

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, 2003

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) 567-4830

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>September 30, 2003</u>
Units of Limited Partnership	
Interest: \$1,000 per unit	33,799

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II, 2003 Form 10-K, filed with the
Securities and Exchange Commission on June 24, 2003
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, 2003 ----- (Unaudited)	MARCH 31, 2003 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 328,761	\$ 390,008
Investments in Securities	66,434	64,155
	-----	-----
Total Current Assets	395,195	454,163
Investments in Securities	256,003	246,831
Investments in Project Partnerships, Net	1,234,642	1,278,834
	-----	-----
Total Assets	\$ 1,885,840	\$ 1,979,828
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 80,696	\$ 69,660
	-----	-----
Total Current Liabilities	80,696	69,660
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	436,510	437,160
	-----	-----
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, 2003 and March 31, 2003)	1,446,226	1,549,556
General Partners	(77,592)	(76,548)
	-----	-----
Total Partners' Equity	1,368,634	1,473,008
	-----	-----
Total Liabilities and Partners' Equity	\$ 1,885,840	\$ 1,979,828
	=====	=====

See accompanying notes to financial statements.

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

SERIES 8	SEPTEMBER 30, 2003 ----- (Unaudited)	MARCH 31, 2003 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 370,464	\$ 450,206
Investments in Securities	61,584	59,583
Accounts Receivable	24,220	0
	-----	-----
Total Current Assets	456,268	509,789
Investments in Securities	243,844	235,603
Investments in Project Partnerships, Net	524,151	560,231
	-----	-----
Total Assets	\$ 1,224,263 =====	\$ 1,305,623 =====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 75,503	\$ 61,828
	-----	-----
Total Current Liabilities	75,503	61,828
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	528,567	513,976
	-----	-----
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, 2003 and March 31, 2003)	701,616	810,146
General Partners	(81,423)	(80,327)
	-----	-----
Total Partners' Equity	620,193	729,819
	-----	-----
Total Liabilities and Partners' Equity	\$ 1,224,263 =====	\$ 1,305,623 =====

See accompanying notes to financial statements.

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

SERIES 9	SEPTEMBER 30, 2003 ----- (Unaudited)	MARCH 31, 2003 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 244,126	\$ 260,485
Investments in Securities	36,232	35,177
	-----	-----
Total Current Assets	280,358	295,662
Investments in Securities	173,864	168,560
Investments in Project Partnerships, Net	1,101,936	1,211,933
	-----	-----
Total Assets	\$ 1,556,158	\$ 1,676,155
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 41,826	\$ 35,252
	-----	-----
Total Current Liabilities	41,826	35,252
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	339,891	318,435
	-----	-----
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, 2003 and March 31, 2003)	1,217,533	1,364,080
General Partners	(43,092)	(41,612)
	-----	-----
Total Partners' Equity	1,174,441	1,322,468
	-----	-----
Total Liabilities and Partners' Equity	\$ 1,556,158	\$ 1,676,155
	=====	=====

See accompanying notes to financial statements.

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

SERIES 10	SEPTEMBER 30, 2003 ----- (Unaudited)	MARCH 31, 2003 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 238,199	\$ 251,941
Investments in Securities	27,531	26,620
	-----	-----
Total Current Assets	265,730	278,561
Investments in Securities	154,543	149,205
Investments in Project Partnerships, Net	1,913,764	2,014,742
	-----	-----
Total Assets	\$ 2,334,037	\$ 2,442,508
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 38,905	\$ 35,197
	-----	-----
Total Current Liabilities	38,905	35,197
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	88,754	86,436
	-----	-----
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, 2003 and March 31, 2003)	2,228,494	2,341,846
General Partners	(22,116)	(20,971)
	-----	-----
Total Partners' Equity	2,206,378	2,320,875
	-----	-----
Total Liabilities and Partners' Equity	\$ 2,334,037	\$ 2,442,508
	=====	=====

See accompanying notes to financial statements.

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

SERIES 11	SEPTEMBER 30, 2003 ----- (Unaudited)	MARCH 31, 2003 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 233,284	\$ 264,198
Investments in Securities	31,232	30,129
	-----	-----
Total Current Assets	264,516	294,327
Investments in Securities	174,965	168,593
Investments in Project Partnerships, Net	2,840,935	2,914,130
	-----	-----
Total Assets	\$ 3,280,416	\$ 3,377,050
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 36,284	\$ 33,669
	-----	-----
Total Current Liabilities	36,284	33,669
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	838	11,661
	-----	-----
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, 2003 and March 31, 2003)	3,256,851	3,344,393
General Partners	(13,557)	(12,673)
	-----	-----
Total Partners' Equity	3,243,294	3,331,720
	-----	-----
Total Liabilities and Partners' Equity	\$ 3,280,416	\$ 3,377,050
	=====	=====

See accompanying notes to financial statements.

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

TOTAL SERIES 7 - 11	SEPTEMBER 30, 2003 ----- (Unaudited)	MARCH 31, 2003 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,414,834	\$ 1,616,838
Investments in Securities	223,013	215,664
Accounts Receivable	24,220	0
	-----	-----
Total Current Assets	1,662,067	1,832,502
Investments in Securities	1,003,219	968,792
Investments in Project Partnerships, Net	7,615,428	7,979,870
	-----	-----
Total Assets	\$10,280,714	\$10,781,164
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 273,214	\$ 235,606
	-----	-----
Total Current Liabilities	273,214	235,606
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	1,394,560	1,367,668
	-----	-----
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, 2003 and March 31, 2003)	8,850,720	9,410,021
General Partners	(237,780)	(232,131)
	-----	-----
Total Partners' Equity	8,612,940	9,177,890
	-----	-----
Total Liabilities and Partners' Equity	\$10,280,714	\$10,781,164
	=====	=====

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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 6,109	\$ 7,434
	-----	-----
Expenses:		
Asset Management Fee-General Partner	21,771	21,489
General and Administrative:		
General Partner	11,306	11,980
Other	8,451	7,505
Amortization	1,661	1,671
	-----	-----
Total Expenses	43,189	43,005
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(37,080)	(35,571)
Equity in Losses of Project Partnerships	10,909	(40,934)
	-----	-----
Net Loss	\$ (26,171)	\$ (76,505)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (25,909)	\$ (75,740)
General Partners	(262)	(765)
	-----	-----
	\$ (26,171)	\$ (76,505)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (2.49)	\$ (7.29)
	=====	=====
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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 5,531	\$ 6,956
Other Income	1,380	0
	-----	-----
Total Revenue	6,911	6,956
Expenses:		
Asset Management Fee-General Partner	22,682	22,758
General and Administrative:		
General Partner	12,466	13,231
Other	9,204	8,152
Amortization	768	1,185
	-----	-----
Total Expenses	45,120	45,326
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(38,209)	(38,370)
Equity in Losses of Project Partnerships	(6,650)	(32,608)
	-----	-----
Net Loss	\$ (44,859)	\$ (70,978)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (44,410)	\$ (70,268)
General Partners	(449)	(710)
	-----	-----
	\$ (44,859)	\$ (70,978)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (4.45)	\$ (7.04)
	=====	=====
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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 3,429	\$ 4,177
Other Income	1,610	0
	-----	-----
Total Revenue	5,039	4,177
Expenses:		
Asset Management Fee-General Partner	12,466	12,507
General and Administrative:		
General Partner	6,957	7,385
Other	5,063	4,841
Amortization	771	814
	-----	-----
Total Expenses	25,257	25,547
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(20,218)	(21,370)
Equity in Losses of Project Partnerships	(43,797)	(78,576)
	-----	-----
Net Loss	\$ (64,015)	\$ (99,946)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (63,375)	\$ (98,947)
General Partners	(640)	(999)
	-----	-----
	\$ (64,015)	\$ (99,946)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (10.13)	\$ (15.82)
	=====	=====
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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 3,399	\$ 4,065
	-----	-----
Expenses:		
Asset Management Fee-General Partner	8,503	8,529
General and Administrative:		
General Partner	4,349	4,615
Other	3,319	3,194
Amortization	1,145	1,203
	-----	-----
Total Expenses	17,316	17,541
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(13,917)	(13,476)
Equity in Losses of Project Partnerships	(45,147)	(37,316)
	-----	-----
Net Loss	\$ (59,064)	\$ (50,792)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (58,473)	\$ (50,284)
General Partners	(591)	(508)
	-----	-----
	\$ (59,064)	\$ (50,792)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (11.59)	\$ (9.97)
	=====	=====
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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 4,005	\$ 4,721
Other Income	2,182	0
	-----	-----
Total Revenue	6,187	4,721
Expenses:		
Asset Management Fee-General Partner	7,130	7,192
General and Administrative:		
General Partner	3,479	3,692
Other	2,888	2,825
Amortization	1,683	2,074
	-----	-----
Total Expenses	15,180	15,783
	-----	-----
Loss Before Equity in Losses Of Project Partnerships	(8,993)	(11,062)
Equity in Losses of Project Partnerships	(45,124)	(28,650)
	-----	-----
Net Loss	\$ (54,117)	\$ (39,712)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (53,576)	\$ (39,315)
General Partners	(541)	(397)
	-----	-----
	\$ (54,117)	\$ (39,712)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (10.45)	\$ (7.67)
	=====	=====
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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 22,473	\$ 27,353
Other Income	5,172	0
	-----	-----
Total Revenue	27,645	27,353
Expenses:		
Asset Management Fee-General Partner	72,552	72,835
General and Administrative:		
General Partner	38,557	40,903
Other	28,295	26,517
Amortization	6,028	6,947
	-----	-----
Total Expenses	146,062	147,202
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(118,417)	(119,849)
Equity in Losses of Project Partnerships	(129,809)	(218,084)
	-----	-----
Net Loss	\$ (248,226)	\$ (337,933)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (245,743)	\$ (334,554)
General Partners	(2,483)	(3,379)
	-----	-----
	\$ (248,226)	\$ (337,933)
	=====	=====

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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 12,309	\$ 14,885
Other Income	1,746	0
	-----	-----
Total Revenue	14,055	14,885
Expenses:		
Asset Management Fee-General Partner	43,542	43,698
General and Administrative:		
General Partner	32,211	19,847
Other	10,263	10,958
Amortization	3,322	3,342
	-----	-----
Total Expenses	89,338	77,845
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(75,283)	(62,960)
Equity in Losses of Project Partnerships	(29,091)	(71,630)
	-----	-----
Net Loss	\$ (104,374)	\$ (134,590)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (103,330)	\$ (133,244)
General Partners	(1,044)	(1,346)
	-----	-----
	\$ (104,374)	\$ (134,590)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (9.94)	\$ (12.82)
	=====	=====
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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 11,200	\$ 13,922
Other Income	1,380	0
	-----	-----
Total Revenue	12,580	13,922
Expenses:		
Asset Management Fee-General Partner	45,364	45,516
General and Administrative:		
General Partner	35,514	21,905
Other	12,534	12,162
Amortization	1,536	2,370
	-----	-----
Total Expenses	94,948	81,953
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(82,368)	(68,031)
Equity in Losses of Project Partnerships	(27,258)	(57,753)
	-----	-----
Net Loss	\$ (109,626)	\$ (125,784)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (108,530)	\$ (124,526)
General Partners	(1,096)	(1,258)
	-----	-----
	\$ (109,626)	\$ (125,784)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (10.87)	\$ (12.48)
	=====	=====
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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 6,936	\$ 8,354
Other Income	2,438	0
	-----	-----
Total Revenue	9,374	8,354
Expenses:		
Asset Management Fee-General Partner	24,932	25,014
General and Administrative:		
General Partner	19,821	12,226
Other	6,274	7,063
Amortization	1,542	1,628
	-----	-----
Total Expenses	52,569	45,931
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(43,195)	(37,577)
Equity in Losses of Project Partnerships	(104,832)	(143,530)
	-----	-----
Net Loss	\$ (148,027)	\$ (181,107)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (146,547)	\$ (179,296)
General Partners	(1,480)	(1,811)
	-----	-----
	\$ (148,027)	\$ (181,107)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (23.43)	\$ (28.67)
	=====	=====
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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 6,829	\$ 8,092
	-----	-----
Expenses:		
Asset Management Fee-General Partner	17,006	17,058
General and Administrative:		
General Partner	12,390	7,641
Other	4,184	4,746
Amortization	2,290	2,406
	-----	-----
Total Expenses	35,870	31,851
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(29,041)	(23,759)
Equity in Losses of Project Partnerships	(85,456)	(74,902)
	-----	-----
Net Loss	\$ (114,497)	\$ (98,661)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (113,352)	\$ (97,674)
General Partners	(1,145)	(987)
	-----	-----
	\$ (114,497)	\$ (98,661)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (22.48)	\$ (19.37)
	=====	=====
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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 8,063	\$ 9,435
Other Income	2,182	0
	-----	-----
Total Revenue	10,245	9,435
Expenses:		
Asset Management Fee-General Partner	14,260	14,384
General and Administrative:		
General Partner	9,912	6,113
Other	3,693	4,239
Amortization	3,366	4,148
	-----	-----
Total Expenses	31,231	28,884
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(20,986)	(19,449)
Equity in Losses of Project Partnerships	(67,440)	(71,591)
	-----	-----
Net Loss	\$ (88,426)	\$ (91,040)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (87,542)	\$ (90,130)
General Partners	(884)	(910)
	-----	-----
	\$ (88,426)	\$ (91,040)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (17.07)	\$ (17.58)
	=====	=====
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>2003</u>	<u>2002</u>
Revenues:		
Interest Income	\$ 45,337	\$ 54,688
Other Income	7,746	0
	-----	-----
Total Revenue	53,083	54,688
Expenses:		
Asset Management Fee-General Partner	145,104	145,670
General and Administrative:		
General Partner	109,848	67,732
Other	36,948	39,168
Amortization	12,056	13,894
	-----	-----
Total Expenses	303,956	266,464
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(250,873)	(211,776)
Equity in Losses of Project Partnerships	(314,077)	(419,406)
	-----	-----
Net Loss	\$ (564,950)	\$ (631,182)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (559,301)	\$ (624,870)
General Partners	(5,649)	(6,312)
	-----	-----
	\$ (564,950)	\$ (631,182)
	=====	=====

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, 2003 AND 2002

SERIES 7	Limited Partners -----	General Partners -----	Total -----
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 =====
Balance at March 31, 2003	\$ 1,549,556	\$ (76,548)	\$ 1,473,008
Net Loss	(103,330) -----	(1,044) -----	(104,374) -----
Balance at September 30, 2003	\$ 1,446,226 =====	\$ (77,592) =====	\$ 1,368,634 =====

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, 2003 AND 2002

SERIES 8	Limited Partners -----	General Partners -----	Total -----
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 =====
Balance at March 31, 2003	\$ 810,146	\$ (80,327)	\$ 729,819
Net Loss	(108,530) -----	(1,096) -----	(109,626) -----
Balance at September 30, 2003	\$ 701,616 =====	\$ (81,423) =====	\$ 620,193 =====

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, 2003 AND 2002

SERIES 9	Limited Partners -----	General Partners -----	Total -----
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 =====
Balance at March 31, 2003	\$ 1,364,080	\$ (41,612)	\$ 1,322,468
Net Loss	(146,547) -----	(1,480) -----	(148,027) -----
Balance at September 30, 2003	\$ 1,217,533 =====	\$ (43,092) =====	\$ 1,174,441 =====

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, 2003 AND 2002

SERIES 10	Limited Partners -----	General Partners -----	Total -----
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 =====
Balance at March 31, 2003	\$ 2,341,846	\$ (20,971)	\$ 2,320,875
Net Loss	(113,352) -----	(1,145) -----	(114,497) -----
Balance at September 30, 2003	\$ 2,228,494 =====	\$ (22,116) =====	\$ 2,206,378 =====

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, 2003 AND 2002

SERIES 11	Limited Partners -----	General Partners -----	Total -----
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 =====
Balance at March 31, 2003	\$ 3,344,393	\$ (12,673)	\$ 3,331,720
Net Loss	(87,542) -----	(884) -----	(88,426) -----
Balance at September 30, 2003	\$ 3,256,851 =====	\$ (13,557) =====	\$ 3,243,294 =====

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, 2003 AND 2002

TOTAL SERIES 7 - 11	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2002	\$10,624,541	\$ (219,863)	\$10,404,678
Net Loss	(624,870) -----	(6,312) -----	(631,182) -----
Balance at September 30, 2002	\$ 9,999,671 =====	\$ (226,175) =====	\$ 9,773,496 =====
Balance at March 31, 2003	\$ 9,410,021	\$ (232,131)	\$ 9,177,890
Net Loss	(559,301) -----	(5,649) -----	(564,950) -----
Balance at September 30, 2003	\$ 8,850,720 =====	\$ (237,780) =====	\$ 8,612,940 =====

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>2003</u>	<u>2002</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (104,374)	\$ (134,590)
Adjustments to Reconcile Net Loss to Net Cash		
Used in Operating Activities:		
Amortization	3,322	3,342
Accreted Interest Income on Investments in		
Securities	(11,451)	(12,753)
Equity in Losses of Project Partnerships	29,091	71,630
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	10,386	23,812
	-----	-----
Net Cash Used in Operating Activities	(73,026)	(48,559)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	11,779	17,031
	-----	-----
Net Cash Provided by Investing Activities	11,779	17,031
	-----	-----
Decrease in Cash and Cash Equivalents	(61,247)	(31,528)
Cash and Cash Equivalents at Beginning of Year	390,008	384,626
	-----	-----
Cash and Cash Equivalents at End of Year	\$ 328,761	\$ 353,098
	=====	=====

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>2003</u>	<u>2002</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (109,626)	\$ (125,784)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	1,536	2,370
Accreted Interest Income on Investments in Securities	(10,242)	(11,396)
Equity in Losses of Project Partnership	27,258	57,753
Changes in Operating Assets and Liabilities:		
Increase in Accounts Receivable	(24,220)	0
Increase in Payable to General Partners	28,266	39,606
	-----	-----
Net Cash Used in Operating Activities	(87,028)	(37,451)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	7,286	10,257
	-----	-----
Net Cash Provided by Investing Activities	7,286	10,257
	-----	-----
Decrease in Cash and Cash Equivalents	(79,742)	(27,194)
Cash and Cash Equivalents at Beginning of Year	450,206	456,356
	-----	-----
Cash and Cash Equivalents at End of Year	\$ 370,464	\$ 429,162
	=====	=====

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)

<u>SERIES 9</u> <u>-----</u>	<u>2003</u>	<u>2002</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (148,027)	\$ (181,107)
Adjustments to Reconcile Net Loss to Net Cash		
Used in Operating Activities:		
Amortization	1,542	1,628
Accreted Interest Income on Investments In		
Securities	(6,359)	(6,955)
Equity in Losses of Project Partnerships	104,832	143,530
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	28,030	31,011
	-----	-----
Net Cash Used in Operating Activities	(19,982)	(11,893)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	3,623	6,586
	-----	-----
Net Cash Provided by Investing Activities	3,623	6,586
	-----	-----
Decrease in Cash and Cash Equivalents	(16,359)	(5,307)
Cash and Cash Equivalents at Beginning of Year	260,485	251,331
	-----	-----
Cash and Cash Equivalents at End of Year	\$ 244,126	\$ 246,024
	=====	=====

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>2003</u>	<u>2002</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (114,497)	\$ (98,661)
Adjustments to Reconcile Net Loss to Net Cash		
Used in Operating Activities:		
Amortization	2,290	2,406
Accreted Interest Income on Investments		
in Securities	(6,249)	(6,692)
Equity in Losses of Project Partnerships	85,456	74,902
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	6,026	7,377
	-----	-----
Net Cash Used in Operating Activities	(26,974)	(20,668)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	13,232	5,189
	-----	-----
Net Cash Provided by Investing Activities	13,232	5,189
	-----	-----
Decrease in Cash and Cash Equivalents	(13,742)	(15,479)
Cash and Cash Equivalents at Beginning of Year	251,941	252,149
	-----	-----
Cash and Cash Equivalents at End of Year	\$ 238,199	\$ 236,670
	=====	=====

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>2003</u>	<u>2002</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (88,426)	\$ (91,040)
Adjustments to Reconcile Net Loss to Net Cash		
Used in Operating Activities:		
Amortization	3,366	4,148
Accreted Interest Income on Investments in		
Securities	(7,475)	(7,964)
Equity in Losses of Project Partnerships	67,440	71,591
Changes in Operating Assets and Liabilities:		
Decrease in Payable to General Partners	(8,208)	(12,594)
	-----	-----
Net Cash Used in Operating Activities	(33,303)	(35,859)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	2,389	6,192
	-----	-----
Net Cash Provided by Investing Activities	2,389	6,192
	-----	-----
Decrease in Cash and Cash Equivalents	(30,914)	(29,667)
Cash and Cash Equivalents at Beginning of Year	264,198	266,059
	-----	-----
Cash and Cash Equivalents at End of Year	\$ 233,284	\$ 236,392
	=====	=====

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>2003</u>	<u>2002</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (564,950)	\$ (631,182)
Adjustments to Reconcile Net Loss to Net Cash		
Used in Operating Activities:		
Amortization	12,056	13,894
Accreted Interest Income on Investments in		
Securities	(41,776)	(45,760)
Equity in Losses of Project Partnerships	314,077	419,406
Changes in Operating Assets and Liabilities:		
Increase in Accounts Receivable	(24,220)	0
Increase (Decrease) in Payable to General		
Partners	64,500	89,212
	-----	-----
Net Cash Used in Operating Activities	(240,313)	(154,430)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	38,309	45,255
	-----	-----
Net Cash Provided by Investing Activities	38,309	45,255
	-----	-----
Decrease in Cash and Cash Equivalents	(202,004)	(109,175)
Cash and Cash Equivalents at Beginning of Year	1,616,838	1,610,521
	-----	-----
Cash and Cash Equivalents at End of Year	\$ 1,414,834	\$ 1,501,346
	=====	=====

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2003

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, 2003, 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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued):

Investment in Securities

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

Income Taxes

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

Reclassifications

For comparability, the 2002 figures have been reclassified, where appropriate, to conform with the financial statement presentation used in 2003.

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, 2003. 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.

Recent Accounting Pronouncements

In August 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 provides accounting guidance for financial accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". SFAS No. 144 is effective for fiscal years beginning after December 15, 2001. The Partnership adopted SFAS No. 144 effective January 1, 2002. The adoption did not have an effect on the financial position or results of operations of the Partnership.

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN46"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." FIN46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN46 is effective for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN46 must be applied for the first interim or annual period ending after December 15, 2003. The Partnership is currently evaluating the effect, if any, that the adoption of FIN46 will have on its results of operations and financial condition.

NOTE 3 - INVESTMENT IN SECURITIES:

The September 30, 2003 Balance Sheet includes Investment in Securities consisting of U.S. Treasury Security Strips which represents their cost, plus accreted interest income of \$177,749 for Series 7, \$157,183 for Series 8, \$95,742 for Series 9, \$88,622 for Series 10 and \$103,142 for Series 11.

	Estimated Market Value	Cost Plus Accreted Interest	Gross Unrealized Gains and (Losses)
	-----	-----	-----
Series 7	\$ 364,416	\$ 322,437	\$ 41,979
Series 8	342,432	305,428	37,004
Series 9	234,495	210,096	24,399
Series 10	208,847	182,074	26,773
Series 11	241,769	206,197	35,572

As of September 30, 2003, the cost and accreted interest of debt securities by contractual maturities is as follows:

	Series 7	Series 8	Series 9
	-----	-----	-----
Due within 1 year	\$ 66,434	\$ 61,584	\$ 36,232
After 1 year through 5 years	193,761	183,488	106,305
After 5 years through 10 years	62,242	60,356	67,559
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 322,437 =====	\$ 305,428 =====	\$ 210,096 =====

	Series 10	Series 11	Total
	-----	-----	-----
Due within 1 year	\$ 27,531	\$ 31,232	\$ 223,013
After 1 year through 5 years	78,762	90,816	653,132
After 5 years through 10 years	75,781	84,149	350,087
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 182,074 =====	\$ 206,197 =====	\$1,226,232 =====

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 six months ended September 30, 2003 and 2002 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.

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued):

	<u>2003</u>	<u>2002</u>
Series 7	\$ 43,542	\$ 43,698
Series 8	45,364	45,516
Series 9	24,932	25,014
Series 10	17,006	17,058
Series 11	14,260	14,384
	-----	-----
Total	\$145,104	\$145,670
	=====	=====

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	\$ 32,211	\$ 19,847
Series 8	35,514	21,905
Series 9	19,821	12,226
Series 10	12,390	7,641
Series 11	9,912	6,113
	-----	-----
Total	\$109,848	\$ 67,732
	=====	=====

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

As of September 30, 2003, 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, 2003	MARCH 31, 2003
	-----	-----
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)	(6,891,334)	(6,862,243)
Cumulative distributions received from Project Partnerships	(216,223)	(204,444)
	-----	-----
Investment in Project Partnerships before adjustment	624,532	665,402
Excess of investment cost over the Underlying assets acquired:		
Acquisition fees and expenses	793,335	793,335
Accumulated amortization of acquisition fees and expenses	(183,225)	(179,903)
	-----	-----
Investments in Project Partnerships	\$ 1,234,642	\$ 1,278,834
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$3,022,443 for the period ended September 30, 2003 and cumulative suspended losses of \$2,658,435 for the year ended March 31, 2003 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of September 30, 2003, 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, 2003 -----	MARCH 31, 2003 -----
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)	(7,331,184)	(7,303,925)
Cumulative distributions received from Project Partnerships	(166,183)	(158,899)
	-----	-----
Investment in Project Partnerships before adjustment	88,738	123,281
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	549,773	549,773
Accumulated amortization of acquisition fees and expenses	(114,360)	(112,823)
	-----	-----
Investments in Project Partnerships	\$ 524,151 =====	\$ 560,231 =====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$3,482,157 for the period ended September 30, 2003 and cumulative suspended losses of \$3,065,413 for the year ended March 31, 2003 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of September 30, 2003, 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, 2003 -----	MARCH 31, 2003 -----
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)	(3,875,229)	(3,770,400)
Cumulative distributions received from Project Partnerships	(125,779)	(122,154)
Investment in Project Partnerships before Adjustment	913,108	1,021,562
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	244,087	244,087
Accumulated amortization of acquisition fees and expenses	(55,259)	(53,716)
Investments in Project Partnerships	\$ 1,101,936 =====	\$ 1,211,933 =====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$1,066,638 for the period ended September 30, 2003 and cumulative suspended losses of \$925,614 for the year ended March 31, 2003 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of September 30, 2003, 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, 2003 -----	MARCH 31, 2003 -----
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)	(1,983,598)	(1,898,143)
Cumulative distributions received from Project Partnerships	(161,875)	(148,645)
	-----	-----
Investment in Project Partnerships before Adjustment	1,769,199	1,867,884
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	196,738	196,738
Accumulated amortization of acquisition fees and expenses	(52,173)	(49,880)
	-----	-----
Investments in Project Partnerships	\$ 1,913,764 =====	\$ 2,014,742 =====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$103,790 for the period ended September 30, 2003 and cumulative suspended losses of \$94,384 for the year ended March 31, 2003 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of September 30, 2003, 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, 2003 -----	MARCH 31, 2003 -----
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	(1,360,827)	(1,293,389)
Cumulative distributions received from Project Partnerships	(145,315)	(142,928)
	-----	-----
Investment in Project Partnerships before Adjustment	2,621,900	2,691,725
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	290,335	290,335
Accumulated amortization of acquisition fees and expenses	(71,300)	(67,930)
	-----	-----
Investments in Project Partnerships	\$ 2,840,935 =====	\$ 2,914,130 =====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$103,750 for the period September 30, 2003 and cumulative suspended losses of \$40,610 for the year ended March 31, 2003 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, 2003 -----	MARCH 31, 2003 -----
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	(21,442,172)	(21,128,100)
Cumulative distributions received from Project Partnerships	(815,375) -----	(777,070) -----
Investment in Project Partnerships before Adjustment	6,017,477	6,369,854
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	(476,317) -----	(464,252) -----
Investments in Project Partnerships	\$ 7,615,428 =====	\$ 7,979,870 =====

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	<u>2003</u>	<u>2002</u>
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 3,792,773	\$ 3,582,763
Investment properties, net	30,453,032	31,740,908
Other assets	36,719	12,687
	-----	-----
Total assets	\$34,282,524	\$35,336,358
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 930,433	\$ 641,879
Long-term debt	36,063,490	36,330,807
	-----	-----
Total liabilities	36,993,923	36,972,686
	-----	-----
Partners' equity (deficit)		
Limited Partner	(2,497,089)	(1,468,204)
General Partners	(214,310)	(168,124)
	-----	-----
Total Partners' equity	(2,711,399)	(1,636,328)
	-----	-----
Total liabilities and partners' equity	\$34,282,524	\$35,336,358
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 2,342,748	\$ 2,376,355
Expenses:		
Operating expenses	1,595,498	1,485,029
Interest expense	411,025	419,978
Depreciation and amortization	733,295	728,981
	-----	-----
Total expenses	2,739,818	2,633,988
	-----	-----
Net loss	\$ (397,070)	\$ (257,633)
	=====	=====
Other partners' share of net loss	\$ (3,971)	\$ (2,576)
	=====	=====
Partnerships' share of net loss	\$ (393,099)	\$ (255,057)
Suspended losses	364,008	183,427
	-----	-----
Equity in Losses of Project Partnerships	\$ (29,091)	\$ (71,630)
	=====	=====

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 June 30, of each year:

SERIES 8	<u>2003</u>	<u>2002</u>
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 3,417,570	\$ 3,225,417
Investment properties, net	32,057,942	33,486,633
Other assets	58,975	31,427
	-----	-----
Total assets	\$35,534,487	\$36,743,477
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 1,168,934	\$ 1,140,370
Long-term debt	38,086,148	38,315,191
	-----	-----
Total liabilities	39,255,082	39,455,561
	-----	-----
Partners' equity (deficit)		
Limited Partner	(3,204,063)	(2,237,589)
General Partners	(516,532)	(474,495)
	-----	-----
Total Partners' equity (deficit)	(3,720,595)	(2,712,084)
	-----	-----
Total liabilities and partners' equity	\$35,534,487	\$36,743,477
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 2,280,662	\$ 2,210,760
Expenses:		
Operating expenses	1,502,289	1,457,602
Interest expense	427,220	444,971
Depreciation and amortization	789,045	761,100
	-----	-----
Total expenses	2,718,554	2,663,673
	-----	-----
Net loss	\$ (437,892)	\$ (452,913)
	=====	=====
Other partners' share of net loss	\$ 6,110	\$ (6,084)
	=====	=====
Partnerships' share of net loss	\$ (444,002)	\$ (446,829)
Suspended losses	416,744	389,076
	-----	-----
Equity in Losses of Project Partnerships	\$ (27,258)	\$ (57,753)
	=====	=====

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	<u>2003</u>	<u>2002</u>
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,756,014	\$ 1,735,651
Investment properties, net	18,304,773	19,033,647
Other assets	5,505	9,391
	-----	-----
Total assets	\$20,066,292	\$20,778,689
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 308,114	\$ 245,047
Long-term debt	20,187,089	20,315,565
	-----	-----
Total liabilities	20,495,203	20,560,612
	-----	-----
Partners' equity (deficit)		
Limited Partner	(185,823)	426,261
General Partners	(243,088)	(208,184)
	-----	-----
Total Partners' equity	(428,911)	218,077
	-----	-----
Total liabilities and partners' equity	\$20,066,292	\$20,778,689
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 1,171,410	\$ 1,108,561
Expenses:		
Operating expenses	772,720	739,094
Interest expense	230,695	235,032
Depreciation and amortization	416,334	410,349
	-----	-----
Total expenses	1,419,749	1,384,475
	-----	-----
Net loss	\$ (248,339)	\$ (275,914)
	=====	=====
Other partners' share of net loss	\$ (2,483)	\$ (2,759)
	=====	=====
Partnerships' share of net loss	\$ (245,856)	\$ (273,155)
Suspended losses	141,024	129,625
	-----	-----
Equity in Losses of Project Partnerships	\$ (104,832)	\$ (143,530)
	=====	=====

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	<u>2003</u>	<u>2002</u>
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,639,388	\$ 1,523,429
Investment properties, net	13,229,648	13,649,246
Other assets	9,361	3,284
	-----	-----
Total assets	\$14,878,397	\$15,175,959
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 295,866	\$ 201,103
Long-term debt	13,195,207	13,284,180
	-----	-----
Total liabilities	13,491,073	13,485,283
	-----	-----
Partners' equity (deficit)		
Limited Partner	1,677,882	1,932,041
General Partners	(290,558)	(241,365)
	-----	-----
Total Partners' equity	1,387,324	1,690,676
	-----	-----
Total liabilities and partners' equity	\$14,878,397	\$15,175,959
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 794,970	\$ 763,618
Expenses:		
Operating expenses	514,299	495,688
Interest expense	128,764	130,295
Depreciation and amortization	248,219	239,186
	-----	-----
Total expenses	891,282	865,169
	-----	-----
Net loss	\$ (96,312)	\$ (101,551)
	=====	=====
Other partners' share of net loss	\$ (1,450)	\$ (1,475)
	=====	=====
Partnerships' share of net loss	\$ (94,862)	\$ (100,076)
Suspended losses	9,406	25,174
	-----	-----
Equity in Losses of Project Partnerships	\$ (85,456)	\$ (74,902)
	=====	=====

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	<u>2003</u>	<u>2002</u>
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,275,159	\$ 1,243,773
Investment properties, net	11,451,098	11,877,762
Other assets	123,167	56,311
	-----	-----
Total assets	\$12,849,424	\$13,177,846
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 392,609	\$ 164,776
Long-term debt	10,128,122	10,349,141
	-----	-----
Total liabilities	10,520,731	10,513,917
	-----	-----
Partners' equity (deficit)		
Limited Partner	2,533,890	2,818,595
General Partners	(205,197)	(154,666)
	-----	-----
Total Partners' equity	2,328,693	2,663,929
	-----	-----
Total liabilities and partners' equity	\$12,849,424	\$13,177,846
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 753,239	\$ 807,573
Expenses:		
Operating expenses	516,409	492,262
Interest expense	116,902	123,220
Depreciation and amortization	257,676	261,727
	-----	-----
Total expenses	890,987	877,209
	-----	-----
Net loss	\$ (137,748)	\$ (69,636)
	=====	=====
Other partners' share of net loss	\$ (7,168)	\$ 1,955
	=====	=====
Partnerships' share of net loss	\$ (130,580)	\$ (71,591)
Suspended losses	63,140	0
	-----	-----
Equity in Losses of Project Partnerships	\$ (67,440)	\$ (71,591)
	=====	=====

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	<u>2003</u>	<u>2002</u>
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 11,880,904	\$ 11,311,033
Investment properties, net	105,496,493	109,788,196
Other assets	233,727	113,100
	-----	-----
Total assets	\$117,611,124	\$121,212,329
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 3,095,956	\$ 2,393,175
Long-term debt	117,660,056	118,594,884
	-----	-----
Total liabilities	120,756,012	120,988,059
	-----	-----
Partners' equity (deficit)		
Limited Partner	(1,675,203)	1,471,104
General Partners	(1,469,685)	(1,246,834)
	-----	-----
Total Partners' equity	(3,144,888)	224,270
	-----	-----
Total liabilities and partners' equity	\$117,611,124	\$121,212,329
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 7,343,029	\$ 7,266,867
Expenses:		
Operating expenses	4,901,215	4,669,675
Interest expense	1,314,606	1,353,496
Depreciation and amortization	2,444,569	2,401,343
	-----	-----
Total expenses	8,660,390	8,424,514
	-----	-----
Net loss	\$ (1,317,361)	\$ (1,157,647)
	=====	=====
Other partners' share of net loss	\$ (8,962)	\$ (10,939)
	=====	=====
Partnerships' share of net loss	\$ (1,308,399)	\$ (1,146,708)
Suspended losses	994,322	727,302
	-----	-----
Equity in Losses of Project Partnerships	\$ (314,077)	\$ (419,406)
	=====	=====

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, 2003 and September 30, 2002. The General and Administrative expenses - General Partner for the six months ended September 30, 2003 increased significantly due to a change in the method of administrative expense allocation. The General and Administrative - General Partner is comparable for the three months ended September 30, 2003 and September 30, 2002.

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.

As of June 3, 2003, an affiliate of Gateway's Managing General Partner, Value Partners, Inc. became the general partner of Logan Heights, Ltd., a project partnership contained in Gateway III - Series 8.

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, 2003 decreased from \$71,630 for the six months ended September 30, 2002 to \$29,091 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 September 30, 2003, the Series had \$328,761 of short-term investments (Cash and Cash Equivalents). It also had \$322,437 in Zero Coupon Treasuries with annual maturities providing \$68,000 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 \$104,374 for the six months ended September 30, 2003. However, after adjusting for Equity in Losses of Project Partnerships of \$29,091 and the changes in operating assets and liabilities, net cash used in operating activities was \$73,026. Cash provided by investing activities totaled \$11,779 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, 2003 decreased from \$57,753 for the six months ended September 30, 2002 to \$27,258 as a result of an increase in rental revenue.

At September 30, 2003, the Series had \$370,464 of short-term investments (Cash and Cash Equivalents). It also had \$305,428 in Zero Coupon Treasuries with annual maturities providing \$63,000 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 \$109,626 for the six months ended September 30, 2003. However, after adjusting for Equity in Losses of Project Partnerships of \$27,258 and the changes in operating assets and liabilities, net cash used in operating activities was \$87,028. Cash provided by investing activities totaled \$7,286, 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, 2003 decreased from \$143,530 for the six months ended September 30, 2002 to \$104,832 as a result of an increase in rental revenue.

At September 30, 2003, the Series had \$244,126 of short-term investments (Cash and Cash Equivalents). It also had \$210,096 in Zero Coupon Treasuries with annual maturities providing \$37,000 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 \$148,027 for the six months ended September 30, 2003. However, after adjusting for Equity in Losses of Project Partnerships of \$104,832 and the changes in operating assets and liabilities, net cash used in operating activities was \$19,982. Cash provided by investing activities totaled \$3,623, 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, 2003 increased from \$74,902 for the six months ended September 30, 2002 to \$85,456 as a result of suspending losses of \$9,406 in 2003, and \$25,174 in 2002.

At September 30, 2003, the Series had \$238,199 of short-term investments (Cash and Cash Equivalents). It also had \$182,074 in Zero Coupon Treasuries with annual maturities providing \$28,000 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 \$114,497 for the six months ended September 30, 2003. However, after adjusting for Equity in Losses of Project Partnerships of \$85,456 and the changes in

operating assets and liabilities, net cash used in operating activities was \$26,974. Cash provided by investing activities totaled \$13,232, 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, 2003 decreased from \$71,591 for the six months ended September 30, 2002 to \$67,440 as a result of an increase in suspended losses.

At September 30, 2003, the Series had \$233,284 of short-term investments (Cash and Cash Equivalents). It also had \$206,197 in Zero Coupon Treasuries with annual maturities providing \$32,000 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 \$88,426 for the six months ended September 30, 2003. However, after adjusting for Equity in Losses of Project Partnerships of \$67,440 and the changes in operating assets and liabilities, net cash used in operating activities was \$33,303. Cash provided by investing activities totaled \$2,389, 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 13, 2003

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

Date: November 13, 2003

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

Date: November 13, 2003

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 13, 2003

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 13, 2003

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