

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 SEPTEMBER 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) 567-1000

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 ☒ NO ☐

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

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II, 2001 Form 10-K, filed with the
Securities and Exchange Commission on July 9, 2002
Parts III and IV - Form S-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	SEPTEMBER 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 353,098	\$ 384,626
Investments in Securities	62,570	60,470
	-----	-----
Total Current Assets	415,668	445,096
Investments in Securities	299,942	289,290
Investments in Project Partnerships, Net	1,344,844	1,436,847
	-----	-----
Total Assets	\$ 2,060,454	\$ 2,171,233
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 87,716	\$ 68,252
	-----	-----
Total Current Liabilities	87,716	68,252
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	401,264	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 September 30, 2002 and March 31, 2002)	1,647,037	1,780,281
General Partners	(75,563)	(74,217)
	-----	-----
Total Partners' Equity	1,571,474	1,706,064
	-----	-----
Total Liabilities and Partners' Equity	\$ 2,060,454	\$ 2,171,233
	=====	=====

See accompanying notes to financial statements.

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

SERIES 8	SEPTEMBER 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 429,162	\$ 456,356
Investments in Securities	57,717	55,888
	-----	-----
Total Current Assets	486,879	512,244
Investments in Securities	285,283	275,718
Investments in Project Partnerships, Net	584,189	654,569
	-----	-----
Total Assets	\$ 1,356,351	\$ 1,442,531
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 81,975	\$ 60,485
	-----	-----
Total Current Liabilities	81,975	60,485
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	477,016	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 September 30, 2002 and March 31, 2002)	877,012	1,001,538
General Partners	(79,652)	(78,394)
	-----	-----
Total Partners' Equity	797,360	923,144
	-----	-----
Total Liabilities and Partners' Equity	\$ 1,356,351	\$ 1,442,531
	=====	=====

See accompanying notes to financial statements.

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

SERIES 9	SEPTEMBER 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
SSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 246,024	\$ 251,331
Investments in Securities	34,301	33,325
	-----	-----
Total Current Assets	280,325	284,656
Investments in Securities	197,571	191,591
Investments in Project Partnerships, Net	1,354,701	1,506,444
	-----	-----
Total Assets	\$ 1,832,597	\$ 1,982,691
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 46,616	\$ 34,316
	-----	-----
Total Current Liabilities	46,616	34,316
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	298,218	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 September 30, 2002 and March 31, 2002)	1,527,722	1,707,018
General Partners	(39,959)	(38,148)
	-----	-----
Total Partners' Equity	1,487,763	1,668,870
	-----	-----
Total Liabilities and Partners' Equity	\$ 1,832,597	\$ 1,982,691
	=====	=====

See accompanying notes to financial statements.

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

SERIES 10	SEPTEMBER 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 236,670	\$ 252,149
Investments in Securities	26,534	25,668
	-----	-----
Total Current Assets	263,204	277,817
Investments in Securities	169,793	163,967
Investments in Project Partnerships, Net	2,150,229	2,232,728
	-----	-----
Total Assets	\$ 2,583,226	\$ 2,674,512
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 41,959	\$ 34,582
	-----	-----
Total Current Liabilities	41,959	34,582
	-----	-----
Long-Term Liabilities:	72,359	72,361
Payable to General Partners	-----	-----
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 September 30, 2002 and March 31, 2002)	2,488,399	2,586,073
General Partners	(19,491)	(18,504)
	-----	-----
Total Partners' Equity	2,468,908	2,567,569
	-----	-----
Total Liabilities and Partners' Equity	\$ 2,583,226	\$ 2,674,512
	=====	=====

See accompanying notes to financial statements.

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

SERIES 11	SEPTEMBER 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 294,392	\$ 266,059
Investments in Securities	29,294	28,271
	-----	-----
Total Current Assets	323,686	294,330
Investments in Securities	191,520	184,577
Investments in Project Partnerships, Net	3,029,627	3,111,560
	-----	-----
Total Assets	\$ 3,544,833	\$ 3,590,467
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 39,010	\$ 34,342
	-----	-----
Total Current Liabilities	39,010	34,342
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	57,832	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 September 30, 2002 and March 31, 2002)	3,459,501	3,549,611
General Partners	(11,510)	(10,600)
	-----	-----
Total Partners' Equity	3,447,991	3,539,031
	-----	-----
Total Liabilities and Partners' Equity	\$ 3,544,833	\$ 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	SEPTEMBER 30, 2002 ----- (Unaudited)	MARCH 31, 2002 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,559,346	\$ 1,610,521
Investments in Securities	210,416	203,622
	-----	-----
Total Current Assets	1,769,762	1,814,143
Investments in Securities	1,144,109	1,105,143
Investments in Project Partnerships, Net	8,463,590	8,942,148
	-----	-----
Total Assets	\$11,377,461	\$11,861,434
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 297,276	\$ 231,977
	-----	-----
Total Current Liabilities	297,276	231,977
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	1,306,689	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 September 30, 2002 and March 31, 2002)	9,999,672	10,624,541
General Partners	(226,176)	(219,863)
	-----	-----
Total Partners' Equity	9,773,496	10,404,678
	-----	-----
Total Liabilities and Partners' Equity	\$11,377,461	\$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 SEPTEMBER 30,
(Unaudited)

SERIES 7	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 7,434	\$ 9,588
	-----	-----
Expenses:		
Asset Management Fee-General Partner	21,849	21,920
General and Administrative:		
General Partner	11,980	6,153
Other	7,505	4,549
Amortization	1,671	9,756
	-----	-----
Total Expenses	43,005	42,378
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(35,571)	(32,790)
Equity in Losses of Project Partnerships	(40,934)	(82,028)
	-----	-----
Net Loss	\$ (76,505)	\$ (114,818)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (75,740)	\$ (113,670)
General Partners	(765)	(1,148)
	-----	-----
	\$ (76,505)	\$ (114,818)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (7.29)	\$ (10.94)
	=====	=====
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 SEPTEMBER 30,
(Unaudited)

SERIES 8	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 6,956	\$ 9,489
	-----	-----
Expenses:		
Asset Management Fee-General Partner	22,758	22,841
General and Administrative:		
General Partner	13,231	6,784
Other	8,152	4,892
Amortization	1,185	1,847
	-----	-----
Total Expenses	45,326	36,364
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(38,370)	(26,875)
Equity in Losses of Project Partnerships	(32,608)	(89,689)
	-----	-----
Net Loss	\$ (70,978)	\$ (116,564)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (70,268)	\$ (115,398)
General Partners	(710)	(1,166)
	-----	-----
	\$ (70,978)	\$ (116,564)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (7.04)	\$ (11.56)
	=====	=====
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 SEPTEMBER 30,
(Unaudited)

SERIES 9	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 4,177	\$ 5,500
	-----	-----
Expenses:		
Asset Management Fee-General Partner	12,507	12,544
General and Administrative:		
General Partner	7,385	3,786
Other	4,841	2,867
Amortization	814	1,138
	-----	-----
Total Expenses	25,547	20,335
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(21,370)	(14,835)
Equity in Losses of Project Partnerships	(78,576)	(91,299)
	-----	-----
Net Loss	\$ (99,946)	\$ (106,134)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (98,947)	\$ (105,073)
General Partners	(999)	(1,061)
	-----	-----
	\$ (99,946)	\$ (106,134)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (15.82)	\$ (16.80)
	=====	=====
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 SEPTEMBER 30,
(Unaudited)

SERIES 10	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 4,065	\$ 5,332
	-----	-----
Expenses:		
Asset Management Fee-General Partner	8,529	8,553
General and Administrative:		
General Partner	4,615	2,367
Other	3,194	2,030
Amortization	1,203	1,406
	-----	-----
Total Expenses	17,541	14,356
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(13,476)	(9,024)
Equity in Losses of Project Partnerships	(37,316)	(58,277)
	-----	-----
Net Loss	\$ (50,792)	\$ (67,301)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (50,284)	\$ (66,628)
General Partners	(508)	(673)
	-----	-----
	\$ (50,792)	\$ (67,301)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (9.97)	\$ (13.21)
	=====	=====
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 SEPTEMBER 30,
(Unaudited)

SERIES 11	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 4,721	\$ 6,078
	-----	-----
Expenses:		
Asset Management Fee-General Partner	7,192	7,271
General and Administrative:		
General Partner	3,692	1,893
Other	2,825	1,849
Amortization	2,074	2,074
	-----	-----
Total Expenses	15,783	13,087
	-----	-----
Loss Before Equity in Losses Of Project Partnerships	(11,062)	(7,009)
Equity in Losses of Project Partnerships	(28,650)	(60,994)
	-----	-----
Net Loss	\$ (39,712)	\$ (68,003)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (39,315)	\$ (67,323)
General Partners	(397)	(680)
	-----	-----
	\$ (39,712)	\$ (68,003)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (7.67)	\$ (13.13)
	=====	=====
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 SEPTEMBER 30,
(Unaudited)

TOTAL SERIES 7 - 11	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 27,353	\$ 35,987
	-----	-----
Expenses:		
Asset Management Fee-General Partner	72,835	73,129
General and Administrative:		
General Partner	40,903	20,983
Other	26,517	16,187
Amortization	6,947	16,221
	-----	-----
Total Expenses	147,202	126,520
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(119,849)	(90,533)
Equity in Losses of Project Partnerships	(218,084)	(382,287)
	-----	-----
Net Loss	\$ (337,933)	\$ (472,820)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (334,555)	\$ (468,091)
General Partners	(3,378)	(4,729)
	-----	-----
	\$ (337,933)	\$ (472,820)
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 7	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 14,885	\$ 19,919
	-----	-----
Expenses:		
Asset Management Fee-General Partner	43,698	43,841
General and Administrative:		
General Partner	19,847	10,854
Other	10,958	10,228
Amortization	3,342	11,362
	-----	-----
Total Expenses	77,845	76,285
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(62,960)	(56,366)
Equity in Losses of Project Partnerships	(71,630)	(162,739)
	-----	-----
Net Loss	\$ (134,590)	\$ (219,105)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (133,244)	\$ (216,914)
General Partners	(1,346)	(2,191)
	-----	-----
	\$ (134,590)	\$ (219,105)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (12.82)	\$ (20.87)
	=====	=====
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 SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 8	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 13,922	\$ 19,992
	-----	-----
Expenses:		
Asset Management Fee-General Partner	45,516	45,682
General and Administrative:		
General Partner	21,905	11,967
Other	12,162	11,087
Amortization	2,370	3,694
	-----	-----
Total Expenses	81,953	72,430
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(68,031)	(52,438)
Equity in Losses of Project Partnerships	(57,753)	(187,174)
	-----	-----
Net Loss	\$ (125,784)	\$ (239,612)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (124,526)	\$ (237,216)
General Partners	(1,258)	(2,396)
	-----	-----
	\$ (125,784)	\$ (239,612)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (12.48)	\$ (23.77)
	=====	=====
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 SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 9	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 8,354	\$ 11,512
	-----	-----
Expenses:		
Asset Management Fee-General Partner	25,014	25,089
General and Administrative:		
General Partner	12,226	6,679
Other	7,063	6,469
Amortization	1,628	2,276
	-----	-----
Total Expenses	45,931	40,513
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(37,577)	(29,001)
Equity in Losses of Project Partnerships	(143,350)	(166,058)
	-----	-----
Net Loss	\$ (181,107)	\$ (195,059)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (179,296)	\$ (193,108)
General Partners	(1,811)	(1,951)
	-----	-----
	\$ (181,107)	\$ (195,059)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (28.67)	\$ (30.88)
	=====	=====
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 SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 10	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 8,092	\$ 11,146
	-----	-----
Expenses:		
Asset Management Fee-General Partner	17,058	17,106
General and Administrative:		
General Partner	7,641	4,175
Other	4,746	4,386
Amortization	2,406	2,811
	-----	-----
Total Expenses	31,851	28,478
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(23,759)	(17,332)
Equity in Losses of Project Partnerships	(74,902)	(122,900)
	-----	-----
Net Loss	\$ (98,661)	\$ (140,232)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (97,674)	\$ (138,830)
General Partners	(987)	(1,402)
	-----	-----
	\$ (98,661)	\$ (140,232)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (19.37)	\$ (27.53)
	=====	=====
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 SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 11	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 9,435	\$ 12,660
	-----	-----
Expenses:		
Asset Management Fee-General Partner	14,384	14,543
General and Administrative:		
General Partner	6,113	3,339
Other	4,239	3,806
Amortization	4,148	4,147
	-----	-----
Total Expenses	28,884	25,835
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(19,449)	(13,175)
Equity in Losses of Project Partnerships	(71,591)	(83,624)
	-----	-----
Net Loss	\$ (91,040)	\$ (96,799)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (90,130)	\$ (95,831)
General Partners	(910)	(968)
	-----	-----
	\$ (91,040)	\$ (96,799)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (17.58)	\$ (18.69)
	=====	=====
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 SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

TOTAL SERIES 7 - 11	<u>2002</u>	<u>2001</u>
Revenues:		
Interest Income	\$ 54,688	\$ 75,229
	-----	-----
Expenses:		
Asset Management Fee-General Partner	145,670	146,261
General and Administrative:		
General Partner	67,732	37,014
Other	39,168	35,976
Amortization	13,894	24,290
	-----	-----
Total Expenses	266,464	243,541
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(211,776)	(168,312)
Equity in Losses of Project Partnerships	(419,406)	(722,495)
	-----	-----
Net Loss	\$ (631,182)	\$ (890,807)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (624,869)	\$ (881,899)
General Partners	(6,313)	(8,908)
	-----	-----
	\$ (631,182)	\$ (890,807)
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE SIX MONTHS ENDED SEPTEMBER 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	(216,914) -----	(2,191) -----	(219,105) -----
Balance at September 30, 2001	\$ 1,949,675 =====	\$ (72,506) =====	\$ 1,877,169 =====
Balance at March 31, 2002	\$ 1,780,281	\$ (74,217)	\$ 1,706,064
Net Loss	(133,244) -----	(1,346) -----	(134,590) -----
Balance at September 30, 2002	\$ 1,647,037 =====	\$ (75,563) =====	\$ 1,571,474 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE SIX MONTHS ENDED SEPTEMBER 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	(237,216) -----	(2,396) -----	(239,612) -----
Balance at September 30, 2001	\$ 1,126,429 =====	\$ (77,132) =====	\$ 1,049,297 =====
Balance at March 31, 2002	\$ 1,001,538	\$ (78,394)	\$ 923,144
Net Loss	(124,526) -----	(1,258) -----	(125,784) -----
Balance at September 30, 2002	\$ 877,012 =====	\$ (79,652) =====	\$ 797,360 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE SIX MONTHS ENDED SEPTEMBER 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	(193,108) -----	(1,951) -----	(195,059) -----
Balance at September 30, 2001	\$ 1,917,453 =====	\$ (36,023) =====	\$ 1,881,430 =====
Balance at March 31, 2002	\$ 1,707,018	\$ (38,148)	\$ 1,668,870
Net Loss	(179,296) -----	(1,811) -----	(181,107) -----
Balance at September 30, 2002	\$ 1,527,722 =====	\$ (39,959) =====	\$ 1,487,763 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE SIX MONTHS ENDED SEPTEMBER 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	(138,830) -----	(1,402) -----	(140,232) -----
Balance at September 30, 2001	\$ 2,672,214 =====	\$ (17,634) =====	\$ 2,654,580 =====
Balance at March 31, 2002	\$ 2,586,073	\$ (18,504)	\$ 2,567,569
Net Loss	(97,674) -----	(987) -----	(98,661) -----
Balance at September 30, 2002	\$ 2,488,399 =====	\$ (19,491) =====	\$ 2,468,908 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE SIX MONTHS ENDED SEPTEMBER 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	(95,831) -----	(968) -----	(96,799) -----
Balance at September 30, 2001	\$ 3,660,942 =====	\$ (9,476) =====	\$ 3,651,466 =====
Balance at March 31, 2002	\$ 3,549,631	\$ (10,600)	\$ 3,539,031
Net Loss	(90,130) -----	(910) -----	(91,040) -----
Balance at September 30, 2002	\$ 3,459,501 =====	\$ (11,510) =====	\$ 3,447,991 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE SIX MONTHS ENDED SEPTEMBER 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	(881,899) -----	(8,908) -----	(890,807) -----
Balance at September 30, 2001	\$11,326,713 =====	\$ (212,771) =====	\$11,113,942 =====
Balance at March 31, 2002	\$10,624,541	\$ (219,863)	\$10,404,678
Net Loss	(624,869) -----	(6,313) -----	(631,182) -----
Balance at September 30, 2002	\$ 9,999,672 =====	\$ (226,176) =====	\$ 9,773,496 =====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 7 -----	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (134,590)	\$ (219,105)
Adjustments to Reconcile Net Loss to Net Cash		
Used in Operating Activities:		
Amortization	3,342	11,362
Accreted Interest Income on Investments in		
Securities	(12,753)	(13,781)
Equity in Losses of Project Partnerships	71,630	162,739
Changes in Operating Assets and Liabilities:		
Increase(Decrease) in Payable to General		
Partners	23,812	(1,161)
	-----	-----
Net Cash Used in Operating Activities	(48,559)	(59,946)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	17,031	18,864
	-----	-----
Net Cash Provided by Investing Activities	17,031	18,864
	-----	-----
Decrease in Cash and Cash Equivalents	(31,528)	(41,082)
Cash and Cash Equivalents at Beginning of Year	384,626	353,838
	-----	-----
Cash and Cash Equivalents at End of Year	\$ 353,098	\$ 312,756
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 8 -----	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (125,784)	\$ (239,612)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	2,370	3,694
Accreted Interest Income on Investments in Securities	(11,396)	(12,312)
Equity in Losses of Project Partnership	57,753	187,174
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	39,606	3,056
	-----	-----
Net Cash Used in Operating Activities	(37,451)	(58,000)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	10,257	7,175
	-----	-----
Net Cash Provided by Investing Activities	10,257	7,175
	-----	-----
Decrease in Cash and Cash Equivalents	(27,194)	(50,825)
Cash and Cash Equivalents at Beginning of Year	456,356	447,343
	-----	-----
Cash and Cash Equivalents at End of Year	\$ 429,162	\$ 396,518
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 9	<u>2002</u>	<u>2001</u>

Cash Flows from Operating Activities:		
Net Loss	\$ (181,107)	\$ (195,059)
Adjustments to Reconcile Net Loss to Net Cash		
Used in Operating Activities:		
Amortization	1,628	2,276
Accreted Interest Income on Investments In		
Securities	(6,955)	(7,471)
Equity in Losses of Project Partnerships	143,530	166,058
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	31,011	8,497
	-----	-----
Net Cash Used in Operating Activities	(11,893)	(25,699)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project	6,586	8,174
Partnerships	-----	-----
	6,586	8,174
	-----	-----
Net Cash Provided by Investing Activities	(5,307)	(17,525)
	-----	-----
Decrease in Cash and Cash Equivalents	251,331	232,688
	-----	-----
Cash and Cash Equivalents at Beginning of Year	\$ 246,024	\$ 215,163
	-----	-----
Cash and Cash Equivalents at End of Year	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 10 -----	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (98,661)	\$ (140,232)
Adjustments to Reconcile Net Loss to Net Cash		
Used in Operating Activities:		
Amortization	2,406	2,811
Accreted Interest Income on Investments		
in Securities	(6,692)	(7,054)
Equity in Losses of Project Partnerships	74,902	122,900
Changes in Operating Assets and Liabilities:		
Increase (Decrease) in Payable to General		
Partners	(7,377)	(8,618)
	-----	-----
Net Cash Used in Operating Activities	(20,668)	(30,193)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	5,189	4,989
	-----	-----
Net Cash Provided by Investing Activities	5,189	4,989
	-----	-----
Decrease in Cash and Cash Equivalents	(15,479)	(25,204)
Cash and Cash Equivalents at Beginning of Year	252,149	236,522
	-----	-----
Cash and Cash Equivalents at End of Year	\$ 236,670	\$ 211,318
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 11 -----	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (91,040)	\$ (96,799)
Adjustments to Reconcile Net Loss to Net Cash Provided by (Used in) Operating Activities:		
Amortization	4,148	4,147
Accreted Interest Income on Investments in Securities	(7,964)	(8,337)
Equity in Losses of Project Partnerships	71,591	83,624
Changes in Operating Assets and Liabilities:		
Increase (Decrease) in Payable to General Partners	(45,406)	(16,332)
	-----	-----
Net Cash Provided by (Used in) Operating Activities	22,141	(33,697)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	6,192	12,833
	-----	-----
Net Cash Provided by Investing Activities	6,192	12,833
	-----	-----
Increase (Decrease) in Cash and Cash Equivalents	28,333	(20,864)
Cash and Cash Equivalents at Beginning of Year	266,059	244,339
	-----	-----
Cash and Cash Equivalents at End of Year	\$ 294,392	\$ 223,475
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

TOTAL SERIES 7 - 11 -----	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (631,182)	\$ (890,807)
Adjustments to Reconcile Net Loss to Net Cash		
Used in Operating Activities:		
Amortization	13,894	24,290
Accreted Interest Income on Investments in		
Securities	(45,760)	(48,955)
Equity in Losses of Project Partnerships	419,406	722,495
Changes in Operating Assets and Liabilities:		
Increase (Decrease) in Payable to General		
Partners	147,212	(14,558)
	-----	-----
Net Cash Used in Operating Activities	(96,430)	(207,535)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project	45,255	52,035
Partnerships	-----	-----
	45,255	52,035
	-----	-----
Net Cash Provided by Investing Activities	(51,175)	(155,500)
Decrease in Cash and Cash Equivalents	1,610,521	1,514,730
Cash and Cash Equivalents at Beginning of Year	-----	-----
	\$ 1,559,346	\$ 1,359,230
Cash and Cash Equivalents at End of Year	=====	=====

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 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 September 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 in 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 September 30, 2002 Balance Sheet includes Investment in Securities consisting of U.S. Treasury Security Strips which represents their cost, plus accreted interest income of \$186,400 for Series 7, \$163,638 for Series 8, \$96,985 for Series 9, \$87,828 for Series 10 and \$101,622 for Series 11.

	Estimated Market Value	Cost Plus Accreted Interest	Gross Unrealized Gains and (Losses)
	-----	-----	-----
Series 7	\$ 417,274	\$ 362,512	\$ 54,762
Series 8	390,942	343,000	47,942
Series 9	261,943	231,872	30,071
Series 10	228,857	196,327	32,530
Series 11	263,687	220,814	42,873

As of September 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	\$ 62,570	\$ 57,717	\$ 34,301
After 1 year through 5 years	242,163	229,024	134,153
After 5 years through 10 years	57,779	56,259	63,418
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 362,512	\$ 343,000	\$ 231,872
	=====	=====	=====

	Series 10	Series 11	Total
	-----	-----	-----
Due within 1 year	\$ 26,534	\$ 29,294	\$ 210,416
After 1 year through 5 years	99,228	113,468	818,036
After 5 years through 10 years	70,565	78,052	326,073
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 196,327	\$ 220,814	\$1,354,525
	=====	=====	=====

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 six months ended September 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.

	<u>2002</u>	<u>2001</u>
Series 7	\$ 43,698	\$ 43,841
Series 8	45,516	45,682
Series 9	25,014	25,089
Series 10	17,058	17,106
Series 11	14,384	14,543
	-----	-----
Total	\$145,670	\$146,261
	=====	=====

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	\$ 19,847	\$ 10,854
Series 8	21,905	11,967
Series 9	12,226	6,679
Series 10	7,641	4,175
Series 11	6,113	3,339
	-----	-----
Total	\$ 67,732	\$ 37,014
	=====	=====

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

As of September 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	SEPTEMBER 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)	(6,796,755)	(6,725,125)
Cumulative distributions received from Project Partnerships	(207,264)	(190,234)
Investment in Project Partnerships before adjustment	728,070	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	(176,561)	(173,218)
Investments in Project Partnerships	\$ 1,344,844 =====	\$ 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 \$2,116,332 for the period ended September 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 September 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	SEPTEMBER 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)	(7,278,850)	(7,221,095)
Cumulative distributions received from Project Partnerships	(162,385)	(152,130)
Investment in Project Partnerships before adjustment	144,870	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	(110,454)	(108,084)
Investments in Project Partnerships	\$ 584,189 =====	\$ 654,569 =====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$2,588,729 for the period ended September 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 September 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	SEPTEMBER 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)	(3,634,157)	(3,490,627)
Cumulative distributions received from Project Partnerships	(117,256)	(110,670)
Investment in Project Partnerships before Adjustment	1,162,703	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	(52,089)	(50,462)
Investments in Project Partnerships	\$ 1,354,701 =====	\$ 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 \$708,993 for the period ended September 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 September 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	SEPTEMBER 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)	(1,771,271)	(1,696,369)
Cumulative distributions received from Project Partnerships	(142,433)	(137,244)
Investment in Project Partnerships before Adjustment	2,000,968	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	(47,477)	(45,069)
Investments in Project Partnerships	\$ 2,150,229 =====	\$ 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 \$85,243 for the period ended September 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 September 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	SEPTEMBER 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)	(1,195,121)	(1,123,530)
Cumulative distributions received from Project Partnerships	(129,843)	(123,651)
Investment in Project Partnerships before Adjustment	2,803,078	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	(63,786)	(59,636)
Investments in Project Partnerships	\$ 3,029,627 =====	\$ 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 September 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	SEPTEMBER 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)	(20,676,154)	(20,256,746)
Cumulative distributions received from Project Partnerships	(759,181) -----	(713,929) -----
Investment in Project Partnerships before Adjustment	6,839,689	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	(450,367) -----	(436,469) -----
Investments in Project Partnerships	\$ 8,463,590 =====	\$ 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 June 30, of each year:

SERIES 7	2002	2001
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 3,582,763	\$ 3,421,228
Investment properties, net	31,740,908	33,068,943
Other assets	12,687	15,870
	-----	-----
Total assets	\$35,336,358	\$36,506,041
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 641,879	\$ 801,006
Long-term debt	36,330,807	36,441,924
	-----	-----
Total liabilities	36,972,686	37,242,930
	-----	-----
Partners' equity (deficit)		
Limited Partner	(1,468,204)	(618,907)
General Partners	(168,124)	(117,982)
	-----	-----
Total Partners' equity	(1,636,328)	(736,889)
	-----	-----
Total liabilities and partners' equity	\$35,336,358	\$36,506,041
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 2,376,355	\$ 2,164,487
Expenses:		
Operating expenses	1,485,029	1,490,601
Interest expense	419,978	415,562
Depreciation and amortization	728,981	733,294
	-----	-----
Total expenses	2,633,988	2,639,457
	-----	-----
Net loss	\$ (257,633)	\$ (474,970)
	=====	=====
Other partners' share of net loss	\$ (2,576)	\$ (4,750)
	=====	=====
Partnerships' share of net loss	\$ (255,057)	\$ (470,220)
Suspended losses	183,427	307,481
	-----	-----
Equity in Losses of Project Partnerships	\$ (71,630)	\$ (162,739)
	=====	=====

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 June 30, of each year:

SERIES 8	2002	2001
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 3,225,417	\$ 2,985,618
Investment properties, net	33,486,633	34,910,036
Other assets	31,427	36,534
	-----	-----
Total assets	\$36,743,477	\$37,932,188
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 1,140,370	\$ 1,098,271
Long-term debt	38,315,191	38,447,298
	-----	-----
Total liabilities	39,455,561	39,545,569
	-----	-----
Partners' equity (deficit)		
Limited Partner	(2,237,589)	(1,185,574)
General Partners	(474,495)	(427,807)
	-----	-----
Total Partners' equity (deficit)	(2,712,084)	(1,613,381)
	-----	-----
Total liabilities and partners' equity	\$36,743,477	\$37,932,188
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 2,210,760	\$ 2,179,208
Expenses:		
Operating expenses	1,457,602	1,467,482
Interest expense	444,971	450,373
Depreciation and amortization	761,100	789,013
	-----	-----
Total expenses	2,663,673	2,706,868
	-----	-----
Net loss	\$ (452,913)	\$ (527,660)
	=====	=====
Other partners' share of net loss	\$ (6,084)	\$ (7,433)
	=====	=====
Partnerships' share of net loss	\$ (446,829)	\$ (520,227)
Suspended losses	389,076	333,053
	-----	-----
Equity in Losses of Project Partnerships	\$ (57,753)	\$ (187,174)
	=====	=====

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 June 30, of each year:

SERIES 9	2002	2001
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,735,651	\$ 1,768,791
Investment properties, net	19,033,647	19,777,405
Other assets	9,391	8,248
	-----	-----
Total assets	\$20,778,689	\$21,554,444
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 245,047	\$ 265,717
Long-term debt	20,315,565	20,368,291
	-----	-----
Total liabilities	20,560,612	20,634,008
	-----	-----
Partners' equity (deficit)		
Limited Partner	426,261	1,097,464
General Partners	(208,184)	(177,028)
	-----	-----
Total Partners' equity	218,077	920,436
	-----	-----
Total liabilities and partners' equity	\$20,778,689	\$21,554,444
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 1,108,561	\$ 1,095,455
Expenses:	-----	-----
Operating expenses	739,094	720,771
Interest expense	235,032	234,201
Depreciation and amortization	410,349	416,334
	-----	-----
Total expenses	1,384,475	1,371,306
	-----	-----
Net loss	\$ (275,914)	\$ (275,851)
	=====	=====
Other partners' share of net loss	\$ (2,759)	\$ (2,759)
	=====	=====
Partnerships' share of net loss	\$ (273,155)	\$ (273,092)
Suspended losses	129,625	107,034
	-----	-----
Equity in Losses of Project Partnerships	\$ (143,530)	\$ (166,058)
	=====	=====

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 June 30, of each year:

SERIES 10	2002	2001
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,523,429	\$ 1,438,100
Investment properties, net	13,649,246	14,078,703
Other assets	3,284	5,319
	-----	-----
Total assets	\$15,175,959	\$15,522,122
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 201,103	\$ 251,593
Long-term debt	13,284,180	13,320,516
	-----	-----
Total liabilities	13,485,283	13,572,109
	-----	-----
Partners' equity (deficit)		
Limited Partner	1,932,041	2,171,653
General Partners	(241,365)	(221,640)
	-----	-----
Total Partners' equity	1,690,676	1,950,013
	-----	-----
Total liabilities and partners' equity	\$15,175,959	\$15,522,122
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 763,618	\$ 736,367
Expenses:	-----	-----
Operating expenses	495,688	482,389
Interest expense	130,295	130,694
Depreciation and amortization	239,186	248,303
	-----	-----
Total expenses	865,169	861,386
	-----	-----
Net loss	\$ (101,551)	\$ (125,019)
	=====	=====
Other partners' share of net loss	\$ (1,475)	\$ (2,119)
	=====	=====
Partnerships' share of net loss	\$ (100,076)	\$ (122,900)
Suspended losses	25,174	0
	-----	-----
Equity in Losses of Project Partnerships	\$ (74,902)	\$ (122,900)
	=====	=====

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 June 30, of each year:

SERIES 11	2002	2001
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,243,773	\$ 1,307,536
Investment properties, net	11,877,762	12,367,376
Other assets	56,311	12,378
	-----	-----
Total assets	\$13,177,846	\$13,687,290
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 164,776	\$ 260,662
Long-term debt	10,349,141	10,508,107
	-----	-----
Total liabilities	10,513,917	10,768,769
	-----	-----
Partners' equity (deficit)		
Limited Partner	2,818,595	3,015,367
General Partners	(154,666)	(96,846)
	-----	-----
Total Partners' equity	2,663,929	2,918,521
	-----	-----
Total liabilities and partners' equity	\$13,177,846	\$13,687,290
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 807,573	\$ 734,370
Expenses:	-----	-----
Operating expenses	492,262	449,577
Interest expense	123,220	123,027
Depreciation and amortization	261,727	258,062
	-----	-----
Total expenses	877,209	830,666
	-----	-----
Net loss	\$ (69,636)	\$ (96,296)
	=====	=====
Other partners' share of net loss	\$ 1,955	\$ (12,672)
	=====	=====
Partnerships' share of net loss	\$ (71,591)	\$ (83,624)
Suspended losses	0	0
	-----	-----
Equity in Losses of Project Partnerships	\$ (71,591)	\$ (83,624)
	=====	=====

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 June 30, of each year:

TOTAL SERIES 7 - 11	2002	2001
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 11,311,033	\$ 10,921,273
Investment properties, net	109,788,196	114,202,463
Other assets	113,100	78,349
	-----	-----
Total assets	\$121,212,329	\$125,202,085
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 2,393,175	\$ 2,677,249
Long-term debt	118,594,884	119,086,136
	-----	-----
Total liabilities	120,988,059	121,763,385
	-----	-----
Partners' equity (deficit)		
Limited Partner	1,471,104	4,480,003
General Partners	(1,246,834)	(1,041,303)
	-----	-----
Total Partners' equity	224,270	3,438,700
	-----	-----
Total liabilities and partners' equity	\$121,212,329	\$125,202,085
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 7,266,867	\$ 6,909,887
Expenses:		
Operating expenses	4,669,675	4,610,820
Interest expense	1,353,496	1,353,857
Depreciation and amortization	2,401,343	2,445,006
	-----	-----
Total expenses	8,424,514	8,409,683
	-----	-----
Net loss	\$ (1,157,647)	\$ (1,499,796)
	=====	=====
Other partners' share of net loss	\$ (10,939)	\$ (29,733)
	=====	=====
Partnerships' share of net loss	\$ (1,146,708)	\$ (1,470,063)
Suspended losses	727,302	747,568
	-----	-----
Equity in Losses of Project Partnerships	\$ (419,406)	\$ (722,495)
	=====	=====

Item 4. Controls and Procedures:

Within 90 days prior to the filing of this report, under the supervision and with the participation of the Partnership's management, including the Partnership's chief executive and chief financial officers, an evaluation of the effectiveness of the Partnership's disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934) was performed. Based on this evaluation, such officers have concluded that the Partnership's disclosure controls and procedures were effective as of the date of that evaluation in alerting them in a timely manner to material information relating to the Partnership required to be included in this report and the Partnership's other reports that it files or submits under the Securities Exchange Act of 1934. There were no significant changes in the Partnership's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

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

Results of Operations, Liquidity and Capital Resources

As disclosed on the statement of operations for each Series, except as described below, interest income is comparable for the six and three months ended September 30, 2002 and September 30, 2001. The General and Administrative expenses - General Partner and General and Administrative expenses - Other for the three and six months ended September 30, 2002 are comparable to September 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 six months ended September 30, 2002 decreased from \$162,739 for the six months ended September 30, 2001 to \$71,630 as a result of an increase in rental revenue. 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 September 30, 2002, the Series had \$353,098 of short-term investments (Cash and Cash Equivalents). It also had \$362,512 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 \$134,590 for the six months ended September 30, 2002. However, after adjusting for Equity in Losses of Project Partnerships of \$71,630 and the changes in operating assets and liabilities, net cash used in operating activities was \$48,559. Cash provided by investing activities totaled \$17,031 consisting of cash distributions from the Project Partnerships. There were no unusual events or trends to describe.

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 six months ended September 30, 2002 decreased from \$187,174 for the six months ended September 30, 2001 to \$57,753 as a result of an increase in rental revenue.

At September 30, 2002, the Series had \$429,162 of short-term investments (Cash and Cash Equivalents). It also had \$343,000 in Zero Coupon Treasuries with annual maturities providing \$59,000 in fiscal year 2002 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 \$125,784 for the six months ended September 30, 2002. However, after adjusting for Equity in Losses of Project Partnerships of \$57,753 and the changes in

operating assets and liabilities, net cash used in operating activities was \$37,451. 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.

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 six months ended September 30, 2002 decreased from \$166,058 for the six months ended September 30, 2000 to \$143,530 as a result of an increase in rental revenue.

At September 30, 2002, the Series had \$246,024 of short-term investments (Cash and Cash Equivalents). It also had \$231,872 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 \$181,107 for the six months ended September 30, 2002. However, after adjusting for Equity in Losses of Project Partnerships of \$143,530 and the changes in operating assets and liabilities, net cash used in operating activities was \$11,893. Cash provided by investing activities totaled \$6,586, 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 six months ended September 30, 2002 decreased from \$122,900 for the six months ended September 30, 2001 to \$74,902 as a result of suspending losses of \$25,174 in 2002.

At September 30, 2002, the Series had \$236,670 of short-term investments (Cash and Cash Equivalents). It also had \$196,327 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 \$98,661 for the six months ended September 30, 2002. However, after adjusting for Equity in Losses of Project Partnerships of \$74,902 and the changes in operating assets and liabilities, net cash used in operating activities was \$20,668. Cash provided by investing activities totaled \$5,189, 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 six months ended September 30, 2002 decreased from \$83,624 for the six months ended September 30, 2001 to \$71,591 as a result of an increase in rental revenue.

At September 30, 2002, the Series had \$294,392 of short-term investments (Cash and Cash Equivalents). It also had \$220,814 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 \$91,040 for the six months ended September 30, 2002. However, after adjusting for Equity in Losses of Project Partnerships of \$71,591 and the changes in operating assets and liabilities, net cash provided by operating activities was \$22,141. Cash provided by investing activities totaled \$6,192, 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: November 26, 2002

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

Date: November 26, 2002

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

Date: November 26, 2002

By: /s/ Carol Georges
Carol Georges
Vice President and Director of Accounting

CERTIFICATIONS*

I, Ron Diner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gateway Tax Credit Fund III, Ltd.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information include in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 26, 2002

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

I, Carol Georges, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gateway Tax Credit Fund III, Ltd.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information include in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 26, 2002

By: /s/ Carol Georges
Carol Georges

Vice President and Director of Accounting