

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For The Quarterly Period Ended June 30, 2002

Commission File Number 0-21762

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

Florida 59-3090386
(State or other jurisdiction of (I.R.S. Employer No.)
incorporation or organization)

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

Registrant's Telephone Number, Including Area Code: (727)573-3800

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

YES X NO

<u>Title of Each Class</u>	<u>Number of Units</u> <u>June 30, 2002</u>
Units of Limited Partnership Interest: \$1,000 per unit	33,799

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II, 2002 Form 10-K, filed with the
Securities and Exchange Commission on July 9, 2002
Parts III and IV - Form S-11 Registration Statement
and all amendments and supplements thereto
File No. 33-44238

PART I - Financial Information
Item 1. Financial Statements

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

SERIES 7	JUNE 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 383,652	\$ 384,626
Investments in Securities	61,511	60,470
	-----	-----
Total Current Assets	445,163	445,096
Investments in Securities	294,568	289,290
Investments in Project Partnerships, Net	1,389,872	1,436,847
	-----	-----
Total Assets	\$2,129,603	\$2,171,233
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 65,393	\$ 68,252
	-----	-----
Total Current Liabilities	65,393	68,252
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	416,231	396,917
	-----	-----
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 June 30, 2002 and March 31, 2002)	1,722,777	1,780,281
General Partners	(74,798)	(74,217)
	-----	-----
Total Partners' Equity	1,647,979	1,706,064
	-----	-----
Total Liabilities and Partners' Equity	\$ 2,129,603	\$2,171,233
	=====	=====

See accompanying notes to financial statements.

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

SERIES 8	JUNE 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 449,452	\$ 456,356
Investments in Securities	56,795	55,888
	-----	-----
Total Current Assets	506,247	512,244
Investments in Securities	280,460	275,718
Investments in Project Partnerships, Net	617,982	654,569
	-----	-----
Total Assets	\$1,404,689	\$1,442,531
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 57,485	\$ 60,485
	-----	-----
Total Current Liabilities	57,485	60,485
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	478,866	458,902
	-----	-----
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 June 30, 2002 and March 31, 2002)	947,280	1,001,538
General Partners	(78,942)	(78,394)
	-----	-----
Total Partners' Equity	868,338	923,144
	-----	-----
Total Liabilities and Partners' Equity	\$1,404,689	\$1,442,531
	=====	=====

See accompanying notes to financial statements.

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

SERIES 9	JUNE 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 247,611	\$ 251,331
Investments in Securities	33,809	33,325
	-----	-----
Total Current Assets	281,420	284,656
Investments in Securities	194,559	191,591
Investments in Project Partnerships, Net	1,434,831	1,506,444
	-----	-----
Total Assets	\$1,910,810	\$1,982,691
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 32,656	\$ 34,316
	-----	-----
Total Current Liabilities	32,656	34,316
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	290,445	279,505
	-----	-----
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 June 30, 2002 and March 31, 2002)	1,626,669	1,707,018
General Partners	(38,960)	(38,148)
	-----	-----
Total Partners' Equity	1,587,709	1,668,870
	-----	-----
Total Liabilities and Partners' Equity	\$1,910,810	\$1,982,691
	=====	=====

See accompanying notes to financial statements.

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

SERIES 10	JUNE 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 250,298	\$ 252,149
Investments in Securities	26,095	25,668
	-----	-----
Total Current Assets	276,393	277,817
Investments in Securities	166,841	163,967
Investments in Project Partnerships, Net	2,189,448	2,232,728
	-----	-----
Total Assets	\$2,632,682	\$2,674,512
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 33,066	\$ 34,582
	-----	-----
Total Current Liabilities	33,066	34,582
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	79,916	72,361
	-----	-----
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 June 30, 2002 and March 31, 2002)	2,538,683	2,586,073
General Partners	(18,983)	(18,504)
	-----	-----
Total Partners' Equity	2,519,700	2,567,569
	-----	-----
Total Liabilities and Partners' Equity	\$2,632,682	\$2,674,512
	=====	=====

See accompanying notes to financial statements.

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

SERIES 11	JUNE 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 264,779	\$ 266,059
Investments in Securities	28,778	28,271
	-----	-----
Total Current Assets	293,557	294,330
Investments in Securities	188,017	184,577
Investments in Project Partnerships, Net	3,061,261	3,111,560
	-----	-----
Total Assets	\$3,542,835	\$3,590,467
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 31,626	\$ 34,342
	-----	-----
Total Current Liabilities	31,626	34,342
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	23,506	17,094
	-----	-----
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 June 30, 2002 and March 31, 2002)	3,498,816	3,549,631
General Partners	(11,113)	(10,600)
	-----	-----
Total Partners' Equity	3,487,703	3,539,031
	-----	-----
Total Liabilities and Partners' Equity	\$3,542,835	\$3,590,467
	=====	=====

See accompanying notes to financial statements.

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

TOTAL SERIES 7 - 11	JUNE 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,595,792	\$ 1,610,521
Investments in Securities	206,988	203,622
	-----	-----
Total Current Assets	1,802,780	1,814,143
Investments in Securities	1,124,445	1,105,143
Investments in Project Partnerships, Net	8,693,394	8,942,148
	-----	-----
Total Assets	\$11,620,619	\$11,861,434
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 220,226	\$ 231,977
	-----	-----
Total Current Liabilities	220,226	231,977
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	1,288,964	1,224,779
	-----	-----
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 June 30, 2002 and March 31, 2002)	10,334,225	10,624,541
General Partners	(222,796)	(219,863)
	-----	-----
Total Partners' Equity	10,111,429	10,404,678
	-----	-----
Total Liabilities and Partners' Equity	\$11,620,619	\$11,861,434
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED JUNE 30,
(Unaudited)

SERIES 7	2002	2001
	----	----
Revenues:		
Interest Income	\$ 7,451	\$ 10,331
	-----	-----
Expenses:		
Asset Management Fee-General Partner	21,849	21,921
General and Administrative:		
General Partner	7,867	4,701
Other	3,453	5,679
Amortization	1,671	1,606
	-----	-----
Total Expenses	34,840	33,907
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(27,389)	(23,576)
Equity in Losses of Project Partnerships	(30,696)	(80,711)
	-----	-----
Net Loss	\$ (58,085)	\$ (104,287)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (57,504)	\$ (103,244)
General Partners	(581)	(1,043)
	-----	-----
	\$ (58,085)	\$ (104,287)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (5.53)	\$ (9.93)
	=====	=====
Number of Limited Partnership Units Outstanding	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 THREE MONTHS ENDED JUNE 30,
(Unaudited)

SERIES 8	2002	2001
	----	----
Revenues:		
Interest Income	\$ 6,966	\$ 10,503
	-----	-----
Expenses:		
Asset Management Fee-General Partner	22,758	22,841
General and Administrative:		
General Partner	8,674	5,183
Other	4,010	6,195
Amortization	1,185	1,847
	-----	-----
Total Expenses	36,627	36,066
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(29,661)	(25,563)
Equity in Losses of Project Partnerships	(25,145)	(97,485)
	-----	-----
Net Loss	\$ (54,806)	\$ (123,048)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (54,258)	\$ (121,818)
General Partners	(548)	(1,230)
	-----	-----
	\$ (54,806)	\$ (123,048)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (5.44)	\$ (12.21)
	=====	=====
Number of Limited Partnership Units Outstanding	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 THREE MONTHS ENDED JUNE 30,
(Unaudited)

SERIES 9	2002	2001
	----	----
Revenues:		
Interest Income	\$ 4,177	\$ 6,012
	-----	-----
Expenses:		
Asset Management Fee-General Partner	12,507	12,545
General and Administrative:		
General Partner	4,841	2,893
Other	2,222	3,602
Amortization	814	1,138
	-----	-----
Total Expenses	20,384	20,178
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(16,207)	(14,166)
Equity in Losses of Project Partnerships	(64,954)	(74,759)
	-----	-----
Net Loss	\$ (81,161)	\$ (88,925)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (80,349)	\$ (88,036)
General Partners	(812)	(889)
	-----	-----
	\$ (81,161)	\$ (88,925)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (12.85)	\$ (14.08)
	=====	=====
Number of Limited Partnership Units Outstanding	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 THREE MONTHS ENDED JUNE 30,
(Unaudited)

SERIES 10	2002	2001
	----	----
Revenues:		
Interest Income	\$ 4,027	\$ 5,814
	-----	-----
Expenses:		
Asset Management Fee-General Partner	8,529	8,553
General and Administrative:		
General Partner	3,026	1,808
Other	1,552	2,356
Amortization	1,203	1,405
	-----	-----
Total Expenses	14,310	14,122
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(10,283)	(8,308)
Equity in Losses of Project Partnerships	(37,586)	(64,623)
	-----	-----
Net Loss	\$ (47,869)	\$ (72,931)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (47,390)	\$ (72,202)
General Partners	(479)	(729)
	-----	-----
	\$ (47,869)	\$ (72,931)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (9.40)	\$ (14.32)
	=====	=====
Number of Limited Partnership Units Outstanding	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 THREE MONTHS ENDED JUNE 30,
(Unaudited)

SERIES 11	2002	2001
	----	----
Revenues:		
Interest Income	\$ 4,714	\$ 6,582
	-----	-----
Expenses:		
Asset Management Fee-General Partner	7,192	7,272
General and Administrative:		
General Partner	2,421	1,446
Other	1,414	1,957
Amortization	2,074	2,073
	-----	-----
Total Expenses	13,101	12,748
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(8,387)	(6,166)
Equity in Losses of Project Partnerships	(42,941)	(22,630)
	-----	-----
Net Loss	\$ (51,328)	\$ (28,796)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (50,815)	\$ (28,508)
General Partners	(513)	(288)
	-----	-----
	\$ (51,328)	\$ (28,796)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (9.91)	\$ (5.56)
	=====	=====
Number of Limited Partnership Units Outstanding	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 THREE MONTHS ENDED JUNE 30,
(Unaudited)

TOTAL SERIES 7 - 11	2002	2001
	----	----
Revenues:		
Interest Income	\$ 27,335	\$ 39,242
	-----	-----
Expenses:		
Asset Management Fee-General Partner	72,835	73,132
General and Administrative:		
General Partner	26,829	16,031
Other	12,653	19,789
Amortization	6,947	8,069
	-----	-----
Total Expenses	119,264	117,021
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(91,927)	(77,779)
Equity in Losses of Project Partnerships	(201,322)	(340,208)
	-----	-----
Net Loss	\$ (293,249)	\$ (417,987)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (290,316)	\$ (413,808)
General Partners	(2,933)	(4,179)
	-----	-----
	\$ (293,249)	\$ (417,987)
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001:

SERIES 7	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2001	\$ 2,166,589	\$ (70,315)	\$ 2,096,274
Net Loss	(103,244) -----	(1,043) -----	(104,287) -----
Balance at June 30, 2001	\$ 2,063,345 =====	\$ (71,358) =====	\$ 1,991,987 =====
Balance at March 31, 2002	\$ 1,780,281	\$ (74,217)	\$ 1,706,064
Net Loss	(57,504) -----	(581) -----	(58,085) -----
Balance at June 30, 2002	\$ 1,722,777 =====	\$ (74,798) =====	\$ 1,647,979 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001:

SERIES 8	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2001	\$ 1,363,645	\$ (74,736)	\$ 1,288,909
Net Loss	(121,818) -----	(1,230) -----	(123,048) -----
Balance at June 30, 2001	\$ 1,241,827 =====	\$ (75,966) =====	\$ 1,165,861 =====
Balance at March 31, 2002	\$ 1,001,538	\$ (78,394)	\$ 923,144
Net Loss	(54,258) -----	(548) -----	(54,806) -----
Balance at June 30, 2002	\$ 947,280 =====	\$ (78,942) =====	\$ 868,338 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001:

SERIES 9	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2001	\$ 2,110,561	\$ (34,072)	\$ 2,076,489
Net Loss	(88,036) -----	(889) -----	(88,925) -----
Balance at June 30, 2001	\$ 2,022,525 =====	\$ (34,961) =====	\$ 1,987,564 =====
Balance at March 31, 2002	\$ 1,707,018	\$ (38,148)	\$ 1,668,870
Net Loss	(80,349) -----	(812) -----	(81,161) -----
Balance at June 30, 2002	\$ 1,626,669 =====	\$ (38,960) =====	\$ 1,587,709 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001:

SERIES 10	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2001	\$ 2,811,044	\$ (16,232)	\$ 2,794,812
Net Loss	(72,202) -----	(729) -----	(72,931) -----
Balance at June 30, 2001	\$ 2,738,842 =====	\$ (16,961) =====	\$ 2,721,881 =====
Balance at March 31, 2002	\$ 2,586,073	\$ (18,504)	\$ 2,567,569
Net Loss	(47,390) -----	(479) -----	(47,869) -----
Balance at June 30, 2002	\$ 2,538,683 =====	\$ (18,983) =====	\$ 2,519,700 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001:

SERIES 11	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2001	\$ 3,756,773	\$ (8,508)	\$ 3,748,265
Net Loss	(28,508) -----	(288) -----	(28,796) -----
Balance at June 30, 2001	\$ 3,728,265 =====	\$ (8,796) =====	\$ 3,719,469 =====
Balance at March 31, 2002	\$ 3,549,631	\$ (10,600)	\$ 3,539,031
Net Loss	(50,815) -----	(513) -----	(51,328) -----
Balance at June 30, 2002	\$ 3,498,816 =====	\$ (11,113) =====	\$ 3,487,703 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001:

TOTAL SERIES 7 - 11	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2001	\$12,208,612	\$ (203,863)	\$12,004,749
Net Loss	(413,808) -----	(4,179) -----	(417,987) -----
Balance at June 30, 2001	\$11,794,804 =====	\$ (208,042) =====	\$11,586,762 =====
Balance at March 31, 2002	\$10,624,541	\$ (219,863)	\$10,404,678
Net Loss	(290,316) -----	(2,933) -----	(293,249) -----
Balance at June 30, 2002	\$10,334,225 =====	\$ (222,796) =====	\$10,111,429 =====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30,
(Unaudited)

SERIES 7 -----	2002 ----	2001 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (58,085)	\$ (104,287)
Adjustments to Reconcile Net Loss to Net		
Cash Used in Operating Activities:		
Amortization	1,671	1,606
Accreted Interest Income on Investments		
in Securities	(6,319)	(6,830)
Equity in Losses of Project Partnerships	30,696	80,711
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	16,455	21,597
	-----	-----
Net Cash Used in Operating Activities	(15,582)	(7,203)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	14,608	8,570
	-----	-----
Net Cash Provided by Investing		
Activities	14,608	8,570
	-----	-----
Increase (Decrease) in Cash and Cash		
Equivalents	(974)	1,367
Cash and Cash Equivalents at Beginning of		
Period	384,626	353,838
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 383,652	\$ 355,205
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30,
(Unaudited)

SERIES 8 -----	2002 ----	2001 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (54,806)	\$ (123,048)
Adjustments to Reconcile Net Loss to Net		
Cash Used In Operating Activities:		
Amortization	1,185	1,847
Accreted Interest Income on Investments		
in Securities	(5,650)	(6,104)
Equity in Losses of Project Partnership	25,145	97,485
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	16,965	22,411
	-----	-----
Net Cash Used in Operating Activities	(17,161)	(7,409)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	10,257	6,537
	-----	-----
Net Cash Provided by Investing		
Activities	10,257	6,537
	-----	-----
Decrease in Cash and Cash Equivalents	(6,904)	(872)
Cash and Cash Equivalents at Beginning of		
Period	456,356	447,343
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 449,452	\$ 446,471
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30,
(Unaudited)

SERIES 9 -----	2002 ----	2001 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (81,161)	\$ (88,925)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	814	1,138
Accreted Interest Income on Investments in Securities	(3,451)	(3,708)
Equity in Losses of Project Partnerships	64,954	74,759
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	9,278	12,395
	-----	-----
Net Cash Used in Operating Activities	(9,566)	(4,341)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	5,846	6,348
	-----	-----
Net Cash Provided by Investing Activities	5,846	6,348
	-----	-----
Increase (Decrease) in Cash and Cash Equivalents	(3,720)	2,007
Cash and Cash Equivalents at Beginning of Period	251,331	232,688
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 247,611	\$ 234,695
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30,
(Unaudited)

SERIES 10 -----	2002 ----	2001 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (47,869)	\$ (72,931)
Adjustments to Reconcile Net Loss to Net		
Cash Used in Operating Activities:		
Amortization	1,203	1,405
Accreted Interest Income on Investments		
in Securities	(3,299)	(3,477)
Equity in Losses of Project Partnerships	37,586	64,623
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	6,039	8,066
	-----	-----
Net Cash Used in Operating Activities	(6,340)	(2,314)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	4,489	4,149
	-----	-----
Net Cash Provided by Investing		
Activities	4,489	4,149
	-----	-----
Increase (Decrease) in Cash and Cash		
Equivalents	(1,851)	1,835
Cash and Cash Equivalents at Beginning of		
Period	252,149	236,522
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 250,298	\$ 238,357
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30,
(Unaudited)

SERIES 11 -----	2002 ----	2001 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (51,328)	\$ (28,796)
Adjustments to Reconcile Net Loss to Net		
Cash Used in Operating Activities:		
Amortization	2,074	2,073
Accreted Interest Income on Investments		
in Securities	(3,945)	(4,131)
Equity in Losses of Project Partnerships	42,941	22,630
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	3,696	6,658
	-----	-----
Net Cash Used in Operating Activities	(6,562)	(1,566)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	5,282	10,051
	-----	-----
Net Cash Provided by Investing		
Activities	5,282	10,051
	-----	-----
Increase (Decrease) in Cash and Cash		
Equivalents	(1,280)	8,485
Cash and Cash Equivalents at Beginning of		
Period	266,059	244,339
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 264,779	\$ 252,824
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30,
(Unaudited)

TOTAL SERIES 7 - 11	2002	2001
-----	----	----
Cash Flows from Operating Activities:		
Net Loss	\$ (293,249)	\$ (417,987)
Adjustments to Reconcile Net Loss to Net		
Cash Used in Operating Activities:		
Amortization	6,947	8,069
Accreted Interest Income on Investments		
in Securities	(22,664)	(24,250)
Equity in Losses of Project Partnerships	201,322	340,208
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	52,433	71,127
	-----	-----
Net Cash Used in Operating Activities	(55,211)	(22,833)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	40,482	35,655
	-----	-----
Net Cash Provided by Investing		
Activities	40,482	35,655
	-----	-----
Increase (Decrease) in Cash and Cash		
Equivalents	(14,729)	12,822
Cash and Cash Equivalents at Beginning of		
Period	1,610,521	1,514,730
	-----	-----
Cash and Cash Equivalents at End of Period	\$1,595,792	\$1,527,552
	=====	=====

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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 June 30, 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 Statement 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 selecting properties for acquisition, and
- 3) Acquisition expenses including legal fees, travel and other miscellaneous costs relating to acquiring properties.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

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 is shown as amortization expense 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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

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.

Basis of Preparation

The unaudited financial statements presented herein have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles. These statements should be read in conjunction with the financial statements and notes thereto included with the Partnership's Form 10-K for the year ended March 31, 2002. In the opinion of management these financial statements include adjustments, consisting only of normal recurring adjustments, necessary to fairly summarize the Partnership's financial position and results of operations. The results of operations for the periods may not be indicative of the results to be expected for the year.

NOTE 3 - INVESTMENT IN SECURITIES:

The June 30, 2002 Balance Sheet includes Investment in Securities consisting of U.S. Treasury Security Strips which represents their cost, plus accreted interest income of \$179,967 for Series 7, \$157,893 for Series 8, \$93,481 for Series 9, \$84,437 for Series 10 and \$97,603 for Series 11.

	Estimated Market Value	Cost Plus Accreted Interest	Gross Unrealized Gains and (Losses)
	-----	-----	-----
Series 7	\$ 396,597	\$ 356,079	\$ 40,518
Series 8	371,439	337,255	34,184
Series 9	247,369	228,368	19,001
Series 10	214,695	192,936	21,759
Series 11	247,334	216,795	30,539

NOTE 3 - INVESTMENT IN SECURITIES (Continued):

As of June 30, 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	\$ 61,511	\$ 56,795	\$ 33,809
After 1 year through 5 years	237,854	225,180	132,136
After 5 years through 10 years	56,714	55,280	62,423
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 356,079	\$ 337,255	\$ 228,368
	=====	=====	=====
	Series 10	Series 11	Total
	-----	-----	-----
Due within 1 year	\$ 26,095	\$ 28,778	\$ 206,988
After 1 year through 5 years	97,529	111,420	804,119
After 5 years through 10 years	69,312	76,597	320,326
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 192,936	\$ 216,795	\$1,331,433
	=====	=====	=====

NOTE 4 - RELATED PARTY TRANSACTIONS:

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

For the three months ended June 30 2002 and 2001 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, 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
	-----	-----
Series 7	\$ 21,849	\$ 21,921
Series 8	22,758	22,841
Series 9	12,507	12,545
Series 10	8,529	8,553
Series 11	7,192	7,272
	-----	-----
Total	\$ 72,835	\$ 73,132
	=====	=====

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.

Series 7	\$ 7,867	\$ 4,701
Series 8	8,674	5,183
Series 9	4,841	2,893
Series 10	3,026	1,808
Series 11	2,421	1,446
	-----	-----
Total	\$ 26,829	\$ 16,031
	=====	=====

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

As of June 30, 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:

SERIES 7	JUNE 30, 2002	MARCH 31, 2002
	-----	-----
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)	(6,755,821)	(6,725,125)
Cumulative distributions received from Project Partnerships	(204,841)	(190,234)
	-----	-----
Investment in Project Partnerships before adjustment	771,427	816,730
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	793,335	793,335
Accumulated amortization of acquisition fees and expenses	(174,890)	(173,218)
	-----	-----
Investments in Project Partnerships	\$ 1,389,872	\$ 1,436,847
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$2,039,537 for the period ended June 30, 2002 and cumulative suspended losses of \$1,932,905 for the year ended March 31, 2002 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of June 30, 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:

SERIES 8	JUNE 30, 2002	MARCH 31, 2002
	-----	-----
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)	(7,246,242)	(7,221,095)
Cumulative distributions received from Project Partnerships	(162,385)	(152,130)
	-----	-----
Investment in Project Partnerships before adjustment	177,478	212,880
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	549,773	549,773
Accumulated amortization of acquisition fees and expenses	(109,269)	(108,084)
	-----	-----
Investments in Project Partnerships	\$ 617,982	\$ 654,569
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$2,380,080 for the period ended June 30, 2002 and cumulative suspended losses of \$2,199,653 for the year ended March 31, 2002 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of June 30, 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:

SERIES 9	JUNE 30, 2002	MARCH 31, 2002
	-----	-----
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)	(3,555,581)	(3,490,627)
Cumulative distributions received from Project Partnerships	(116,516)	(110,670)
	-----	-----
Investment in Project Partnerships before adjustment	1,242,019	1,312,819
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	244,087	244,087
Accumulated amortization of acquisition fees and expenses	(51,275)	(50,462)
	-----	-----
Investments in Project Partnerships	\$ 1,434,831	\$ 1,506,444
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$647,678 for the period ended June 30, 2002 and cumulative suspended losses of \$579,368 for the year ended March 31, 2002 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of June 30, 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:

SERIES 10	JUNE 30, 2002	MARCH 31, 2002
	-----	-----
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)	(1,733,955)	(1,696,369)
Cumulative distributions received from Project Partnerships	(141,733)	(137,244)
	-----	-----
Investment in Project Partnerships before adjustment	2,038,984	2,081,059
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	196,738	196,738
Accumulated amortization of acquisition fees and expenses	(46,274)	(45,069)
	-----	-----
Investments in Project Partnerships	\$ 2,189,448	\$ 2,232,728
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$73,789 for the period ended June 30, 2002 and cumulative suspended losses of \$60,069 for the year ended March 31, 2002 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of June 30, 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:

SERIES 11	JUNE 30, 2002	MARCH 31, 2002
	-----	-----
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)	(1,166,471)	(1,123,530)
Cumulative distributions received from Project Partnerships	(128,933)	(123,651)
	-----	-----
Investment in Project Partnerships before adjustment	2,832,638	2,880,861
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	290,335	290,335
Accumulated amortization of acquisition fees and expenses	(61,712)	(59,636)
	-----	-----
Investments in Project Partnerships	\$ 3,061,261	\$ 3,111,560
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$0 for the period June 30, 2002 and cumulative suspended losses of \$0 for the year ended March 31, 2002 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

The following is a summary of Investments in Project Partnerships as of:

TOTAL SERIES 7 - 11	JUNE 30, 2002	MARCH 31, 2002
	-----	-----
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 (1)	(20,458,070)	(20,256,746)
Cumulative distributions received from Project Partnerships	(754,408)	(713,929)
	-----	-----
Investment in Project Partnerships before adjustment	7,062,546	7,304,349
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	(443,420)	(436,469)
	-----	-----
Investments in Project Partnerships	\$ 8,693,394	\$ 8,942,148
	=====	=====

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 March 31, of each year:

	2002	2001
	----	----
SERIES 7		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 3,480,194	\$ 3,386,602
Investment properties, net	32,105,399	33,425,584
Other assets	10,923	9,765
	-----	-----
Total assets	\$35,596,516	\$36,821,951
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 783,119	\$ 785,003
Long-term debt	36,330,807	36,457,535
	-----	-----
Total liabilities	37,113,926	37,242,538
	-----	-----
Partners' equity		
Limited Partner	(1,350,475)	(306,205)
General Partners	(166,935)	(114,382)
	-----	-----
Total Partners' equity	(1,517,410)	(420,587)
	-----	-----
Total liabilities and partners' equity	\$35,596,516	\$36,821,951
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 1,165,826	\$ 1,143,420
Expenses:	-----	-----
Operating expenses	730,062	726,687
Interest expense	209,988	207,781
Depreciation and amortization	364,491	366,647
	-----	-----
Total expenses	1,304,541	1,301,115
	-----	-----
Net loss	\$ (138,715)	\$ (157,695)
	=====	=====
Other partners' share of net loss	\$ (1,387)	\$ (1,577)
	=====	=====
Partnerships' share of net loss	\$ (137,328)	\$ (156,118)
Suspended losses	106,632	75,407
	-----	-----
Equity in Losses of Project Partnerships	\$ (30,696)	\$ (80,711)
	=====	=====

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 March 31, of each year:

	2002	2001
	----	----
SERIES 8		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 3,155,375	\$ 2,943,506
Investment properties, net	33,867,183	35,297,730
Other assets	25,626	27,518
	-----	-----
Total assets	\$37,048,184	\$38,268,754
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 1,197,056	\$ 1,144,763
Long-term debt	38,315,190	38,469,955
	-----	-----
Total liabilities	39,512,246	39,614,718
	-----	-----
Partners' equity		
Limited Partner	(1,996,331)	(925,324)
General Partners	(467,731)	(420,640)
	-----	-----
Total Partners' equity	(2,464,062)	(1,345,964)
	-----	-----
Total liabilities and partners' equity	\$37,048,184	\$38,268,754
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 1,102,475	\$ 1,088,785
Expenses:	-----	-----
Operating expenses	705,783	729,335
Interest expense	222,486	225,187
Depreciation and amortization	382,891	394,506
	-----	-----
Total expenses	1,311,160	1,349,028
	-----	-----
Net loss	\$ (208,685)	\$ (260,243)
	=====	=====
Other partners' share of net loss	\$ (3,113)	\$ (3,971)
	=====	=====
Partnerships' share of net loss	\$ (205,572)	\$ (256,272)
Suspended losses	180,427	158,787
	-----	-----
Equity in Losses of Project Partnerships	\$ (25,145)	\$ (97,485)
	=====	=====

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 March 31, of each year:

	2002	2001
	----	----
SERIES 9		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,764,946	\$ 1,750,167
Investment properties, net	19,238,739	19,986,688
Other assets	5,942	7,032
	-----	-----
Total assets	\$21,009,627	\$21,743,887
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 334,681	\$ 308,263
Long-term debt	20,315,565	20,373,321
	-----	-----
Total liabilities	20,650,246	20,681,584
	-----	-----
Partners' equity		
Limited Partner	566,152	1,237,913
General Partners	(206,771)	(175,610)
	-----	-----
Total Partners' equity	359,381	1,062,303
	-----	-----
Total liabilities and partners' equity	\$21,009,627	\$21,743,887
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 552,175	\$ 561,824
Expenses:	-----	-----
Operating expenses	364,095	370,540
Interest expense	117,516	117,100
Depreciation and amortization	205,174	208,167
	-----	-----
Total expenses	686,785	695,807
	-----	-----
Net loss	\$ (134,610)	\$ (133,983)
	=====	=====
Other partners' share of net loss	\$ (1,346)	\$ (1,340)
	=====	=====
Partnerships' share of net loss	\$ (133,264)	\$ (132,643)
Suspended losses	68,310	57,884
	-----	-----
Equity in Losses of Project Partnerships	\$ (64,954)	\$ (74,759)
	=====	=====

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 March 31, of each year:

	2002	2001
	----	----
SERIES 10		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,492,019	\$ 1,411,007
Investment properties, net	13,768,797	14,202,812
Other assets	2,738	3,792
	-----	-----
Total assets	\$15,263,554	\$15,617,611
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 239,184	\$ 284,832
Long-term debt	13,284,180	13,323,414
	-----	-----
Total liabilities	13,523,364	13,608,246
	-----	-----
Partners' equity		
Limited Partner	1,980,812	2,218,377
General Partners	(240,622)	(209,012)
	-----	-----
Total Partners' equity	1,740,190	2,009,365
	-----	-----
Total liabilities and partners' equity	\$15,263,554	\$15,617,611
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 382,484	\$ 366,173
Expenses:	-----	-----
Operating expenses	249,781	242,340
Interest expense	65,147	65,347
Depreciation and amortization	119,593	124,151
	-----	-----
Total expenses	434,521	431,838
	-----	-----
Net loss	\$ (52,037)	\$ (65,665)
	=====	=====
Other partners' share of net loss	\$ (732)	\$ (1,042)
	=====	=====
Partnerships' share of net loss	\$ (51,305)	\$ (64,623)
Suspended losses	13,719	0
	-----	-----
Equity in Losses of Project Partnerships	\$ (37,586)	\$ (64,623)
	=====	=====

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 March 31, of each year:

	2002	2001
	----	----
SERIES 11		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,219,687	\$ 1,307,008
Investment properties, net	12,008,626	12,484,617
Other assets	56,436	12,136
	-----	-----
Total assets	\$13,284,749	\$13,803,761
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 244,181	\$ 299,685
Long-term debt	10,349,141	10,514,017
	-----	-----
Total liabilities	10,593,322	10,813,702
	-----	-----
Partners' equity		
Limited Partner	2,847,245	3,076,363
General Partners	(155,818)	(86,304)
	-----	-----
Total Partners' equity	2,691,427	2,990,059
	-----	-----
Total liabilities and partners' equity	\$13,284,749	\$13,803,761
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 398,579	\$ 408,576
Expenses:	-----	-----
Operating expenses	248,244	242,597
Interest expense	61,609	61,514
Depreciation and amortization	130,864	129,224
	-----	-----
Total expenses	440,717	433,335
	-----	-----
Net loss	\$ (42,138)	\$ (24,759)
	=====	=====
Other partners' share of net loss	\$ 803	\$ (2,129)
	=====	=====
Partnerships' share of net loss	\$ (42,941)	\$ (22,630)
Suspended losses	0	0
	-----	-----
Equity in Losses of Project Partnerships	\$ (42,941)	\$ (22,630)
	=====	=====

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 March 31, of each year:

	2002 ----	2001 ----
TOTAL SERIES 7 - 11		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 11,112,221	\$ 10,798,290
Investment properties, net	110,988,744	115,397,431
Other assets	101,665	60,243
	-----	-----
Total assets	\$122,202,630	\$126,255,964
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 2,798,221	\$ 2,822,546
Long-term debt	118,594,883	119,138,242
	-----	-----
Total liabilities	121,393,104	121,960,788
	-----	-----
Partners' equity		
Limited Partner	2,047,403	5,301,124
General Partners	(1,237,877)	(1,005,948)
	-----	-----
Total Partners' equity	809,526	4,295,176
	-----	-----
Total liabilities and partners' equity	\$122,202,630	\$126,255,964
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 3,601,539	\$ 3,568,778
Expenses:		
Operating expenses	2,297,965	2,311,499
Interest expense	676,746	676,929
Depreciation and amortization	1,203,013	1,222,695
	-----	-----
Total expenses	4,177,724	4,211,123
	-----	-----
Net loss	\$ (576,185)	\$ (642,345)
	=====	=====
Other partners' share of net loss	\$ (5,776)	\$ (10,060)
	=====	=====
Partnerships' share of net loss	\$ (570,409)	\$ (632,285)
Suspended losses	369,088	292,078
	-----	-----
Equity in Losses of Project Partnerships	\$ (201,321)	\$ (340,207)
	=====	=====

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

Results of Operations, Liquidity and Capital Resources

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 three months ended June 30, 2002 and June 30, 2001. The General and Administrative expenses - General Partner and General and Administrative expenses - Other for the three months ended June 30, 2002 are comparable to June 30, 2001. There were no unusual variations in the operating results between these two periods.

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. Equity in Losses of Project Partnerships for the three months ended June 30, 2002 decreased from \$80,711 for the three months ended June 30, 2001 to \$30,696 as a result of an increase in suspended losses. 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. As a result, management expects that this Series, as well as those described below, will report its equity in Project Partnerships as a loss for tax and financial reporting purposes. Overall, management believes the Project Partnerships are operating as expected and are generating tax credits which meet projections.

At June 30, 2002, the Series had \$383,652 of short-term investments (Cash and Cash Equivalents). It also had \$356,079 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 \$58,085 for the three months ended June 30, 2002. However, after adjusting for Equity in Losses of Project Partnerships of \$30,696 and the changes in operating assets and liabilities, net cash used in operating activities was \$15,582. Cash provided by investing activities totaled \$14,608, consisting of cash distributions from the Project Partnerships.

Series 8 - Gateway closed this Series on September 28, 1993 after receiving \$9,980,000 from 664 Limited Partner investors. Equity in Losses of Project Partnerships for the three months ended June 30, 2002 decreased from \$97,485 for the three months ended June 30, 2001 to \$25,145 as a result of an increase in suspended losses. At June 30, 2002, the Series had \$449,452 of short-term investments (Cash and Cash Equivalents). It also had \$337,255 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 \$54,806 for the three months ended June 30, 2002. However, after adjusting for Equity in Losses of Project Partnerships of \$25,145 and the changes in operating assets and liabilities, net cash used in operating activities was \$17,161. Cash provided by investing activities totaled \$10,257, consisting of cash distributions from the Project Partnerships. There were no unusual events or trends to describe.

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

Results of Operations, Liquidity and Capital Resources

Series 9 - Gateway closed this Series on December 31, 1993 after receiving \$6,254,000 from 406 Limited Partner investors. Equity in Losses of Project Partnerships for the three months ended June 30, 2002 decreased from \$74,759 for the three months ended June 30, 2001 to \$64,954 as a result of an increase in suspended losses. At June 30, 2002, the Series had \$247,611 of short-term investments (Cash and Cash Equivalents). It also had \$228,368 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 \$81,161 for the three months ended June 30, 2002. However, after adjusting for Equity in Losses of Project Partnerships of \$64,954 and the changes in operating assets and liabilities, net cash used in operating activities was \$9,566. Cash provided by investing activities totaled \$5,846, consisting of cash distributions from the Project Partnerships. 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. Equity in Losses of Project Partnerships for the three months ended June 30, 2002 decreased from \$64,623 for the three months ended June 30, 2001 to \$37,586 as a result of an increase in suspended losses. At June 30, 2002, the Series had \$250,298 of short-term investments (Cash and Cash Equivalents). It also had \$192,936 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 a net loss of \$47,869 for the three months ended June 30, 2002. However, after adjusting for Equity in Losses of Project Partnerships of \$37,586 and the changes in operating assets and liabilities, net cash used in operating activities was \$6,340. Cash provided by investing activities totaled \$4,489, consisting of cash distributions from the Project Partnerships. 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. Equity in Losses of Project Partnerships for the three months ended June 30, 2002 increased from \$22,630 for the three months ended June 30, 2001 to \$42,941 as a result of a decrease in rental revenue. At June 30, 2002, the Series had \$264,779 of short-term investments (Cash and Cash Equivalents). It also had \$216,795 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 a net loss of \$51,328 for the three months ended June 30, 2002. However, after adjusting for Equity in Losses of Project Partnerships of \$42,941 and the changes in operating assets and liabilities, net cash used in operating activities was \$6,562. Cash provided by investing activities totaled \$5,282, consisting of cash distributions from Project Partnerships. There were no unusual events or trends to describe.

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.

Date: 8/29/2002

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

Date: 8/29/2002

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