cottondale	36,000	911,975	344
	$2,280,425	$32,092,541	$13,083,776

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 8

	Gross Amount At Which Carried At December 31, 2001		
Partnership	Land	Buildings, Improvements and Equipment	Total
Purdy	65,351	513,807	579,158
Galena	83,432	681,860	765,292
Antlers 2	26,000	761,859	787,859
Holdenville	15,000	877,598	892,598
Wetumka	19,977	792,876	812,853
Mariners Cove	122,656	1,156,775	1,279,431
Mariners Cove Sr.	87,718	910,440	998,158
Antlers	50,529	1,270,510	1,321,039
Bentonville	15,220	743,269	758,489
Deerpoint	19,500	912,974	932,474
Aurora	167,145	737,557	904,702
Baxter	46,173	497,690	543,863
Arbor Gate	43,218	875,085	918,303
Timber Ridge	15,145	882,877	898,022
Concordia Sr.	65,000	761,389	826,389
Mountainburg	20,000	863,990	883,990
Lincoln	132,188	983,762	1,115,950
Fox Ridge	35,000	867,785	902,785
Meadow View	29,000	695,100	724,100
Sheridan	32,300	732,157	764,457
Morningside	31,163	1,158,654	1,189,817
Grand Isle	20,000	1,180,210	1,200,210
Meadowview	40,000	954,717	994,717
Taylor	105,335	1,425,433	1,530,768
Brookwood	28,148	1,782,449	1,810,597
Pleasant Valley	56,269	1,300,089	1,356,358
Reelfoot	13,827	809,260	823,087
River Rest	52,062	1,351,363	1,403,425
Kirskville	50,000	781,492	831,492
Cimmaron	6,000	1,101,162	1,107,162
Kenton	61,699	1,720,060	1,781,759
Lovingston	194,772	2,534,545	2,729,317
Pontotoc	40,500	1,289,974	1,330,474
So. Brenchley	99,658	1,449,948	1,549,606
Hustonville	20,000	676,400	696,400
Northpoint	140,000	946,029	1,086,029
Brooks Field	45,761	1,129,657	1,175,418
Brooks Lane	57,500	1,290,463	1,347,963
Brooks Point	108,000	1,551,179	1,659,179
Brooks Run	50,366	875,509	925,875
Logan Heights	24,600	927,130	951,730
Lakeshore 2	45,000	1,372,128	1,417,128
Cottondale	36,000	912,319	948,319
	$2,417,212	$45,039,530	$47,456,742

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 8
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Purdy	232,672	7.0-27.5
Galena	275,714	7.0-27.5
Antlers 2	280,371	5.0-25.0
Holdenville	308,984	5.0-25.0
Wetumka	281,129	5.0-25.0
Mariners Cove	408,293	7.0-27.5
Mariners Cove Sr.	316,130	7.0-27.5
Antlers	444,775	10.0-25.0
Bentonville	287,978	5.0-25.0
Deerpoint	187,666	5.0-50.0
Aurora	324,293	7.0-27.5
Baxter	186,569	7.0-27.5
Arbor Gate	203,800	5.0-40.0
Timber Ridge	208,597	5.0-40.0
Concordia Sr.	264,000	5.0-25.0
Mountainburg	303,405	5.0-25.0
Lincoln	313,330	7.0-27.5
Fox Ridge	170,246	5.0-50.0
Meadow View	217,515	5.0-30.0
Sheridan	180,382	5.0-50.0
Morningside	314,304	5.0-33.0
Grand Isle	416,353	7.0-27.5
Meadowview	324,604	5.0-25.0
Taylor	238,620	5.0-50.0
Brookwood	562,141	5.0-50.0
Pleasant Valley	420,519	5.0-50.0
Reelfoot	240,115	7.0-27.5
River Rest	402,209	7.0-50.0
Kirskville	249,904	5.0-27.5
Cimmaron	331,409	7.0-27.5
Kenton	431,614	5.0-33.0
Lovingston	826,722	7.0-27.5
Pontotoc	242,277	5.0-40.0
So. Brenchley	452,431	7.0-27.5
Hustonville	152,167	5.0-40.0
Northpoint	220,194	5.0-40.0
Brooks Field	298,412	5.0-40.0
Brooks Lane	343,747	5.0-40.0
Brooks Point	398,067	5.0-40.0
Brooks Run	239,654	5.0-40.0
Logan Heights	217,119	7.0-40.0
Lakeshore 2	253,044	5.0-40.0
Cottondale	235,948	5.0-27.5
	$13,207,423	

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 9

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Jay	Jay, OK	24	651,808
Boxwood	Lexington, TX	24	620,875
Stilwell 3	Stilwell, OK	16	467,225
Arbor Trace	Lake Park, GA	24	741,048
Arbor Trace 2	Lake Park, GA	42	1,457,440
Omega	Omega, GA	36	1,133,166
Cornell 2	Watertown, SD	24	922,448
Elm Creek	Pierre, SD	24	954,222
Marionville	Marionville, MO	20	564,491
Lamar	Lamar, AR	24	715,380
Mt. Glen	Heppner, OR	24	826,888
Centreville	Centreville, AL	24	788,629
Skyview	Troy, AL	36	1,133,769
Sycamore	Coffeyville, KS	40	1,414,234
Bradford	Cumberland, KY	24	790,963
Cedar Lane	London, KY	24	737,492
Stanton	Stanton, KY	24	802,546
Abernathy	Abernathy, TX	24	625,235
Pembroke	Pembroke, KY	24	797,822
Meadowview	Greenville, AL	24	652,718
Town Branch	Mt. Vernon, KY	24	773,002
Fox Run	Ragland, AL	24	776,985
Maple Sreet	Emporium, PA	32	1,363,607
Manchester	Manchester, GA	18	590,386
			$20,302,379

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 9
Apartment Properties

Partnership	Cost At Acquisition: Land	Cost At Acquisition: Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Jay	30,000	103,524	677,073
Boxwood	22,273	718,529	30,137
Stilwell 3	15,567	82,347	489,218
Arbor Trace	62,500	185,273	670,585
Arbor Trace 2	100,000	361,210	1,345,224
Omega	35,000	188,863	1,183,441
Cornell 2	29,155	576,296	565,626
Elm Creek	71,360	233,390	886,467
Marionville	24,900	409,497	276,475
Lamar	18,000	202,240	684,085
Mt. Glen	23,500	480,064	560,407
Centreville	36,000	220,952	718,081
Skyview	120,000	220,161	1,072,191
Sycamore	64,408	415,748	1,329,564
Bradford	66,000	285,025	704,607
Cedar Lane	49,750	952,314	458
Stanton	41,584	959,574	0
Abernathy	30,000	751,898	0
Pembroke	43,000	955,687	7,608
Meadowview	46,270	1,086,351	4,292
Town Branch	21,000	942,114	21,296
Fox Run	47,467	919,296	8,868
Maple Sreet	85,000	1,178,856	439,808
Manchester	24,100	711,035	2,700
	$1,106,834	$13,140,244	$11,678,211

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 9
Apartment Properties

Partnership	Land	Gross Amount At Which Carried At December 31, 2001 Buildings, Improvements and Equipment	Total
Jay	25,000	785,597	810,597
Boxwood	22,273	748,666	770,939
Stilwell 3	10,000	577,132	587,132
Arbor Trace	62,500	855,858	918,358
Arbor Trace 2	100,000	1,706,434	1,806,434
Omega	35,000	1,372,304	1,407,304
Cornell 2	86,281	1,084,796	1,171,077
Elm Creek	130,189	1,061,028	1,191,217
Marionville	92,914	617,958	710,872
Lamar	18,000	886,325	904,325
Mt. Glen	23,500	1,040,471	1,063,971
Centreville	36,000	939,033	975,033
Skyview	120,000	1,292,352	1,412,352
Sycamore	72,681	1,737,039	1,809,720
Bradford	66,000	989,632	1,055,632
Cedar Lane	49,750	952,772	1,002,522
Stanton	41,584	959,574	1,001,158
Abernathy	30,000	751,898	781,898
Pembroke	43,000	963,295	1,006,295
Meadowview	46,270	1,090,643	1,136,913
Town Branch	21,000	963,410	984,410
Fox Run	47,467	928,164	975,631
Maple Sreet	85,000	1,618,664	1,703,664
Manchester	27,200	710,635	737,835
	$1,291,609	$24,633,680	$25,925,289

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III -REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 9

Apartment Properties Partnership	Accumulated Depreciation	Depreciable Life
Jay	256,518	5.0-25.0
Boxwood	261,507	5.0-25.0
Stilwell 3	189,816	5.0-25.0
Arbor Trace	205,717	10.0-30.0
Arbor Trace 2	409,743	10.0-30.0
Omega	347,238	5.0-50.0
Cornell 2	368,690	5.0-30.0
Elm Creek	377,611	5.0-27.5
Marionville	243,472	7.0-27.5
Lamar	296,371	5.0-25.0
Mt. Glen	331,408	7.0-27.5
Centreville	293,664	5.0-40.0
Skyview	243,216	5.0-40.0
Sycamore	343,760	12.0-40.0
Bradford	224,748	5.0-40.0
Cedar Lane	231,964	5.0-40.0
Stanton	235,080	5.0-40.0
Abernathy	255,031	5.0-25.0
Pembroke	219,024	7.0-40.0
Meadowview	197,266	5.0-40.0
Town Branch	202,479	7.0-40.0
Fox Run	250,323	7.0-27.5
Maple Sreet	324,390	7.0-40.0
Manchester	180,717	5.0-27.5
	$6,489,753	

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 10

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Redstone	Challis, ID	24	845,073
Albany	Albany, KY	24	778,131
Oak Terrace	Bonifay, FL	18	543,053
Wellshill	West Liberty, KY	32	1,081,425
Applegate	Florence, AL	36	1,114,105
Heatherwood	Alexander City, AL	36	898,692
Peachtree	Gaffney, SC	28	1,002,547
Donna	Donna, TX	50	1,424,967
Wellsville	Wellsville, NY	24	1,058,035
Tecumseh	Tecumseh, NE	24	866,358
Clay City	Clay City, KY	24	811,871
Irvine West	Irvine, KY	24	808,950
New Castle	New Castle, KY	24	805,309
Stigler	Stigler, OK	20	592,891
Courtyard	Huron, SD	21	644,354
			$13,275,761

	Cost At Acquisition		
Partnership	Land	Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Redstone	24,000	747,591	360,473
Albany	39,500	990,162	12,867
Oak Terrace	27,200	633,284	5,104
Wellshill	75,000	1,270,844	5,100
Applegate	125,000	1,467,675	245,962
Heatherwood	55,000	1,551,679	5,077
Peachtree	25,000	1,021,466	27,046
Donna	112,000	1,661,889	6,187
Wellsville	38,000	1,286,389	25,648
Tecumseh	20,000	1,038,151	28,745
Clay City	22,750	998,334	3,292
Irvine West	25,000	1,060,585	3,961
New Castle	40,575	971,520	10,216
Stigler	24,000	730,056	0
Courtyard	12,000	465,936	291,733
	$665,025	$15,895,561	$1,031,411

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 10
Apartment Properties

Partnership	Land	Buildings, Improvements and Equipment	Total
	Gross Amount At Which Carried At December 31, 2001		
Redstone	7,600	1,124,464	1,132,064
Albany	39,500	1,003,029	1,042,529
Oak Terrace	27,200	638,388	665,588
Wellshill	75,000	1,275,944	1,350,944
Applegate	125,000	1,713,637	1,838,637
Heatherwood	55,000	1,556,756	1,611,756
Peachtree	25,000	1,048,512	1,073,512
Donna	112,000	1,668,076	1,780,076
Wellsville	38,000	1,312,037	1,350,037
Tecumseh	20,000	1,066,896	1,086,896
Clay City	22,750	1,001,626	1,024,376
Irvine West	25,000	1,064,546	1,089,546
New Castle	40,575	981,736	1,022,311
Stigler	24,000	730,056	754,056
Courtyard	71,331	698,338	769,669
	$707,956	$16,884,041	$17,591,997

Partnership	Accumulated Depreciation	Depreciable Life
Redstone	353,338	7.0-27.5
Albany	241,165	5.0-40.0
Oak Terrace	180,209	5.0-27.5
Wellshill	284,085	5.0-40.0
Applegate	308,595	5.0-40.0
Heatherwood	287,737	5.0-40.0
Peachtree	202,852	5.0-40.0
Donna	265,288	7.0-50.0
Wellsville	412,203	7.0-27.5
Tecumseh	213,649	5.0-50.0
Clay City	203,393	5.0-40.0
Irvine West	219,829	5.0-40.0
New Castle	198,988	5.0-40.0
Stigler	153,119	5.0-25.0
Courtyard	186,145	5.0-40.0
	$3,710,595	

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 11

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Homestead	Pinetop, AZ	32	1,312,776
Mountain Oak	Collinsville, AL	24	684,916
Eloy	Eloy, AZ	24	646,193
Gila Bend	Gila Bend, AZ	36	970,747
Creekstone	Dallas, GA	40	902,021
Tifton	Tifton, GA	36	904,480
Cass Towne	Cartersville, GA	10	110,417
Warsaw	Warsaw, VA	56	2,660,396
Royston	Royston, GA	25	741,787
Red Bud	Mokane, MO	8	238,716
Cardinal	Mountain Home, AR	32	96,334
Parsons	Parsons, KS	38	1,091,630
			$10,360,413

	Cost At Acquisition		
Partnership	Land	Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Homestead	126,000	1,628,502	36,376
Mountain Oak	30,000	473,033	376,391
Eloy	12,000	882,913	42,312
Gila Bend	18,000	945,233	350,819
Creekstone	130,625	170,655	1,707,324
Tifton	17,600	192,853	1,496,433
Cass Towne	22,690	301,458	3,226
Warsaw	146,800	3,200,738	(11,075)
Royston	36,000	785,602	114,304
Red Bud	5,500	295,617	0
Cardinal	15,793	424,616	69,400
Parsons	45,188	953,512	347,237
	$606,196	$10,254,732	$4,532,747

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 11
Apartment Properties

Partnership	Gross Amount At Which Carried At December 31, 2001 Land	Buildings, Improvements and Equipment	Total
Homestead	126,000	1,664,878	1,790,878
Mountain Oak	30,000	849,424	879,424
Eloy	12,000	925,225	937,225
Gila Bend	18,000	1,296,052	1,314,052
Creekstone	130,650	1,877,954	2,008,604
Tifton	17,327	1,689,559	1,706,886
Cass Towne	22,690	304,684	327,374
Warsaw	146,800	3,189,663	3,336,463
Royston	36,000	899,906	935,906
Red Bud	5,500	295,617	301,117
Cardinal	15,793	494,017	509,809
Parsons	38,437	1,307,499	1,345,937
	$599,197	$14,794,478	$15,393,675

Partnership	Accumulated Depreciation	Depreciable Life
Homestead	334,949	5.0-40.0
Mountain Oak	235,545	5.0-27.5
Eloy	254,946	5.0-27.5
Gila Bend	359,241	5.0-40.0
Creekstone	423,959	7.0-27.5
Tifton	260,516	5.0-25.0
Cass Towne	57,600	7.0-27.5
Warsaw	771,987	7.0-27.5
Royston	206,603	7.0-40.0
Red Bud	48,344	7.0-40.0
Cardinal	86,618	7.0-27.5
Parsons	215,183	12.0-40.0
	$3,255,491	

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
GATEWAY TAX CREDIT FUND III LTD.
NOTES TO SCHEDULE III

SERIES 7

Balance at beginning of period - December 31, 2000		$45,440,076
Additions during period:		
Acquisitions through foreclosure	$ 0	
Other acquisitions	95,952	
Improvements, etc.	0	
Other	0	
		95,952
Deductions during period:		
Cost of real estate sold	821	
		(821)
Balance at end of period - December 31, 2001		$45,535,207

Reconciliation of Accumulated
Depreciation current year changes:

Balance at beginning of period - December 31, 2000	$11,657,985
Current year expense	1,457,962
Less Accumulated Depreciation of real estate sold	(821)
Balance at end of period - December 31, 2001	$13,115,126

SCHEDULE III -REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
GATEWAY TAX CREDIT FUND III LTD.
NOTES TO SCHEDULE III

Series 8

Balance at beginning of period - December 31, 2000		$47,378,284
Additions during period:		
Acquisitions through foreclosure	$ 0	
Other acquisitions	80,179	
Improvements, etc.	0	
Other	0	
		80,179
Deductions during period:		
Cost of real estate sold	1,721	
Other	0	
		(1,721)
Balance at end of period - December 31, 2001		$47,456,742

Reconciliation of Accumulated
Depreciation current year changes:

Balance at beginning of period - December 31, 2000	$11,686,945
Current year expense	1,522,199
Less Accumulated Depreciation of real estate sold	(1,721)
Other	0
Balance at end of period - December 31, 2001	$13,207,423

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
GATEWAY TAX CREDIT FUND III LTD.
NOTES TO SCHEDULE III

Series 9

Balance at beginning of period - December 31, 2000		$25,864,156
Additions during period:		
Acquisitions through foreclosure	$ 0	
Other acquisitions	61,133	
Improvements, etc.	0	
Other	0	
		61,133
Deductions during period:		
Cost of real estate sold	0	
Other	0	0
Balance at end of period - December 31, 2001		$25,925,289

Reconciliation of Accumulated
Depreciation current year changes:

Balance at beginning of period - December 31, 2000	5,669,383
Current year expense	820,370
Less Accumulated Depreciation of real estate sold	0
Other	0
Balance at end of period - December 31, 2001	$ 6,489,753

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
GATEWAY TAX CREDIT FUND III LTD.
NOTES TO SCHEDULE III

Series 10

Balance at beginning of period - December 31, 2000		$17,559,184
Additions during period:		
Acquisitions through foreclosure	$ 0	
Other acquisitions	32,813	
Improvements, etc.	0	
Other	0	
		32,813
Deductions during period:		
Cost of real estate sold	0	
Other	0	
		0
Balance at end of period - December 31, 2001		$17,591,997

Reconciliation of Accumulated
Depreciation current year changes:

Balance at beginning of period - December 31, 2000	$ 3,232,262
Current year expense	478,204
Less Accumulated Depreciation of real estate sold	0
Other	129
Balance at end of period - December 31, 2001	$ 3,710,595

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
GATEWAY TAX CREDIT FUND III LTD.
NOTES TO SCHEDULE III

Series 11

Balance at beginning of period - December 31, 2000		$15,345,258
Additions during period:		
Acquisitions through foreclosure	$ 0	
Other acquisitions	48,417	
Improvements, etc.	0	
Other	0	
		48,417
Deductions during period:		
Cost of real estate sold	0	
Other	0	0
Balance at end of period - December 31, 2001		$15,393,675

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2000	$ 2,731,802
Current year expense	523,455
Less Accumulated Depreciation of real estate sold	0
Other	234
Balance at end of period - December 31, 2001	$ 3,255,491

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2001

SERIES 7

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Nottingham	18	581,113	7.75%	4,041	50
Cedar Hollow	24	758,646	7.75%	5,115	50
Sunrise	44	2,019,319	7.25%	12,842	50
Mountain City	40	1,311,373	7.75%	8,853	50
Burbank	24	802,656	8.25%	5,725	50
Washington	24	796,303	8.25%	5,674	50
BrookStone	40	1,196,790	6.50%	6,970	50
Tazewell	44	1,398,482	7.25%	8,916	50
N. Irvine	24	788,629	7.75%	5,311	50
Horton	24	765,680	7.75%	5,160	50
Manchester	42	1,203,818	6.50%	6,991	50
Waynesboro	24	672,218	6.50%	3,899	50
Lakeland II	30	831,638	7.25%	5,290	50
Mt. Vernon	24	739,853	6.50%	4,294	50
Meadow Run	48	1,427,138	6.50%	8,284	50
Spring Creek II	24	667,914	6.50%	3,835	50
Warm Springs	22	673,520	7.25%	4,276	50
Blue Ridge	41	1,093,061	7.25%	2,372	50
Walnut	24	819,593	7.75%	5,528	50
Pioneer	48	1,205,116	8.25%	8,516	50
Dilley	28	721,834	8.25%	5,143	50
Elsa	40	1,033,700	7.75%	6,976	50
Clinch View	42	1,457,580	8.75%	11,046	50
Jamestown	40	1,218,792	7.25%	7,770	50
Leander	36	912,954	7.75%	6,755	50
Louisa Sr.	36	1,191,586	7.25%	7,622	50
Orchard Commons	12	353,219	7.75%	2,676	50
Vardaman	24	730,103	7.25%	4,634	50
Heritage Park	32	1,240,183	7.75%	8,360	50
BrooksHollow	40	1,180,724	6.50%	6,854	50
Cavalry Crossing	40	1,414,631	7.75%	9,545	50
Carson City	24	787,581	7.25%	5,005	50
Matteson	24	761,775	7.25%	4,845	50
Pembroke	16	511,501	7.25%	3,296	50
Robynwood	24	779,913	7.25%	5,078	50
Atoka	24	678,345	7.25%	4,392	50
Coalgate	24	677,691	7.25%	4,384	50
Hill Creek	24	775,557	6.50%	4,491	50
Cardinal	32	147,660	6.50%	948	50
		$36,328,189			

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2001

SERIES 8

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Purdy	16	459,769	7.75%	5,242	50
Galena	24	607,728	7.25%	6,410	50
Antlers 2	24	639,337	7.25%	4,174	50
Holdenville	24	725,584	6.50%	4,267	50
Wetumka	24	660,048	6.50%	3,911	50
Mariners Cove	32	1,034,830	7.25%	6,572	50
Mariners Cove Sr.	24	801,471	7.25%	5,105	50
Antlers	36	1,090,077	7.25%	6,938	50
Bentonville	24	573,545	7.75%	4,835	45
Deerpoint	24	751,563	7.75%	5,250	50
Aurora	28	726,376	7.25%	7,652	50
Baxter	16	428,877	6.50%	4,086	50
Arbor Gate	24	754,876	6.50%	4,380	50
Timber Ridge	24	734,620	7.25%	4,679	50
Concordia Sr.	24	683,575	6.50%	3,963	50
Mountainburg	24	713,447	6.50%	4,162	50
Lincoln	25	887,225	8.25%	6,330	50
Fox Ridge	24	742,446	7.25%	4,732	50
Meadow View	16	590,861	7.25%	3,757	50
Sheridan	16	609,028	8.25%	3,527	50
Morningside	32	972,399	7.25%	6,177	50
Grand Isle	16	939,354	8.25%	6,703	50
Meadowview	29	771,976	7.25%	5,243	39
Taylor	44	1,246,379	7.50%	7,223	50
Brookwood	44	1,465,932	6.50%	8,499	50
Pleasant Valley	33	1,098,548	7.25%	6,978	50
Reelfoot	20	655,798	7.25%	4,234	50
River Rest	34	1,145,698	7.25%	7,256	50
Kirskville	24	682,306	7.25%	4,320	50
Cimmaron	24	830,575	10.75%	4,905	50
Kenton	46	1,427,265	7.25%	9,045	50
Lovingston	64	2,229,682	7.00%	12,917	50
Pontotoc	36	1,101,207	7.25%	6,927	50
So. Brenchley	30	1,235,875	7.25%	7,728	50
Hustonville	16	523,636	6.50%	3,062	50
Northpoint	24	895,947	7.25%	5,700	50
Brooks Field	32	954,417	7.25%	6,046	50
Brooks Lane	36	1,101,359	7.25%	6,954	50
Brooks Point	41	1,365,642	7.25%	8,613	50
Brooks Run	24	757,839	7.25%	4,786	50
Logan Heights	24	782,890	7.25%	4,960	50
Lakeshore 2	36	1,150,540	7.75%	7,716	50
Cottondale	25	762,233	7.75%	5,115	50
		$38,312,780			

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2001

SERIES 9

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Jay	24	651,808	7.25%	4,167	50
Boxwood	24	620,875	6.50%	3,666	50
Stilwell 3	16	467,225	7.25%	3,038	50
Arbor Trace	24	741,048	7.25%	4,700	50
Arbor Trace 2	42	1,457,440	7.25%	9,235	50
Omega	36	1,133,166	7.25%	7,193	50
Cornell 2	24	922,448	7.25%	5,862	50
Elm Creek	24	954,222	7.25%	6,060	50
Marionville	20	564,491	6.50%	5,308	50
Lamar	24	715,380	7.25%	4,593	50
Mt. Glen	24	826,888	6.50%	4,797	50
Centreville	24	788,629	7.25%	4,998	50
Skyview	36	1,133,769	7.25%	7,199	50
Sycamore	40	1,414,234	7.25%	8,979	50
Bradford	24	790,963	7.03%	5,008	50
Cedar Lane	24	737,492	6.50%	4,383	50
Stanton	24	802,546	7.25%	5,120	50
Abernathy	24	625,235	6.50%	3,673	50
Pembroke	24	797,822	7.25%	5,070	50
Meadowview	24	652,718	0.50%	3,006	20
Town Branch	24	773,002	7.25%	4,973	50
Fox Run	24	776,985	6.50%	4,510	50
Maple Street	32	1,363,607	7.25%	8,632	50
Manchester	18	590,386	7.25%	3,740	50
		$20,302,379			

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2001

SERIES 10

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Redstone	24	845,073	6.50%	4,905	50
Albany	24	778,131	6.50%	4,570	50
Oak Terrace	18	543,053	6.50%	3,150	50
Wellshill	32	1,081,425	7.25%	6,843	50
Applegate	36	1,114,105	0.50%	4,937	20
Heatherwood	36	898,692	0.50%	4,301	20
Peachtree	28	1,002,547	7.25%	6,379	50
Donna	50	1,424,967	6.50%	8,252	50
Wellsville	24	1,058,035	6.50%	6,316	50
Tecumseh	24	866,358	7.25%	5,481	50
Clay City	24	811,871	7.25%	5,158	50
Irvine West	24	808,950	7.25%	5,137	50
New Castle	24	805,309	7.25%	5,131	50
Stigler	20	592,891	7.25%	3,764	50
Courtyard	21	644,354	6.50%	3,729	50
		$13,275,761			

SERIES 11

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Homestead	32	1,312,776	6.50%	7,411	50
Mountain Oak	24	684,916	8.00%	2,745	50
Eloy	24	646,193	6.00%	3,460	50
Gila Bend	36	970,747	8.00%	6,428	50
Creekstone	40	902,021	11.00%	5,235	30
Tifton	36	904,480	0.00%	2,077	42
Cass Towne	10	110,417	3.00%	1,417	10
Warsaw	56	2,660,396	6.50%	15,387	50
Royston	25	741,787	6.75%	4,414	50
Red Bud	8	238,716	7.25%	1,458	50
Cardinal	32	96,334	6.50%	1,348	50
Parsons	38	1,091,630	8.00%	6,243	50
		$10,360,413			

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 III LTD.
(A Florida Limited Partnership)
By: Raymond James Tax Credit Funds, Inc.
Raymond James Tax Credit Funds, Inc.

Date: July 9, 2002

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

Date: July 9, 2002

By:/s/ Sandra L. Furey
Sandra L. Furey
Secretary and Treasurer

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused to be signed on its behalf by the undersigned hereunto duly authorized.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
By: Raymond James Tax Credit Funds, Inc.
Managing General Partner

Date: July 9, 2002

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

Date: July 9, 2002

By:/s/ Sandra L. Furey
Sandra L. Furey
Secretary and Treasurer