FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

For the fiscal year ended March 31, 2005

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 incorporation or organization)	(IRS Employer No.)

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

Registrant's Telephone No., Including Area Code: (727)567-4830

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

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

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

YES X NO ____

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

Title of Each Class	Number of Record Holders March 31, 2005
Limited Partnership Interest	2,254
General Partner Interest	2

DOCUMENTS INCORPORATED BY REFERENCE

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

PART I
Item 1. Business

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

Gateway is engaged in only one industry segment, to acquire limited partnership interests in unaffiliated limited partnerships ("Project Partnerships"), each of which owns and operates one or more apartment complexes eligible for Low-Income Housing Tax Credits under Section 42 of the Internal Revenue Code ("Tax Credits"), received over a ten year period. Subject to certain limitations, Tax Credits may be used by Gateway's investors to reduce their income tax liability generated from other income sources. Gateway will terminate on December 31, 2040, or sooner, in accordance with the terms of its Limited Partnership Agreement. As of March 31, 2005, Gateway received capital contributions of $1,000 from the General Partners and from the Limited Partners, $10,395,000 in Series 7, $9,980,000 from Series 8, $6,254,000 from Series 9, $5,043,000 from Series 10 and $5,127,000 from Series 11.

Gateway offered Limited Partnership units in series. Each series is treated as though it were a separate partnership, investing in a separate and distinct pool of Project Partnerships. Net proceeds from each series are used to acquire Project Partnerships which are specifically allocated to such series. Income or loss and all tax items from the Project Partnerships acquired by each series are specifically allocated among the limited partners of such series.

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

As of March 31, 2005, Gateway had invested in 39 Project Partnerships for Series 7, 43 Project Partnerships for Series 8, 24 Project Partnerships for Series 9, 15 Project Partnerships for Series 10 and 12 Project Partnerships for Series 11. Gateway acquired its interests in these properties by becoming a limited partner in the Project Partnerships that own the properties. The primary source of funds for each series is the capital contributions from Limited Partner investors.

All but eight of the properties are financed with mortgage loans from the Farmers Home Administration (now called United States Department of Agriculture - Rural Development) ("USDA-RD") under Section 515 of the Housing Act of 1949. These mortgage loans are made at low interest rates for multi-family housing in rural and suburban areas, with the requirement that the interest savings be passed on to low income tenants in the form of lower rents. A significant portion of the project partnerships also receive rental assistance from USDA-RD to subsidize certain qualifying tenants. One property in Series 7 received conventional financing. One property in Series 9, two properties in Series 10 and one property in Series 11 are fully financed through the HOME Investment Partnerships Program. These HOME Program loans provide financing at rates of 0 % to 0.5% for a period of 15 to 42 years. One property in Series 11 is partially financed by HOME. Two properties in Series 11 received conventional financing.

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

1) Provide tax benefits to Limited Partners in the form of Tax Credits during the period in which each Project is eligible to claim tax credits;

2) Preserve and protect the capital contribution of Investors;

3) Participate in any capital appreciation in the value of the Projects; and

4) Provide passive losses to i) individual investors to offset passive income from other passive activities, and ii) corporate investors to offset business income.

The investment objectives and policies of Gateway are described in detail on pages 39 through 47 of the Prospectus, as supplemented, under the caption "Investment Objectives and Policies" which is incorporated herein by reference.

Gateway's goal is to invest in a diversified portfolio of Project Partnerships located in rural and suburban locations with a high demand for low income housing. As of March 31, 2005 the Series' investor capital contributions were successfully invested in Project Partnerships which met the investment criteria. Management anticipates that competition for tenants will only be with other low income housing projects and not with conventionally financed housing. With a significant number of rural American households living below the poverty level in substandard housing, management believes there will be a continuing demand for affordable low income housing for the foreseeable future.

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

Item 2. Properties

Gateway owns a majority interest in properties through its limited partnership investments in Project Partnerships. The largest single net investment in a Project Partnership in Series 7 is 1.3% of the Series' total balance sheet assets, Series 8 is 0.4%, Series 9 is 1.4%, Series 10 is 3.7% and Series 11 is 7.3%. The following table provides certain summary information regarding the Project Partnerships in which Gateway had an interest as of December 31, 2004:

Item 2 - Properties (continued):

SERIES 7

PARTNERSHIP	LOCATION OF.PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Nottingham	Pisgah, AL	18	6/92	724,630	100%
Cedar Hollow	Waterloo, NE	24	7/92	981,291	100%
Sunrise	Mission, SD	44	7/92	2,599,037	100%
Mountain City	Mountain City, TN	40	8/92	1,644,237	100%
Burbank	Falls City, NE	24	8/92	1,038,175	96%
Washington	Bloomfield, NE	24	9/92	988,252	58%
Brookstone	McCaysville, GA	40	9/92	1,461,449	100%
Tazewell	New Tazewell, TN	44	9/92	1,754,058	100%
N. Irvine	Irvine, KY	24	9/92	1,026,432	100%
Horton	Horton, KS	24	9/92	932,540	75%
Manchester	Manchester, GA	42	9/92	1,474,495	100%
Waynesboro	Waynesboro, GA	24	9/92	816,325	100%
Lakeland II	Lakeland, GA	30	9/92	1,009,647	100%
Mt. Vernon	Mt. Vernon, GA	24	9/92	900,526	92%
Meadow Run	Dawson, GA	48	9/92	1,744,840	98%
Spring Creek II	Quitman, GA	24	9/92	808,475	100%
Warm Springs	Warm Springs, GA	22	9/92	822,966	91%
Blue Ridge	Blue Ridge, GA	41	9/92	1,339,143	98%
Walnut	Elk Point, SD	24	9/92	1,051,011	100%
Pioneer	Mountain View, AR	48	9/92	1,464,416	100%
Dilley	Dilley, TX	28	9/92	890,402	89%
Elsa	Elsa, TX	40	9/92	1,342,015	98%
Clinch View	Gate City, VA	42	9/92	1,828,478	98%
Jamestown	Jamestown, TN	40	9/92	1,572,268	98%
Leander	Leander, TX	36	9/92	1,163,904	100%
Louisa Sr.	Louisa, KY	36	9/92	1,518,537	100%
Orchard Commons	Crab Orchard, KY	12	9/92	479,661	92%
Vardaman	Vardaman, MS	24	9/92	917,568	96%
Heritage Park	Paze, AZ	32	9/92	1,629,781	91%
BrooksHollow	Jasper, GA	40	9/92	1,437,999	100%
Cavalry Crossing	Ft. Scott, KS	40	9/92	1,826,822	88%
Carson City	Carson City, KS	24	11/92	963,690	83%
Matteson	Capa, KS	24	11/92	954,633	100%
Pembroke	Pembroke, KY	16	12/92	623,304	81%
Robynwood	Cynthiana, KY	24	12/92	1,011,684	100%
Atoka	Atoka, OK	24	1/93	835,334	100%
Coalgate	Coalgate, OK	24	1/93	828,505	88%
Hill Creek	West Blocton, AL	24	11/93	991,546	100%
Cardinal	Mountain Home, AR	32	11/93	785,240	88%
		1,195		46,183,316	

An average effective rental per unit is $3,982 per year ($332 per month).

Item 2 - Properties (continued):

SERIES 8

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Purdy	Purdy, MO	16	12/92	589,593	94%
Galena	Galena, KS	24	12/92	793,842	96%
Antlers 2	Antlers, OK	24	1/93	787,859	92%
Holdenville	Holdenville, OK	24	1/93	892,598	96%
Wetumka	Wetumka, OK	24	1/93	812,853	100%
Mariners Cove	Marine City, MI	32	1/93	1,312,357	94%
Mariners Cove Sr.	Marine City, MI	24	1/93	1,016,907	96%
Antlers	Antlers, OK	36	3/93	1,321,039	86%
Bentonville	Bentonville, AR	24	3/93	758,489	96%
Deerpoint	Elgin, AL	24	3/93	932,474	79%
Aurora	Aurora, MO	28	3/93	914,066	93%
Baxter	Baxter Springs, KS	16	4/93	561,950	88%
Arbor Gate	Bridgeport, AL	24	5/93	942,104	88%
Timber Ridge	Collinsville, AL	24	5/93	919,225	92%
Concordia Sr.	Concordia, KS	24	5/93	826,389	88%
Mountainburg	Mountainburg, AR	24	6/93	883,990	88%
Lincoln	Pierre, SD	25	5/93	1,128,108	100%
Fox Ridge	Russellville, AL	24	6/93	902,785	92%
Meadow View	Bridgeport, NE	16	6/93	994,717	100%
Sheridan	Auburn, NE	16	6/93	782,128	94%
Morningside	Kenton, OH	32	6/93	1,189,817	100%
Grand Isle	Grand Isle, ME	16	6/93	1,168,437	63%
Meadowview	Van Buren, AR	29	8/93	727,767	94%
Taylor	Taylor, TX	44	9/93	1,529,792	100%
Brookwood	Gainesboro, TN	44	9/93	1,812,406	95%
Pleasant Valley	Lynchburg, TN	33	9/93	1,358,100	100%
Reelfoot	Ridgely, TN	20	9/93	829,848	100%
River Rest	Newport, TN	34	9/93	1,404,539	97%
Kirskville	Kirksville, MO	24	9/93	831,492	92%
Cimmaron	Arco, ID	24	9/93	1,134,652	83%
Kenton	Kenton, OH	46	9/93	1,781,759	93%
Lovingston	Lovingston, VA	64	9/93	2,731,196	100%
Pontotoc	Pontotoc, MS	36	10/93	1,340,968	100%
So. Brenchley	Rexburg, ID	30	10/93	1,575,088	100%
Hustonville	Hustonville, KY	16	10/93	697,695	94%
Northpoint	Jackson, KY	24	10/93	1,088,279	96%
Brooks Field	Louisville, GA	32	10/93	1,177,691	100%
Brooks Lane	Clayton, GA	36	10/93	1,355,685	100%
Brooks Point	Dahlonega, GA	41	10/93	1,659,514	100%
Brooks Run	Jasper, GA	24	10/93	924,678	100%
Logan Heights	Russellville, KY	24	11/93	951,730	88%
Lakeshore 2	Tuskegee, AL	36	12/93	1,427,503	100%
Cottondale	Cottondale, FL	25	1/94	948,319	96%
		1,207		47,720,428	

An average effective rental per unit is $3,894 per year ($325 per month).

Item 2 - Properties (continued):

SERIES 9

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Jay	Jay, OK	24	9/93	810,597	96%
Boxwood	Lexington, TX	24	9/93	770,939	100%
Stilwell 3	Stilwell, OK	16	9/93	587,132	75%
Arbor Trace	Lake Park, GA	24	11/93	918,358	100%
Arbor Trace 2	Lake Park, GA	42	11/93	1,806,434	100%
Omega	Omega, GA	36	11/93	1,407,304	97%
Cornell 2	Watertown, SD	24	11/93	1,188,260	92%
Elm Creek	Pierre, SD	24	11/93	1,208,680	75%
Marionville	Marionville, MO	20	11/93	719,608	90%
Lamar	Lamar, AR	24	12/93	904,325	92%
Mt. Glen	Heppner, OR	24	12/93	1,078,555	92%
Centreville	Centreville, AL	24	12/93	980,387	96%
Skyview	Troy, AL	36	12/93	1,418,897	97%
Sycamore	Coffeyville, KS	40	12/93	1,837,170	95%
Bradford	Cumberland, KY	24	12/93	1,055,632	100%
Cedar Lane	London, KY	24	12/93	1,008,022	100%
Stanton	Stanton, KY	24	12/93	1,001,158	96%
Abernathy	Abernathy, TX	24	1/94	781,898	100%
Pembroke	Pembroke, KY	24	1/94	1,006,295	88%
Meadowview	Greenville, AL	24	2/94	1,136,913	96%
Town Branch	Mt. Vernon, KY	24	12/93	984,410	100%
Fox Run	Ragland, AL	24	3/94	978,194	92%
Maple Street	Emporium, PA	32	3/94	1,712,081	97%
Manchester	Manchester, GA	18	5/94	735,614	94%
		624		26,036,863	

An average effective rental per unit is $3,845 per year ($320 per month).

Item 2 - Properties (continued):

SERIES 10

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Redstone	Challis, ID	24	11/93	1,152,701	83%
Albany	Albany, KY	24	1/94	1,042,529	100%
Oak Terrace	Bonifay, FL	18	1/94	664,480	100%
Wellshill	West Liberty, KY	32	1/94	1,350,944	100%
Applegate	Florence, AL	36	2/94	1,852,432	86%
Heatherwood	Alexander, AL	36	2/94	1,620,254	97%
Peachtree	Gaffney, SC	28	3/94	1,092,796	89%
Donna	Donna, TX	50	1/94	1,778,667	100%
Wellsville	Wellsville, NY	24	2/94	1,383,576	96%
Tecumseh	Tecumseh, NE	24	4/94	1,129,704	92%
Clay City	Clay City, KY	24	5/94	1,039,008	100%
Irvine West	Irvine, KY	24	5/94	1,093,707	96%
New Castle	New Castle, KY	24	5/94	1,023,606	96%
Stigler	Stigler, OK	20	7/94	754,056	100%
Courtyard	Huron, SD	21	8/94	777,951	90%
		409		17,756,411	

An average effective rental per unit is $3,913 per year ($326 per month).

Item 2 - Properties (continued):

SERIES 11

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Homestead	Pinetop, AZ	32	9/94	1,810,132	97%
Mountain Oak	Collinsville, AL	24	9/94	888,793	79%
Eloy	Eloy, AZ	24	11/94	997,127	83%
Gila Bend	Gila Bend, AZ	36	11/94	1,371,805	81%
Creekstone	Dallas, GA	40	12/94	2,008,604	95%
Tifton	Tifton, GA	36	12/94	1,706,886	97%
Cass Towne	Cartersville, GA	10	12/94	329,002	100%
Warsaw	Warsaw, VA	56	12/94	3,366,105	100%
Royston	Royston, GA	25	12/94	935,159	100%
Red Bud	Mokane, MO	8	12/94	301,564	88%
Cardinal	Mountain Home, AR	32	12/94	512,292	94%
Parsons	Parsons, KS	38	12/94	1,376,239	76%
		361		15,603,708	

An average effective rental per unit is $4,213 per year ($351 per month).

Item 2 - Properties (continued):

A summary of the cost of the properties at December 31, 2004, 2003 and 2002 is as follows:

12/31/04

	SERIES 7	SERIES 8	SERIES 9
Land	$ 1,632,366	$ 1,978,809	$ 1,099,659
Land Improvements	387,220	416,985	191,080
Buildings	42,243,157	43,408,843	23,642,433
Furniture and Fixtures	1,920,573	1,915,791	1,096,825
Construction in Progress	0	0	6,866
Properties, at Cost	46,183,316	47,720,428	26,036,863
Less: Accum. Depreciation	17,552,593	17,821,451	8,872,295
Properties, Net	$28,630,723	$29,898,977	$17,164,568

	SERIES 10	SERIES 11	TOTAL
Land	$ 648,625	$ 599,197	$ 5,958,656
Land Improvements	94,649	18,163	1,108,097
Buildings	16,376,552	14,401,963	140,072,948
Furniture and Fixtures	636,585	584,385	6,154,159
Construction in Progress	0	0	6,866
Properties, at Cost	17,756,411	15,603,708	153,300,726
Less: Accum. Depreciation	5,103,348	4,809,337	54,159,024
Properties, Net	$12,653,063	$10,794,371	$ 99,141,702

12/31/03

	SERIES 7	SERIES 8	SERIES 9
Land	$ 1,725,382	$ 1,978,809	$ 1,099,659
Land Improvements	230,375	458,457	191,080
Buildings	42,171,835	43,376,314	23,642,954
Furniture and Fixtures	1,863,080	1,837,939	1,080,527
Construction in Progress	0	0	6,866
Properties, at Cost	45,990,672	47,651,519	26,021,086
Less: Accum. Depreciation	16,066,571	16,318,595	8,088,865
Properties, Net	$29,924,101	$31,332,924	$17,932,221

	SERIES 10	SERIES 11	TOTAL
Land	$ 648,625	$ 599,197	$ 6,051,672
Land Improvements	62,866	18,163	960,941
Buildings	16,354,880	14,394,066	139,940,049
Furniture and Fixtures	607,108	560,216	5,948,870
Construction in Progress	0	0	6,866
Properties, at Cost	17,673,479	15,571,642	152,908,398
Less: Accum. Depreciation	4,636,704	4,302,127	49,412,862
Properties, Net	$13,036,775	$11,269,515	$103,495,536

12/31/02	SERIES 7	SERIES 8	SERIES 9
Land	$ 1,634,610	$ 1,978,809	$ 1,099,659
Land Improvements	206,488	441,428	191,080
Buildings	42,091,649	43,361,894	23,636,482
Furniture and Fixtures	1,752,517	1,759,346	1,056,807
Properties, at Cost	45,685,264	47,541,477	25,984,028
Less: Accum. Depreciation	14,581,914	14,711,554	7,296,692
Properties, Net	$31,103,350	$32,829,923	$18,687,336

	SERIES 10	SERIES 11	TOTAL
Land	$ 648,625	$ 599,197	$ 5,960,900
Land Improvements	62,866	4,695	906,557
Buildings	16,357,375	14,357,965	139,805,365
Furniture and Fixtures	568,197	514,886	5,651,753
Properties, at Cost	17,637,063	15,476,743	152,324,575
Less: Accum. Depreciation	4,174,124	3,784,175	44,548,459
Properties, Net	$13,462,939	$11,692,568	$107,776,116

Item 3. Legal Proceedings

Gateway is not a party to any material pending legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

As of March 31, 2005, no matters were submitted to a vote of security holders, through the solicitation of proxies or otherwise.

PART II

Item 5. Market for the Registrant's Securities and Related Security Holder Matters

(a) Gateway's Limited Partnership interests are not publicly traded. There is no market for Gateway's Limited Partnership interests and it is unlikely that any will develop. No transfers of Limited Partnership Interests are permitted without the prior written consent of the Managing General Partner. There have been several transfers from inception to date with most being from individuals to their trusts or heirs. The Managing General Partner is not aware of the price at which Limited Partnership units are transferred. The criteria for and the details regarding transfers are found on pages A-28 and A-29 of the Limited Partnership Agreement under ARTICLE XII under the caption "Transfers of Units" found in the Prospectus, which is incorporated herein by reference.

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

(b) Approximate Number of Equity Security Holders:

Title of Class	Number of Holders as of March 31, 2005
Limited Partner Interest	2,254
General Partner Interest	2

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,

SERIES 7	2005	2004	2003	2002	2001
Total Revenues	$ 24,233	$ 14,725	$ 23,088	$ 24,734	$ 12,886
Net Loss	(261,487)	(261,362)	(233,056)	(390,210)	(508,769)
Equity in Losses of Project Partnerships	(139,599)	(130,277)	(137,118)	(317,296)	(434,461)
Total Assets	1,561,768	1,737,330	1,979,828	2,171,233	2,509,975
Investments In Project Partnerships	965,655	1,127,941	1,278,834	1,436,847	1,773,751
Per Weighted Average Limited Partnership Unit: (A)					
Tax Credits	21.36	92.87	163.08	163.08	161.40
Portfolio Income	4.56	5.38	6.94	11.28	13.30
Passive Loss	(109.79)	(121.02)	(113.17)	(129.83)	(131.90)
Net Loss	(24.90)	(24.89)	(22.20)	(37.16)	(48.45)

FOR THE YEARS ENDED MARCH 31,

SERIES 8	2005	2004	2003	2002	2001
Total Revenues	$ 16,447	$ 20,098	$ 19,195	$ 10,297	$ 7,011
Net Loss	(179,166)	(176,442)	(193,325)	(365,765)	(539,766)
Equity in Losses of Project Partnerships	(41,395)	(39,434)	(82,830)	(272,241)	(457,729)
Total Assets	1,013,718	1,163,295	1,305,623	1,442,531	1,749,931
Investments In Project Partnerships	461,161	512,795	560,231	654,569	940,463
Per Weighted Average Limited Partnership Unit: (A)					
Tax Credits	56.12	140.61	162.03	162.38	160.80
Portfolio Income	5.23	5.04	7.29	11.09	12.30
Passive Loss	(121.46)	(127.45)	(125.60)	(142.75)	(141.80)
Net Loss	(17.77)	(17.50)	(19.18)	(36.28)	(53.54)

FOR THE YEARS ENDED MARCH 31,

SERIES 9	2005	2004	2003	2002	2001
Total Revenues	$ 7,752	$ 4,246	$ 4,433	$ 4,800	$ 1,719
Net Loss	(234,846)	(311,941)	(346,402)	(407,619)	(457,177)
Equity in Losses of Project Partnerships	(157,684)	(230,291)	(279,770)	(355,237)	(409,450)
Total Assets	1,180,228	1,395,878	1,676,155	1,982,691	2,326,088
Investments In Project Partnerships	798,862	967,040	1,211,933	1,506,444	1,849,358
Per Weighted Average Limited Partnership Unit: (A)					
Tax Credits	102.00	153.39	154.93	154.93	153.40
Portfolio Income	3.98	4.44	6.10	9.42	11.40
Passive Loss	(105.86)	(112.92)	(127.50)	(136.20)	(130.00)
Net Loss	(37.18)	(49.38)	(54.84)	(64.53)	(72.37)

FOR THE YEARS ENDED MARCH 31,

SERIES 10	2005	2004	2003	2002	2001
Total Revenues	$ 2,511	$ 1,932	$ 750	$ 0	$ 0
Net Loss	(186,236)	(228,743)	(246,694)	(227,243)	(321,107)
Equity in Losses of Project Partnerships	(133,597)	(175,628)	(201,773)	(191,862)	(292,747)
Total Assets	1,945,888	2,223,393	2,442,508	2,674,512	2,889,469
Investments In Project Partnerships	1,661,049	1,815,475	2,014,742	2,232,728	2,451,287
Per Weighted Average Limited Partnership Unit: (A)					
Tax Credits	106.09	151.14	151.14	151.14	149.60
Portfolio Income	6.36	6.94	8.34	10.98	12.50
Passive Loss	111.19	(89.01)	(93.89)	(96.98)	(105.00)
Net Loss	36.58	(44.91)	(48.43)	(44.61)	(63.04)

FOR THE YEARS ENDED MARCH 31,

SERIES 11	2005	2004	2003	2002	2001
Total Revenues	$ 2,783	$ 2,182	$ 0	$ 0	$ 0
Net Loss	(153,967)	(143,577)	(207,311)	(209,234)	(202,390)
Equity in Losses of Project Partnerships	(112,606)	(101,608)	(169,857)	(180,099)	(181,405)
Total Assets	3,034,176	3,228,629	3,377,050	3,590,467	3,797,213
Investments In Project Partnerships	2,664,780	2,799,412	2,914,130	3,111,560	3,328,681
Per Weighted Average Limited Partnership Unit: (A)					
Tax Credits	145.72	147.19	147.20	147.20	145.70
Portfolio Income	4.33	4.71	6.21	10.16	11.70
Passive Loss	99.03	(75.39)	(61.45)	(56.98)	(61.40)
Net Loss	29.73	(27.72)	(40.03)	(40.40)	(39.08)

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

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

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

Results of Operations, Liquidity and Capital Resources

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

As disclosed on the statement of operations for each Series, except as described below, interest income is comparable for the years ended March 31, 2005, March 31, 2004 and March 31, 2003.

The capital resources of each Series are used to pay General and Administrative operating costs including personnel, supplies, data processing, travel and legal and accounting associated with the administration and monitoring of Gateway and the Project Partnerships. The capital resources are also used to pay the Asset Management Fee due the Managing General Partner, but only to the extent that Gateway's remaining resources are sufficient to fund Gateway's ongoing needs. (Payment of any Asset Management Fee unpaid at the time Gateway sells its interests in the Project Partnerships is subordinated to the investors' return of their original capital contribution.)

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

Series 7 - Gateway closed this series on October 16, 1992 after receiving $10,395,000 from 635 Limited Partner investors. As of March 31, 2005, the series had invested $7,732,089 in 39 Project Partnerships located in 14 states containing 1,195 apartment units. Average occupancy of the Project Partnerships was 96% at December 31, 2004.

Equity in losses of Project Partnerships for the year ended March 31, 2004 of $130,277 were comparable to the Equity in Losses of Project Partnerships for the year ended March 31, 2005 of $139,599. In general, it is common in the real estate industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. (These Project Partnerships reported depreciation and amortization of $1,467,030, $1,489,791 and $1,494,903 for the periods ended December 31, 2002, 2003 and 2004, respectively.) As a result, management expects that this Series, as well as the Series described below, will report its equity in Project Partnerships as a loss for tax and financial reporting purposes. Overall management believes the Project Partnerships are operating as expected and are generating tax credits, which meet projections.

At March 31, 2005, the Series had $383,342 of short-term investments (Cash and Cash Equivalents). It also had $212,771 in Zero Coupon Treasuries with annual maturities providing $72,000 in fiscal year 2005 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 $261,487 for the year ending March 31, 2005. However, after adjusting for Equity in Losses of Project Partnerships of $139,599 and the changes in operating assets and liabilities, net cash used in operating activities was $29,828. Cash provided by investing activities totaled $69,297 consisting of $39,581 in cash distributions from the Project Partnerships and $29,716 from matured Zero Coupon Treasuries. There were no unusual events or trends to describe.

Series 8 - Gateway closed this Series on June 28, 1993 after receiving $9,980,000 from 664 Limited Partner investors. As of March 31, 2005, the series had invested $7,586,105 in 43 Project Partnerships located in 18 states containing 1,207 apartment units. Average occupancy of the Project Partnerships was 95% at December 31, 2004.

Equity in Losses of Project Partnerships decreased from $82,830 for the year ended March 31, 2003 to $39,434 for the year ended March 31, 2004 and increased to $41,395 for the year ended March 31, 2005. The decreases resulted from not including suspended losses, which increased from $865,760 for the year ended March 31, 2003 to $937,357 for the year ended March 31, 2004 and decreased to $843,660 for the year ended March 31, 2005, as these losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $1,516,946, $1,525,330 and $1,512,305 for the periods ended December 31, 2002, 2003 and 2004, respectively.) Overall management believes the Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2005, the Series had $325,662 of short-term investments (Cash and Cash Equivalents). It also had $202,675 in Zero Coupon Treasuries with annual maturities providing $72,000 in fiscal year 2005 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 $179,166 for the year ending March 31, 2005. However, after adjusting for Equity in Losses of Project Partnerships of $41,395 and the changes in operating assets and liabilities, net cash used in operating activities was $102,448 of which $60,000 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $54,211 consisting of $24,132 received in cash distributions from the Project Partnerships and $30,079 from matured Zero Coupon Treasuries. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee. There were no unusual events or trends to describe.

Series 9 - Gateway closed this Series on September 30, 1993 after receiving $6,254,000 from 406 Limited Partner investors. As of March 31, 2005, the series had invested $4,914,116 in 24 Project Partnerships located in 11 states containing 624 apartment units. Average occupancy of the Project Partnerships was 95% at December 31, 2004.

The Equity in Losses of Project Partnerships decreased from $279,770 for the year ended March 31, 2003 to $230,291 for the year ended March 31, 2004 to $157,684 for the year ended March 31, 2005. The decrease from March 31, 2003 to March 31, 2004 was a primarily a result of an increase in Project Partnership rental revenue for 2004 offset by a reduction in the amount of suspended losses for the year. The decrease from March 31, 2004 to March 31, 2005 was primarily a result of increased Project Partnership rental revenue of approximately $110,000 offset by an increase in Project Partnership operating expenses of approximately $46,000. (These Project Partnerships reported depreciation and amortization of $807,268, $792,503 and $786,226 for the years ended December 31, 2002, 2003 and 2004, respectively.) Overall management believes the Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2005, the Series had $229,897 of short-term investments (Cash and Cash Equivalents). It also had $151,469 in Zero Coupon Treasuries with annual maturities providing $39,000 in fiscal year 2005 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 $234,846 for the period ending March 31, 2005. After adjusting for Equity in Losses of Project Partnerships of $157,684 and the changes in operating assets and liabilities, net cash used in operating activities was $54,646. Cash provided by investing activities totaled $35,641 consisting of $15,869 received in cash distributions from the Project Partnerships and $19,772 from matured Zero Coupon

Treasuries. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee. There were no unusual events or trends to describe.

Series 10 - Gateway closed this Series on January 21, 1994 after receiving $5,043,000 from 325 Limited Partner investors. As of March 31, 2005, the series had invested $3,914,672 in 15 Project Partnerships located in 10 states containing 409 apartment units. Average occupancy of the Project Partnerships was 95% at December 31, 2004.

The Equity in Losses of Project Partnerships decreased from $175,628 for the year ended March 31, 2004 to $133,597 for the year ended March 31, 2005 as a result of not including losses of $73,357, as these losses would reduce the investment in certain Project Partnerships below zero. Equity in Losses of Project Partnerships decreased from $201,773 for the year ended March 31, 2003 to $175,628 for the year ended March 31, 2004 primarily as a result of an increase in total revenues of approximately $94,000 offset by an increase in total expenses of approximately $71,000. (These Project Partnerships reported depreciation and amortization of $465,739, $465,268 and $469,719 for the years ended December 31, 2002, 2003, and 2004 respectively.) Overall management believes the Project Partnerships are operating as expected and are generating tax credits, which meet projections.

At March 31, 2005, the Series had $142,638 of short-term investments (Cash and Cash Equivalents). It also had $142,201 in Zero Coupon Treasuries with annual maturities providing $28,000 in fiscal year 2005 increasing to $40,000 in fiscal year 2010. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had net loss of $186,326 for the year ending March 31, 2005. After adjusting for Equity in Losses of Project Partnerships of $133,597 and the changes in operating assets and liabilities, net cash used in operating activities was $138,256 of which $125,000 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $33,047 consisting of $19,197 received in cash distributions from the Project Partnerships and $13,850 from matured Zero Coupon Treasuries. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee. There were no unusual events or trends to describe.

Series 11 - Gateway closed this Series on April 29, 1994 after receiving $5,127,000 from 330 Limited investors. As of March 31, 2005 the series had invested $4,128,042 in 12 Project Partnerships located in 7 states containing 361 apartments. Average occupancy of the Project Partnerships was 91% at December 31, 2004.

Equity in losses of Project Partnerships were comparable for the years ended March 31, 2004 and 2005. Equity in losses decreased from $169,857 for the year ended March 31, 2003 to $101,608 for the year ended March 31, 2004 primarily as a result of an increase in the amount of suspended losses. (These Project Partnerships reported depreciation and amortization of $530,098, $530,705 and $511,998 for the periods ended December 31, 2002, 2003 and 2004.) Overall management believes the Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2005, the Series had $199,931 of short-term investments (Cash and Cash Equivalents). It also had $161,174 in Zero Coupon Treasuries with annual maturities providing $34,000 in fiscal year 2005 increasing to $44,000 in fiscal year 2010. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had net loss of $153,967 for the year ending March 31, 2005. After adjusting for Equity in Losses of Project Partnerships of $112,606 and the changes in operating assets and liabilities, net cash used in operating activities was $81,790 of which $164,000 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $34,083 consisting of $15,617 from matured Zero Coupon Treasures and $18,466 received in cash distributions from Project Partnerships. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee. There were no unusual events or trends to describe.

Disclosure of Contractual Obligations

		Payment due by period			
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-Term Debt Obligations					
Capital Lease Obligations					
Operating Lease Obligations					
Purchase Obligations					
Other Long-Term Liabilities Reflected on the Registrant's Balance Sheet under GAAP	1,664,412 (1)	121,591	188,071	0	1,354,750

(1) The Other Long-Term Liabilities represent the asset management fees owed to the General Partners as of 03/31/2005. It is unsecured, due on demand and, in accordance with the limited partnership agreement, non-interest bearing. As referred to in Note 4, the Managing General Partner does not intend to demand payment of the portion of this balance reflected as due in greater than one year within the next 12 months.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of Gateway Tax Credit Fund III Ltd.

We have audited the accompanying balance sheets of each of the five Series (Series 7 through 11) constituting Gateway Tax Credit Fund III Ltd. (a Florida Limited Partnership) as of March 31, 2005 and 2004 and the related statements of operations, partners' equity (deficit), and cash flows of each of the five Series for each of the three years in the period then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain Project Partnerships for which the net investments included on the balance sheets as of March 31, 2005 and 2004 and net losses included on the statements of operations for each of the three years in the period ended March 31, 2005 are:

	Net Investment March 31,		Partnership Loss Year Ended March 31,		
	2005	2004	2005	2004	2003
Series 7	$4,735	$808,615	$50,787	$ 82,642	$ 70,059
Series 8	48,806	349,287	19,399	28,185	68,561
Series 9	432,006	629,110	70,613	157,657	149,650
Series 10	1,095,709	1,415,934	70,185	116,811	109,420
Series 11	1,743,260	2,304,735	42,047	61,998	171,160

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

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of each of the five Series (Series 7 through 11) constituting Gateway Tax Credit Fund III Ltd. as of March 31, 2005 and 2004, and the results of their operations and their cash flows for each of the three years in the period then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed under Item 14(a)(2) in the index are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audits and the reports of other auditors, fairly stated in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

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

Clearwater, Florida
June 27, 2005

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

SERIES 7	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 383,342	$ 343,873
Investments in Securities	72,445	67,834
Total Current Assets	455,787	411,707
Investments in Securities	140,326	197,682
Investments in Project Partnerships, Net	965,655	1,127,941
Total Assets	$1,561,768	$1,737,330
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 53,630	$ 72,070
Total Current Liabilities	53,630	72,070
Long Term Liabilities:		
Payable to General Partners	557,979	453,614
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2005 and 2004)	1,031,936	1,290,808
General Partners	(81,777)	(79,162)
Total Partners' Equity	950,159	1,211,646
Total Liabilities and Partners' Equity	$1,561,768	$1,737,330

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

SERIES 8	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 325,662	$ 373,899
Investments in Securities	67,927	63,292
Accounts Receivable	24,220	24,220
Total Current Assets	417,809	461,411
Investments in Securities	134,748	189,089
Investments in Project Partnerships, Net	461,161	512,795
Total Assets	$1,013,718	$1,163,295
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 45,110	$ 56,210
Total Current Liabilities	45,110	56,210
Long Term Liabilities:		
Payable to General Partners	594,397	553,708
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2005 and 2004)	458,094	635,468
General Partners	(83,883)	(82,091)
Total Partners' Equity	374,211	553,377
Total Liabilities and Partners' Equity	$1,013,718	$1,163,295

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

SERIES 9	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 229,897	$ 248,902
Investments in Securities	38,890	37,028
Accounts Receivable	0	600
Total Current Assets	268,787	286,530
Investments in Securities	112,579	142,308
Investments in Project Partnerships, Net	798,862	967,040
Total Assets	$1,180,228	$1,395,878
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 25,407	$ 24,890
Total Current Liabilities	25,407	24,890
Long Term Liabilities:		
Payable to General Partners	379,140	360,461
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2005 and 2004)	822,760	1,055,258
General Partners	(47,079)	(44,731)
Total Partners' Equity	775,681	1,010,527
Total Liabilities and Partners' Equity	$1,180,228	$1,395,878

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

SERIES 10	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 142,638	$ 247,847
Investments in Securities	29,480	27,571
Total Current Assets	172,118	275,418
Investments in Securities	112,721	132,500
Investments in Project Partnerships, Net	1,661,049	1,815,475
Total Assets	$1,945,888	$2,223,393
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 28,777	$ 34,508
Total Current Liabilities	28,777	34,508
Long Term Liabilities:		
Payable to General Partners	11,305	96,753
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2005 and 2004)	1,930,927	2,115,390
General Partners	(25,121)	(23,258)
Total Partners' Equity	1,905,806	2,092,132
Total Liabilities and Partners' Equity	$1,945,888	$2,223,393

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

SERIES 11	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 199,931	$ 247,638
Investments in Securities	33,838	31,987
Receivable from General Partner	8,291	0
Total Current Assets	242,060	279,625
Investments in Securities	127,336	149,592
Investments in Project Partnerships, Net	2,664,780	2,799,412
Total Assets	$3,034,176	$3,228,629
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 0	$ 39,680
Total Current Liabilities	0	39,680
Long Term Liabilities:		
Payable to General Partners	0	806
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2005 and 2004	3,049,825	3,202,252
General Partners	(15,649)	(14,109)
Total Partners' Equity	3,034,176	3,188,143
Total Liabilities and Partners' Equity	$3,034,176	$3,228,629

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

TOTAL SERIES 7 -11	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,281,470	$ 1,462,159
Investments in Securities	242,580	227,712
Accounts Receivable	24,220	24,820
Receivable from General Partner	8,291	0
Total Current Assets	1,556,561	1,714,691
Investments in Securities	627,710	811,171
Investments in Project Partnerships, Net	6,551,507	7,222,663
Total Assets	$ 8,735,778	$ 9,748,525
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 152,924	$ 227,358
Total Current Liabilities	152,924	227,358
Long Term Liabilities:		
Payable to General Partners	1,542,821	1,465,342
Partners' Equity (deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at March 31, 2005 and 2004)	7,293,542	8,299,176
General Partners	(253,509)	(243,351)
Total Partners' Equity	7,040,033	8,055,825
Total Liabilities and Partners' Equity	$ 8,735,778	$ 9,748,525

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 7	2005	2004	2003
Revenues:			
Distribution Income	$ 24,233	$ 14,725	$ 23,088
Total Revenues	24,233	14,725	23,088
Expenses:			
Asset Management Fee-General Partner	86,447	86,749	87,082
General and Administrative:			
General Partner	56,857	56,842	32,765
Other	18,197	19,538	21,107
Amortization	7,089	6,643	6,684
Total Expenses	168,590	169,772	147,638
Loss Before Equity in Losses of Project Partnerships and Other Income	(144,357)	(155,047)	(124,550)
Equity in Losses of Project Partnerships	(139,599)	(130,277)	(137,118)
Interest Income	22,469	23,962	28,612
Net Loss	$ (261,487)	$ (261,362)	$ (233,056)
Allocation of Net Loss:			
Assignees	$ (258,872)	$ (258,748)	$ (230,725)
General Partners	(2,615)	(2,614)	(2,331)
	$ (261,487)	$ (261,362)	$ (233,056)
Net Loss Per Beneficial Assignee Certificate	$ (24.90)	$ (24.89)	$ (22.20)
Number of Beneficial Assignee Certificates Outstanding	10,395	10,395	10,395

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 8	2005	2004	2003
Revenues:			
Distribution Income	$ 16,447	$ 20,098	$ 19,195
Total Revenues	16,447	20,098	19,195
Expenses:			
Asset Management Fee-General Partner	89,908	90,313	90,730
General and Administrative:			
General Partner	62,689	62,671	36,127
Other	19,352	22,850	24,723
Amortization	2,553	3,072	4,740
Total Expenses	174,502	178,906	156,320
Loss Before Equity in Losses of Project Partnerships and Other Income	(158,055)	(158,808)	(137,125)
Equity in Losses of Project Partnerships	(41,395)	(39,434)	(82,830)
Interest Income	20,284	21,800	26,630
Net Loss	$(179,166)	$(176,442)	$(193,325)
Allocation of Net Loss:			
Assignees	$(177,374)	$(174,678)	$(191,392)
General Partners	(1,792)	(1,764)	(1,933)
	$(179,166)	$(176,442)	$(193,325)
Net Loss Per Beneficial Assignee Certificate	$ (17.77)	$ (17.50)	$ (19.18)
Number of Beneficial Assignee Certificates Outstanding	9,980	9,980	9,980

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 9	2005	2004	2003
Revenues:			
Distribution Income	$ 7,752	$ 4,246	$ 4,433
Total Revenues	7,752	4,246	4,433
Expenses:			
Asset Management Fee-General Partner	49,509	49,711	49,865
General and Administrative:			
General Partner	34,990	34,979	20,164
Other	11,260	11,731	13,875
Amortization	2,377	3,082	3,256
Total Expenses	98,136	99,503	87,160
Loss Before Equity in Losses of Project Partnerships and Other Income	(90,384)	(95,257)	(82,727)
Equity in Losses of Project Partnerships	(157,684)	(230,291)	(279,770)
Interest Income	13,222	13,607	16,095
Net Loss	$(234,846)	$(311,941)	$(346,402)
Allocation of Net Loss:			
Assignees	$(232,498)	$(308,822)	$(342,938)
General Partners	(2,348)	(3,119)	(3,464)
	$(234,846)	$(311,941)	$(346,402)
Net Loss Per Beneficial Assignee Certificate	$ (37.18)	$ (49.38)	$ (54.84)
Number of Beneficial Assignee Certificates Outstanding	6,254	6,254	6,254

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 10	2005	2004	2003
Revenues:			
Distribution Income	$ 2,511	$ 1,932	$ 750
Total Revenues	2,511	1,932	750
Expenses:			
Asset Management Fee-General Partner	33,819	33,890	34,013
General and Administrative:			
General Partner	21,868	21,863	12,601
Other	8,149	7,968	9,699
Amortization	4,141	4,578	4,812
Total Expenses	67,977	68,299	61,125
Loss Before Equity in Losses of Project Partnerships and Other Income	(65,466)	(66,367)	(60,375)
Equity in Losses of Project Partnerships	(133,597)	(175,628)	(201,773)
Interest Income	12,737	13,252	15,454
Net Loss	$(186,326)	$(228,743)	$(246,694)
Allocation of Net Loss:			
Assignees	$(184,463)	$(226,456)	$(244,227)
General Partners	(1,863)	(2,287)	(2,467)
	$(186,326)	$(228,743)	$(246,694)
Net Loss Per Beneficial Assignee Certificate	$ (36.58)	$ (44.91)	$ (48.43)
Number of Beneficial Assignee Certificates Outstanding	5,043	5,043	5,043

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 11	2005	2004	2003
Revenues:			
Distribution Income	$ 2,783	$ 2,182	$ 0
Total Revenues	2,783	2,182	0
Expenses:			
Asset Management Fee-General Partner	28,021	28,254	28,518
General and Administrative:			
General Partner	17,494	17,491	10,081
Other	7,404	7,549	8,782
Amortization	6,343	6,726	8,296
Total Expenses	59,262	60,020	55,677
Loss Before Equity in Losses of Project Partnerships and Other Income	(56,479)	(57,838)	(55,677)
Equity in Losses of Project Partnerships	(112,606)	(101,608)	(169,857)
Interest Income	15,118	15,869	18,223
Net Loss	$(153,967)	$(143,577)	$(207,311)
Allocation of Net Loss:			
Assignees	$(152,427)	$(142,141)	$(205,238)
General Partners	(1,540)	(1,436)	(2,073)
	$(153,967)	$(143,577)	$(207,311)
Net Loss Per Beneficial Assignee Certificate	$ (29.73)	$ (27.72)	$ (40.03)
Number of Beneficial Assignee Certificates Outstanding	5,127	5,127	5,127

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

TOTAL SERIES 7 - 11	2005	2004	2003
Revenues:			
Distribution Income	$ 53,726	$ 43,183	$ 47,466
Total Revenues	53,726	43,183	47,466
Expenses:			
Asset Management Fee-General Partner	287,704	288,917	290,208
General and Administrative:			
General Partner	193,898	193,846	111,738
Other	64,362	69,636	78,186
Amortization	22,503	24,101	27,788
Total Expenses	568,467	576,500	507,920
Loss Before Equity in Losses of Project Partnerships and Other Income	(514,741)	(533,317)	(460,454)
Equity in Losses of Project Partnerships	(584,881)	(677,238)	(871,348)
Interest Income	83,830	88,490	105,014
Net Loss	$(1,015,792)	$(1,122,065)	$(1,226,788)
Allocation of Net Loss:			
Assignees	$(1,005,634)	$(1,110,845)	$(1,214,520)
General Partners	(10,158)	(11,220)	(12,268)
	$(1,015,792)	$(1,122,065)	$(1,226,788)

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

SERIES 7	Limited Partners	General Partners	Total
Balance at March 31, 2002	$1,780,281	$ (74,217)	$1,706,064
Net Loss	(230,725)	(2,331)	(233,056)
Balance at March 31, 2003	1,549,556	(76,548)	1,473,008
Net Loss	(258,748)	(2,614)	(261,362)
Balance at March 31, 2004	1,290,808	(79,162)	1,211,646
Net Loss	(258,872)	(2,615)	(261,487)
Balance at March 31, 2005	$1,031,936	$ (81,777)	$ 950,159

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

SERIES 8	Limited Partners	General Partners	Total
Balance at March 31, 2002	$1,001,538	$ (78,394)	$ 923,144
Net Loss	(191,392)	(1,933)	(193,325)
Balance at March 31, 2003	810,146	(80,327)	729,819
Net Loss	(174,678)	(1,764)	(176,442)
Balance at March 31, 2004	635,468	(82,091)	553,377
Net Loss	(177,374)	(1,792)	(179,166)
Balance at March 31, 2005	$ 458,094	$ (83,883)	$ 374,211

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

SERIES 9	Limited Partners	General Partners	Total
Balance at March 31, 2002	$1,707,018	$ (38,148)	$1,668,870
Net Loss	(342,938)	(3,464)	(346,402)
Balance at March 31, 2003	1,364,080	(41,612)	1,322,468
Net Loss	(308,822)	(3,119)	(311,941)
Balance at March 31, 2004	1,055,258	(44,731)	1,010,527
Net Loss	(232,498)	(2,348)	(234,846)
Balance at March 31, 2005	$ 822,760	$ (47,079)	$ 775,681

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

SERIES 10	Limited Partners	General Partners	Total
Balance at March 31, 2002	$2,586,073	$ (18,504)	$2,567,569
Net Loss	(244,227)	(2,467)	(246,694)
Balance at March 31, 2003	2,341,846	(20,971)	2,320,875
Net Loss	(226,456)	(2,287)	(228,743)
Balance at March 31, 2004	2,115,390	(23,258)	2,092,132
Net Loss	(184,463)	(1,863)	(186,326)
Balance at March 31, 2005	$1,930,927	$ (25,121)	$1,905,806

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

SERIES 11	Limited Partners	General Partners	Total
Balance at March 31, 2002	$3,549,631	$ (10,600)	$3,539,031
Net Loss	(205,238)	(2,073)	(207,311)
Balance at March 31, 2003	3,344,393	(12,673)	3,331,720
Net Loss	(142,141)	(1,436)	(143,577)
Balance at March 31, 2004	3,202,252	(14,109)	3,188,143
Net Loss	(152,427)	(1,540)	(153,967)
Balance at March 31, 2005	$3,049,825	$ (15,649)	$3,034,176

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (deficit)

FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

TOTAL SERIES 7 - 11	Limited Partners	General Partners	Total
Balance at March 31, 2002	$10,624,541	$(219,863)	$10,404,678
Net Loss	(1,214,520)	(12,268)	(1,226,788)
Balance at March 31, 2003	9,410,021	(232,131)	9,177,890
Net Loss	(1,110,845)	(11,220)	(1,122,065)
Balance at March 31, 2004	8,299,176	(243,351)	8,055,825
Net Loss	(1,005,634)	(10,158)	(1,015,792)
Balance at March 31, 2005	$ 7,293,542	$(253,509)	$7,040,033

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

SERIES 7	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$(261,487)	$(261,362)	$(233,056)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	7,089	6,643	6,684
Accreted Interest Income on Investments in Securities	(19,255)	(22,530)	(25,226)
Equity in Losses of Project Partnerships	139,599	130,277	137,118
Interest Income from Redemption of Securities	42,284	37,353	32,576
Distributions Included in Other Income	(23,983)	(14,725)	(23,088)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	85,925	18,864	41,651
Net Cash Used in Operating Activities	(29,828)	(105,480)	(63,341)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	39,581	28,698	37,299
Redemption of Investment in Securities	29,716	30,647	31,424
Net Cash Provided by Investing Activities	69,297	59,345	68,723
Increase (Decrease) in Cash and Cash Equivalents	39,469	(46,135)	5,382
Cash and Cash Equivalents at Beginning of Year	343,873	390,008	384,626
Cash and Cash Equivalents at End of Year	$ 383,342	$ 343,873	$ 390,008

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

SERIES 8	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$(179,166)	$(176,442)	$(193,325)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	2,553	3,072	4,740
Accreted Interest Income on Investments in Securities	(17,293)	(20,197)	(22,580)
Equity in Losses of Project Partnerships	41,395	39,434	82,830
Interest Income from Redemption of Securities	36,921	32,393	27,883
Distributions Included in Other Income	(16,447)	(20,098)	(19,195)
Changes in Operating Assets and Liabilities:			
Increase in Accounts Receivable	0	(24,220)	0
Increase in Payable to General Partners	29,589	34,114	56,418
Net Cash Used in Operating Activities	(102,448)	(131,944)	(63,229)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	24,132	25,030	25,963
Redemption of Investment in Securities	30,079	30,607	31,116
Net Cash Provided by Investing Activities	54,211	55,637	57,079
Decrease in Cash and Cash Equivalents	(48,237)	(76,307)	(6,150)
Cash and Cash Equivalents at Beginning of Year	373,899	450,206	456,356
Cash and Cash Equivalents at End of Year	$ 325,662	$ 373,899	$ 450,206

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

SERIES 9	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$(234,846)	$(311,941)	$(346,402)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	2,377	3,082	3,256
Accreted Interest Income on Investments in Securities	(11,133)	(12,599)	(13,821)
Equity in Losses of Project Partnerships	157,684	230,291	279,770
Interest Income from Redemption of Securities	19,228	16,810	14,467
Distributions Included in Other Income	(7,752)	(4,246)	(4,433)
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	600	(600)	0
Increase in Payable to General Partners	19,196	31,664	39,866
Net Cash Used in Operating Activities	(54,646)	(47,539)	(27,297)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	15,869	15,767	15,918
Redemption of Investment in Securities	19,772	20,189	20,533
Net Cash Provided by Investing Activities	35,641	35,956	36,451
Increase (Decrease) in Cash and Cash Equivalents	(19,005)	(11,583)	9,154
Cash and Cash Equivalents at Beginning of Year	248,902	260,485	251,331
Cash and Cash Equivalents at End of Year	$ 229,897	$ 248,902	$ 260,485

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

SERIES 10	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$(186,326)	$(228,743)	$(246,694)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	4,141	4,578	4,812
Accreted Interest Income on Investments in Securities	(11,128)	(12,243)	(13,191)
Equity in Losses of Project Partnerships	133,597	175,628	201,773
Interest Income from Redemption of Securities	15,150	13,525	11,953
Distributions Included in Other Income	(2,511)	(1,932)	(750)
Changes in Operating Assets and Liabilities:			
Increase (Decrease) in Payable to General Partners	(91,179)	9,628	14,690
Net Cash Used in Operating Activities	(138,256)	(39,559)	(27,407)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	19,197	20,992	12,151
Redemption of Investment in Securities	13,850	14,473	15,048
Net Cash Provided by Investing Activities	33,047	35,465	27,199
Decrease in Cash and Cash Equivalents	(105,209)	(4,094)	(208)
Cash and Cash Equivalents at Beginning of Year	247,847	251,941	252,149
Cash and Cash Equivalents at End of Year	$ 142,638	$ 247,847	$ 251,941

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

SERIES 11	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$(153,967)	$(143,577)	$(207,311)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	6,343	6,726	8,296
Accreted Interest Income on Investments in Securities	(13,595)	(14,856)	(15,873)
Equity in Losses of Project Partnerships	112,606	101,608	169,857
Interest Income from Redemption of Securities	18,383	16,091	13,863
Distributions Included in Other Income	(2,783)	(2,182)	0
Changes in Operating Assets and Liabilities:			
Increase in Accounts Receivable	(8,291)	0	0
(Decrease) in Payable to General Partners	(40,486)	(4,844)	(6,106)
Net Cash Used in Operating Activities	(81,790)	(41,034)	(37,274)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	18,466	8,564	19,277
Redemption of Investment in Securities	15,617	15,910	16,136
Net Cash Provided by Investing Activities	34,083	24,474	35,413
Decrease in Cash and Cash Equivalents	(47,707)	(16,560)	(1,861)
Cash and Cash Equivalents at Beginning of Year	247,638	264,198	266,059
Cash and Cash Equivalents at End of Year	$ 199,931	$ 247,638	$ 264,198

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2005, 2004 AND 2003:

TOTAL SERIES 7 - 11	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$(1,015,792)	$(1,122,065)	$(1,226,788)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	22,503	24,101	27,788
Accreted Interest Income on Investments in Securities	(72,404)	(82,425)	(90,691)
Equity in Losses of Project Partnerships	584,881	677,238	871,348
Interest Income from Redemption of Securities	131,966	116,172	100,742
Distributions Included in Other Income	(53,476)	(43,183)	(47,466)
Changes in Operating Assets and Liabilities:			
Increase in Accounts Receivable	(7,691)	(24,820)	0
Increase in Payable to General Partners	3,045	89,426	146,519
Net Cash Used in Operating Activities	(406,968)	(365,556)	(218,548)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	117,245	99,051	110,608
Redemption of Investment in Securities	109,034	111,826	114,257
Net Cash Provided by Investing Activities	226,279	210,877	224,865
Increase (Decrease) in Cash and Cash Equivalents	(180,689)	(154,679)	6,317
Cash and Cash Equivalents at Beginning of Year	1,462,159	1,616,838	1,610,521
Cash and Cash Equivalents at End of Year	$1,281,470	$1,462,159	$1,616,838

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005, 2004 AND 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 March 31, 2005, 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.

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

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

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

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

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

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

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

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

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

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

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

Gateway, as a limited partner in the Project Partnerships, is subject to risks inherent in the ownership of property which are beyond its control, such as fluctuations in occupancy rates and operating expenses, variations in rental schedules, proper maintenance and continued eligibility of tax credits. If the cost of operating a property exceeds the rental income earned thereon, Gateway may deem it in its best interest to voluntarily provide funds in order to protect its investment. Gateway does not guarantee any of the mortgages or other debt of the Project Partnerships.

Cash and Cash Equivalents

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

Concentrations of Credit Risk

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

Use of Estimates in the Preparation of Financial Statements

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

Investment in Securities

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

Offering and Commission Costs

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

Income Taxes

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

Reclassifications

For comparability, the 2003 and 2004 figures have been reclassified, where appropriate, to conform with the financial statement presentation used in 2005.

Recent Accounting Pronouncements

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN46"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." Gateway has adopted FIN 46 and applied its requirements to all Project Partnerships in which Gateway held an interest. Generally, a variable interest entity, or VIE, is an entity with one or more of the following characteristics, (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group the holders of the equity investment at risk lack (i) the ability to make decisions about an entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. FIN 46 requires a VIE to be consolidated in the financial statements of the entity that is determined to be the primary beneficiary of the VIE. The primary beneficiary, as is applicable to Gateway's circumstances, is the party in the Project Partnership equity group that is most closely associated with the Project Partnership.

As of March 31, 2005, Gateway determined that it held variable interests in 128 VIE's, which consist of Project Partnerships, which Gateway is not the primary beneficiary. Gateway's maximum exposure to loss as a result of its involvement with unconsolidated VIE's is limited to Gateway's recorded investments in and receivables from those VIE's, which is approximately $5,530,357 at March 31, 2005. Gateway may be subject to additional losses to the extent of any financial support that Gateway voluntarily provides to those Project Partnerships in the future.

NOTE 3 - INVESTMENT IN SECURITIES:

The March 31, 2005 Balance Sheet includes Investment in Securities consisting of U.S. Treasury Security Strips which represents their cost, plus accreted interest income of $128,446 for Series 7, $115,115 for Series 8, $77,077 for Series 9, $77,070 for Series 10 and $89,646 for Series 11.

	Estimated Market Value	Cost Plus Accreted Interest	Gross Unrealized Gains and (Losses)
Series 7	$ 227,272	$ 212,771	$ 14,501
Series 8	215,107	202,675	12,432
Series 9	160,381	151,469	8,912
Series 10	153,890	142,201	11,689
Series 11	178,115	161,174	16,941

As of March 31, 2005, the cost and accreted interest of debt securities by contractual maturities is as follows:	Series 7	Series 8	Series 9
Due within 1 year	$ 72,445	$ 67,927	$ 38,890
After 1 year through 5 years	140,326	134,748	112,579
After 5 years through 10 years	0	0	0
Total Amount Carried on Balance Sheet	$ 212,771	$ 202,675	$ 151,469

	Series 10	Series 11	Total
Due within 1 year	$ 29,480	$ 33,838	$ 242,580
After 1 year through 5 years	112,721	127,336	627,710
After 5 years through 10 years	0	0	0
Total Amount Carried on Balance Sheet	$ 142,201	$ 161,174	$ 870,290

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.

Value Partners, Inc., an affiliate of Gateway, acquired the general partner interest in Logan Heights, one of the Project Partnerships in Series 8, in 2003.

For the periods ended March 31, 2005, 2004, and 2003 the General Partners and affiliates are entitled to compensation and reimbursement for costs and expenses incurred by Gateway as follows:

Asset Management Fee - The Managing General Partner is entitled to receive an annual asset management fee equal to the greater of (i) $2,000 for each limited partnership in which Gateway invests, as adjusted by the Consumer Price Index, or (ii) 0.275% of Gateway's gross proceeds from the sale of limited partnership interests. In either event (i) or (ii), the maximum amount may not exceed 0.2% of the aggregate cost (Gateway's capital contribution plus Gateway's share of the Properties' mortgage) of Gateway's interest in properties owned by the Project Partnerships. The asset management fee will be paid only after all other expenses of Gateway have been paid. These fees are included in the Statement of Operations.

	2005	2004	2003
Series 7	$ 86,447	$ 86,749	$ 87,082
Series 8	89,908	90,313	90,730
Series 9	49,509	49,711	49,865
Series 10	33,819	33,890	34,013
Series 11	28,021	28,254	28,518
Total	$ 287,704	$ 288,917	$ 290,208

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.

	2005	2004	2003
Series 7	$ 56,857	$ 56,842	$ 32,765
Series 8	62,689	62,671	36,127
Series 9	34,990	34,979	20,164
Series 10	21,868	21,863	12,601
Series 11	17,494	17,491	10,081
Total	$193,898	$193,846	$111,738

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

SERIES 7

As of March 31, 2005, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 39 Project Partnerships which own and operate government assisted multi-family housing complexes.

Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

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

	MARCH 31, 2005	MARCH 31, 2004
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)	(7,132,119)	(6,992,520)
Cumulative distributions received from Project Partnerships	(234,015)	(218,417)
Investment in Project Partnerships before Adjustment	365,955	521,152
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	793,335	793,335
Accumulated amortization of acquisition fees and expenses	(193,635)	(186,546)
Investments in Project Partnerships	$ 965,655	$ 1,127,941

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $4,140,409 for the year ended March 31, 2005 and cumulative suspended losses of $3,469,144 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 8

As of March 31, 2005, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 43 Project Partnerships which own and operate government assisted multi-family housing complexes.

Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

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

	MARCH 31, 2005	MARCH 31, 2004
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)	(7,384,755)	(7,343,360)
Cumulative distributions received from Project Partnerships	(171,513)	(163,828)
Investment in Project Partnerships before Adjustment	29,837	78,917
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	549,773	549,773
Accumulated amortization of acquisition fees and expenses	(118,449)	(115,895)
Investments in Project Partnerships	$ 461,161	$ 512,795

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $4,846,424 for the year ended March 31, 2005 and cumulative suspended losses of $4,002,763 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 9

As of March 31, 2005, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 24 Project Partnerships which own and operate government assisted multi-family housing complexes.

Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

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

	MARCH 31, 2005	MARCH 31, 2004
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)	(4,158,372)	(4,000,688)
Cumulative distributions received from Project Partnerships	(141,793)	(133,676)
Investment in Project Partnerships before Adjustment	613,951	779,752
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	244,087	244,087
Accumulated amortization of acquisition fees and expenses	(59,176)	(56,799)
Investments in Project Partnerships	$ 798,862	$ 967,040

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $1,528,748 for the year ended March 31, 2005 and cumulative suspended losses of $1,226,519 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 10

As of March 31, 2005, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 15 Project Partnerships which own and operate government assisted multi-family housing complexes.

Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

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

	MARCH 31, 2005	MARCH 31, 2004
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)	(2,207,367)	(2,073,769)
Cumulative distributions received from Project Partnerships	(184,392)	(167,705)
Investment in Project Partnerships before Adjustment	1,522,913	1,673,198
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	196,738	196,738
Accumulated amortization of acquisition fees and expenses	(58,602)	(54,461)
Investments in Project Partnerships	$ 1,661,049	$ 1,815,475

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $204,444 for the year ended March 31, 2005 and cumulative suspended losses of $132,431 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 11

As of March 31, 2005, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 12 Project Partnerships which own and operate government assisted multi-family housing complexes.

Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

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

	MARCH 31, 2005	MARCH 31, 2004
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	(1,507,601)	(1,394,995)
Cumulative distributions received from Project Partnerships	(164,993)	(149,310)
Investment in Project Partnerships before Adjustment	2,455,448	2,583,737
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	290,335	290,335
Accumulated amortization of acquisition fees and expenses	(81,003)	(74,660)
Investments in Project Partnerships	$ 2,664,780	$ 2,799,412

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $372,590 for the year ended March 31, 2005 are not included and cumulative suspended losses of $208,165 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

The following is a summary of Investments in Project Partnerships:

TOTAL SERIES 7 - 11	MARCH 31, 2005	MARCH 31, 2004
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	(22,390,214)	(21,805,332)
Cumulative distributions received from Project Partnerships	(896,706)	(832,936)
Investment in Project Partnerships before Adjustment	4,988,104	5,636,756
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	(510,865)	(488,361)
Investments in Project Partnerships	$ 6,551,507	$ 7,222,663

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 7	DECEMBER 31, 2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 3,827,640	$ 3,594,482	$ 3,546,381
Investment properties, net	28,630,723	29,924,101	31,103,350
Other assets	13,204	12,192	50,943
Total assets	$32,471,567	$33,530,775	$34,700,674
Liabilities and Partners' Equity:			
Current liabilities	$ 856,813	$ 861,548	$ 844,292
Long-term debt	35,849,766	36,002,235	36,170,712
Total liabilities	36,706,579	36,863,783	37,015,004
Partners' equity			
Gateway	(3,929,006)	(3,077,941)	(2,103,991)
General Partners	(306,006)	(255,067)	(210,339)
Total Partners' equity	(4,235,012)	(3,333,008)	(2,314,330)
Total liabilities and partners' equity	$32,471,567	$33,530,775	$34,700,674
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 6,666,046	$ 6,333,913	$ 6,061,519
Expenses:			
Operating expenses	3,435,485	3,366,664	3,129,792
Interest expense	2,558,539	2,427,949	2,335,459
Depreciation and amortization	1,494,903	1,489,791	1,467,630
Total expenses	7,488,927	7,284,404	6,932,881
Net loss	$ (822,881)	$ (950,491)	$ (871,362)
Other partners' share of net loss	$ (12,017)	$ (9,505)	$ (8,714)
Partnership's share of net loss	$ (810,864)	$ (940,986)	$ (862,648)
Suspended losses	671,265	810,709	725,530
Equity in Losses of Project Partnerships	$ (139,599)	$ (130,277)	$ (137,118)

(1) As of December 31, 2004, the largest Project Partnership constituted 5.1% and 5.7%, and as of December 31, 2003 the largest Project Partnership constituted 5.1% and 5.7% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 8	DECEMBER 31, 2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 3,739,242	$ 3,443,344	$ 3,241,125
Investment properties, net	29,898,977	31,332,924	32,829,923
Other assets	43,322	46,863	65,889
Total assets	$33,681,541	$34,823,131	$36,136,937
Liabilities and Partners' Equity:			
Current liabilities	$ 1,239,508	$ 1,283,369	$ 1,247,298
Long-term debt	37,745,148	37,949,865	38,160,367
Total liabilities	38,984,656	39,233,234	39,407,665
Partners' equity			
Gateway	(4,664,925)	(3,762,267)	(2,760,061)
General Partners	(638,190)	(647,836)	(510,667)
Total Partners' equity	(5,303,115)	(4,410,103)	(3,270,728)
Total liabilities and partners' equity	$33,681,541	$34,823,131	$36,136,937
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 6,504,960	$ 6,105,139	$ 5,730,666
Expenses:			
Operating expenses	3,374,344	3,219,867	3,051,073
Interest expense	2,511,212	2,349,394	2,123,237
Depreciation and amortization	1,512,305	1,525,330	1,516,946
Total expenses	7,397,861	7,094,591	6,691,256
Net loss	$ (892,901)	$ (989,452)	$ (960,589)
Other partners' share of net loss	$ (7,845)	$ (12,667)	$ (12,000)
Partnership’s share of net loss	$ (885,056)	$ (976,785)	$ (948,590)
Suspended losses	843,661	937,351	865,760
Equity in Losses of Project Partnerships	$ (41,395)	$ (39,434)	$ (82,830)

(1) As of December 31, 2004, the largest Project Partnership constituted 5.3% and 4.0%, and as of December 31, 2003 the largest Project Partnership constituted 5.3% and 4.1% of the combined total assets by series and combined total revenues by series, respectively.

An affiliate of the General Partner is the operating general partner in one of the Project Partnerships included above. The Project Partnership has total assets of $575,462, total liabilities of $820,380, Gateway equity of ($128,640), other partners equity of ($116,278), total revenue of $86,206, and net loss of $23,605. The Project Partnership was not a related party as of December 31, 2002 and 2001.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 9	DECEMBER 31, 2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 1,930,617	$ 1,778,979	$ 1,662,424
Investment properties, net	17,164,568	17,932,221	18,687,336
Other assets	4,302	5,319	22,800
Total assets	$19,099,487	$19,716,519	$20,372,560
Liabilities and Partners' Equity:			
Current liabilities	$ 324,971	$ 332,832	$ 332,748
Long-term debt	20,040,773	20,142,793	20,220,384
Total liabilities	20,365,744	20,475,625	20,553,132
Partners' equity			
Gateway	(960,476)	(485,230)	60,033
General Partners	(305,781)	(273,876)	(240,605)
Total Partners' equity	(1,266,257)	(759,106)	(180,572)
Total liabilities and partners' equity	$19,099,487	$19,716,519	$20,372,560
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 3,352,708	$ 3,252,688	$ 3,146,415
Expenses:			
Operating expenses	1,715,832	1,669,611	1,637,020
Interest expense	1,315,209	1,327,135	1,334,467
Depreciation and amortization	786,226	792,503	807,268
Total expenses	3,817,267	3,789,249	3,778,755
Net loss	$ (464,559)	$ (536,561)	$ (632,340)
Other partners' share of net loss	$ (4,646)	$ (5,365)	$ (6,323)
Partnership’s share of net loss	$ (459,913)	$ (531,196)	$ (626,017)
Suspended losses	302,229	300,905	346,247
Equity in Losses of Project Partnerships	$ (157,684)	$ (230,291)	$ (279,770)

(1) As of December 31, 2004, the largest Project Partnership constituted 7.7% and 6.5%, and as of December 31, 2003 the largest Project Partnership constituted 7.7% and 6.4% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

	DECEMBER 31,		
SERIES 10	2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 1,724,502	$ 1,652,231	$ 1,550,938
Investment properties, net	12,653,063	13,036,775	13,462,939
Other assets	1,974	2,479	7,263
Total assets	$14,379,539	$14,691,485	$15,021,140
Liabilities and Partners' Equity:			
Current liabilities	$ 320,218	$ 327,272	$ 314,259
Long-term debt	13,126,101	13,161,837	13,223,246
Total liabilities	13,446,319	13,489,109	13,537,505
Partners' equity			
Gateway	1,311,594	1,538,058	1,772,744
General Partners	(378,374)	(335,682)	(289,109)
Total Partners' equity	933,220	1,202,376	1,483,635
Total liabilities and partners' equity	$14,379,539	$14,691,485	$15,021,140
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 2,195,063	$ 1,995,639	$ 1,901,592
Expenses:			
Operating expenses	1,153,775	1,089,746	1,075,495
Interest expense	781,972	657,632	599,922
Depreciation and amortization	469,719	465,268	465,739
Total expenses	2,405,466	2,212,646	2,141,156
Net loss	$ (210,403)	$ (217,007)	$ (239,564)
Other partners' share of net loss	$ (3,449)	$ (3,333)	$ (3,476)
Partnership’s share of net loss	$ (206,954)	$ (213,674)	$ (236,088)
Suspended losses	73,357	38,046	34,315
Equity in Losses of Project Partnerships	$ (133,597)	$ (175,628)	$ (201,773)

(1) As of December 31, 2004, the largest Project Partnership constituted 10.6% and 12.0%, and as of December 31, 2003 the largest Project Partnership constituted 11.3% and 12.2% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 11	DECEMBER 31, 2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 946,787	$ 1,193,232	$ 1,154,999
Investment properties, net	10,794,371	11,269,515	11,692,568
Other assets	294,853	67,895	130,037
Total assets	$12,036,011	$12,530,642	$12,977,604
Liabilities and Partners' Equity:			
Current liabilities	$ 236,291	$ 272,578	$ 277,172
Long-term debt	9,982,493	10,099,725	10,233,992
Total liabilities	10,218,784	10,372,303	10,511,164
Partners' equity			
Limited Partner	2,090,652	2,384,986	2,664,470
General Partners	(273,425)	(226,647)	(198,030)
Total Partners' equity	1,817,227	2,158,339	2,466,440
Total liabilities and partners' equity	$12,036,011	$12,530,642	$12,977,604
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 1,807,439	$ 1,732,562	$ 1,668,728
Expenses:			
Operating expenses	1,113,123	1,041,768	966,246
Interest expense	478,503	443,999	396,246
Depreciation and amortization	511,998	530,705	530,098
Total expenses	2,103,624	2,016,472	1,892,590
Net loss	$ (296,185)	$ (283,910)	$ (223,862)
Other partners' share of net loss	$ (19,155)	$ (14,747)	$ (13,395)
Partnership's share of net loss	$ (277,030)	$ (269,163)	$ (210,467)
Suspended losses	164,424	167,555	40,610
Equity in Losses of Project Partnerships	$ (112,606)	$ (101,608)	$ (169,857)

(1) As of December 31, 2004, the largest Project Partnership constituted 19.9% and 20.2%, and as of December 31, 2003 the largest Project Partnership constituted 20.2% and 20.7% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

TOTAL SERIES 7 - 11	DECEMBER 31, 2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 12,168,788	$ 11,662,268	$ 11,155,867
Investment properties, net	99,141,702	103,495,536	107,776,116
Other assets	357,655	134,748	276,932
Total assets	$111,668,145	$115,292,552	$119,208,915
Liabilities and Partners' Equity:			
Current liabilities	$ 2,977,800	$ 3,077,599	$ 3,015,769
Long-term debt	116,744,281	117,356,455	118,008,701
Total liabilities	119,722,081	120,434,054	121,024,470
Partners' equity			
Limited Partner	(6,152,160)	(3,402,394)	(366,805)
General Partners	(1,901,776)	(1,739,108)	(1,448,750)
Total Partners' equity	(8,053,936)	(5,141,502)	(1,815,555)
Total liabilities and partners' equity	$111,668,145	$115,292,552	$119,208,915
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 20,526,216	$ 19,419,941	$ 18,508,920
Expenses:			
Operating expenses	10,792,559	10,387,656	9,859,626
Interest expense	7,645,435	7,206,109	6,789,331
Depreciation and amortization	4,775,151	4,803,597	4,787,681
Total expenses	23,213,145	22,397,362	21,436,638
Net loss	$(2,686,929)	$(2,977,421)	$(2,927,718)
Other partners' share of net loss	$ (47,112)	$ (45,617)	$ (43,908)
Partnership’s share of net loss	$(2,639,817)	$(2,931,804)	$(2,883,810)
Suspended losses	2,054,936	2,254,566	2,012,462
Equity in Losses of Project Partnerships	$ (584,879)	$ (677,238)	$ (871,348)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

	Equity Per Project Partnership	Equity Per Partnership
Series 7	$(3,929,006)	$ 365,955
Series 8	(4,664,925)	29,837
Series 9	(960,476)	613,951
Series 10	1,311,594	1,522,913
Series 11	2,090,653	2,455,448

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 7	2005	2004	2003
Net Loss per Financial Statements	$(261,487)	$(261,362)	$(233,056)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(923,850)	(1,006,515)	(927,361)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(17,690)	22,774	21,890
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	91,474	24,255	43,642
Amortization Expense	6,643	6,655	(9,419)
Partnership loss for tax purposes as of December 31	$(1,104,910)	$(1,214,193)	$(1,104,304)

	December 31, 2004	December 31, 2003	December 31, 2002
Federal Low Income Housing Tax Credits (Unaudited)	$ 224,290	$ 975,096	$ 1,695,195

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 965,655	$(5,171,889)	$ 6,137,544
Other Assets	$ 596,113	$ 1,792,288	$(1,196,175)
Liabilities	$ 611,609	$ (6,381)	$ 617,990

NOTE 6 - TAXABLE INCOME (LOSS)(Continued):

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

SERIES 8	2005	2004	2003
Net Loss per Financial Statements	$ (179,166)	$ (176,442)	$ (193,325)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(1,018,059)	(1,119,372)	(1,046,407)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(8,575)	16,451	(2,521)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	31,002	43,926	58,766
Amortization Expense	3,072	3,489	2,753
Partnership loss for tax purposes as of December 31	$(1,171,726)	$(1,231,948)	$(1,180,734)

	December 31, 2004	December 31, 2003	December 31, 2002
Federal Low Income Housing Tax Credits (Unaudited)	$ 565,711	$ 1,417,434	$ 1,617,063

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 461,161	$(5,635,828)	$ 6,096,989
Other Assets	$ 552,557	$ 1,748,450	$ 1,195,893
Liabilities	$ 639,507	$ (6,966)	$ 646,473

NOTE 6 - TAXABLE INCOME (LOSS)(Continued):

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

SERIES 9	2005	2004	20032
Net Loss per Financial Statements	$ (234,846)	$ (311,941)	$ (346,402)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(421,291)	(423,589)	(460,255)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(7,265)	6,255	4,083
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	16,737	40,841	41,045
Amortization Expense	3,082	3,127	2,281
Partnership loss for tax purposes as of December 31	$ (643,583)	$ (685,307)	$ (759,248)

	December 31, 2004	December 31, 2003	December 31, 2002
Federal Low Income Housing Tax Credits (Unaudited)	$ 644,340	$ 968,960	$ 968,960

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 798,862	$(1,955,314)	$ 2,754,176
Other Assets	$ 381,366	$ 1,132,192	$ (750,826)
Liabilities	$ 404,547	$ 4,037	$ 400,510

NOTE 6 - TAXABLE INCOME (LOSS)(Continued):

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

SERIES 10	2005	2004	2003
Net Loss per Financial Statements	$ (186,326)	$ (228,743)	$ (246,694)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(260,311)	(208,567)	(206,405)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(2,089)	1,856	2,066
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	(89,867)	12,745	15,375
Amortization Expense	4,578	4,639	4,204
Partnership loss for tax purposes as of December 31	$ (534,015)	$ (418,070)	$ (431,454)

	December 31, 2004	December 31, 2003	December 31, 2002
Federal Low Income Housing Tax Credits (Unaudited)	$ 540,394	$ 762,218	$ 762,218

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 1,661,049	$ (196,175)	$ 1,857,224
Other Assets	$ 284,839	$ 888,645	$ (603,806)
Liabilities	$ 40,082	$ 2,610	$ 37,472

NOTE 6 - TAXABLE INCOME (LOSS)(Continued):

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

SERIES 11	2005	2004	2003
Net Loss per Financial Statements	$ (153,967)	$ (143,577)	$ (207,311)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(207,948)	(225,717)	(80,878)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(3,760)	1,662	1,090
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	(131,503)	(5,493)	(4,403)
Amortization Expense	6,726	7,123	8,295
Partnership loss for tax purposes as of December 31	$ (490,452)	$ (366,002)	$ (283,207)

	December 31, 2004	December 31, 2003	December 31, 2002
Federal Low Income Housing Tax Credits (Unaudited)	$ 754,678	$ 754,678	$ 754,678

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 2,664,780	$ 1,822,136	$ 842,644
Other Assets	$ 369,396	$ 791,891	$ (422,495)
Liabilities	$ 0	$ 60,223	$ (60,223)

NOTE 6 - TAXABLE INCOME (LOSS)(Continued):

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

TOTAL SERIES 7 –11	2005	2004	2003
Net Loss per Financial Statements	$(1,015,792)	$(1,122,065)	$(1,226,788)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(2,831,459)	(2,983,760)	(2,721,306)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(39,379)	48,998	26,608
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	(82,157)	116,274	154,425
Amortization Expense	24,101	25,032	8,114
Partnership loss for tax purposes as of December 31	$(3,944,686)	$(3,915,521)	$(3,758,947)

The difference in the total value of the Partnership's Investment in Project Partnerships is approximately $5,205,718 higher for Series 7, $5,071,160 higher for Series 8, $2,328,343 higher for Series 9, $1,597,854 higher for Series 10 and $637,661 higher for Series 11 for financial reporting purposes than for tax return purposes because (i) there were depreciation differences between financial reporting purposes and tax return purposes and (ii) certain expenses are not deductible for tax return purposes.

The differences in the assets and liabilities of the Fund for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 6,551,507	$(11,137,070)	$17,688,577
Other Assets	$ 2,184,271	$ 6,353,466	$(4,169,195)
Liabilities	$ 1,695,745	$ 53,523	$ 1,642,222

NOTE 8 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED):

Series 7

Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 8,614	$ 15,568	$ 9,642	$ 12,878
Net Income (Loss)	$ (70,712)	$ (57,558)	$ (65,174)	$ (68,043)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (6.73)	$ (5.48)	$ (6.21)	$ (6.48)

Series 8

Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 2/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 9,239	$ 7,382	$ 12,156	$ 7,954
Net Income (Loss)	$ (46,021)	$ (52,110)	$ (47,086)	$ (33,949)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (4.57)	$ (5.17)	$ (4.67)	$ (3.37)

Series 9

Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 5,465	$ 3,252	$ 6,518	$ 5,739
Net Income (Loss)	$ (67,293)	$ (68,821)	$ (14,543)	$ (84,189)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (10.65)	$ (10.89)	$ (2.30)	$ (13.33)

NOTE 8 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)(Continued):

Series 10

Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 4,428	$ 4,026	$ 4,177	$ 2,617
Net Income (Loss)	$ (50,165)	$ (50,258)	$ (63,785)	$ (22,118)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (9.85)	$ (9.87)	$ (12.52)	$ (4.34)

Series 11

Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 3,625	$ 6,669	$ 3,915	$ 3,692
Net Income (Loss)	$ (48,691)	$ (19,315)	$ (35,242)	$ (50,719)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (9.40)	$ (3.73)	$ (6.81)	$ (9.79)

Series 7 - 11

Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 31,371	$ 36,897	$ 36,408	$ 32,880
Net Income (Loss)	$(282,882)	$(248,062)	$(225,830)	$(259,018)

NOTE 8 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED) (Continued):

Series 7

Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 7,946	$ 6,109	$ 13,495	$ 11,137
Net Income (Loss)	$ (78,203)	$ (26,171)	$ (84,911)	$ (72,077)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (7.45)	$ (2.49)	$ (8.09)	$ (6.86)

Series 8

Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 2/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 5,669	$ 6,911	$ 16,282	$ 13,036
Net Income (Loss)	$ (64,767)	$ (44,859)	$ (53,474)	$ (13,342)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (6.42)	$ (4.45)	$ (5.30)	$ (1.33)

Series 9

Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 4,335	$ 5,039	$ 4,077	$ 4,402
Net Income (Loss)	$ (84,012)	$ (64,015)	$ (69,472)	$ (94,442)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (13.30)	$ (10.13)	$ (11.00)	$ (14.95)

NOTE 8 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)(Continued):

Series 10

Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 3,430	$ 3,399	$ 4,946	$ 3,409
Net Income (Loss)	$ (55,433)	$ (59,064)	$ (64,986)	$ (49,260)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (10.88)	$ (11.59)	$ (12.76)	$ (9.68)

Series 11

Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 4,058	$ 6,187	$ 5,044	$ 2,762
Net Income (Loss)	$ (34,309)	$ (54,117)	$ (15,758)	$ (39,393)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (6.62)	$ (10.45)	$ (3.04)	$ (7.61)

Series 7 - 11

Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 25,438	$ 27,645	$ 43,844	$ 34,746
Net Income (Loss)	$(316,724)	$(248,226)	$(288,601)	$(268,514)

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INDEPENDENT AUDITORS' REPORT

To the Partners
Maple Street Apartments Limited Partnership
Emporium, Pennsylvania

We have audited the accompanying balance sheets of Maple Street Apartments Limited Partnership as of December 31, 2004 and 2003 and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maple Street Apartments Limited Partnership as of December 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 21, 2005 on our consideration of Maple Street Apartments Limited Partnership internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 21, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Creekstone Apartments, L.P.

We have audited the accompanying balance sheets of CREEKSTONE APARTMENTS, L.P. (a limited partnership) as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CREEKSTONE APARTMENTS, L.P. as of December 31, 2004 and 2003, and the results of its operations, its changes in partners equity (deficit), and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 10-11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Atlanta, Georgia
February 4, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Gila Bend Housing, Ltd.
Scottsdale, Arizona

We have audited the accompanying balance sheets of Gila Bend Housing, Ltd. (An Arizona Limited Partnership) as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the United States Department of Agriculture Rural Development *Audit Program* dated October 2004 – specifically Attachment 1 relating to Rural Rental Housing Loans. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gila Bend Housing, Ltd. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated January 20, 2005, on our consideration of Gila Bend Housing, Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of the audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information shown on pages 14 - 18 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of Gila Bend Housing, Ltd. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

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

Omaha, Nebraska
January 20, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of MANCHESTER ELDERLY HOUSING, L.L.P. (USDA Rural Development Case No. 10-099-581965616), a limited partnership, as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MANCHESTER ELDERLY HOUSING, L.L.P. as of December 31, 2004 and 2003, and the results of its operations, its changes in partners equity (deficit), and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2005, on our consideration of MANCHESTER ELDERLY HOUSING, L.L.P.'s internal control and our report dated February 28, 2005, on its compliance with laws and regulations applicable to the financial statements. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 12-15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Atlanta, Georgia
February 28, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Meadow Run Apartments, L.P. (a limited partnership), Federal ID #:58-1994614, as of December 31, 2004 and 2003, and the related statements of income, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meadow Run Apartments, L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued reports dated January 21, 2005, on our consideration of Meadow Run Apartments, L.P.'s internal control structure and its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 21, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Mt. Vernon Rental Housing, L.P. (a limited partnership), Federal ID No. 58-1965613, as of December 31, 2004 and 2003, and the related statements of income, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mt. Vernon Rental Housing, L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with auditing standards generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 21, 2005 on our consideration of Mt. Vernon Rental Housing, L.P.'s internal control structure and a report dated January 21, 2005 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 21, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Lakeland II, L.P. (a limited partnership), Federal ID # 58-1965624, as of December 31, 2004 and 2003, and the related statements of income, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakeland II, L.P. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 21, 2005, on our consideration of Lakeland II, L.P.'s internal control structure and a report dated January 21, 2005 on its compliance with laws and regulations. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 21, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Blue Ridge Elderly Housing, L.P. (a limited partnership), Federal ID No.: 58-1936981 as of December 31, 2004 and 2003, and the related statements of income, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blue Ridge Elderly Housing, L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with auditing standards generally accepted in the United States of America.

In accordance with Government Auditing Standards we have also issued a report dated January 21, 2005 on our consideration of Blue Ridge Elderly Housing, L.P.'s internal control structure and a report dated January 21, 2005 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 21, 2005

Henderson & Godbee, P.C.
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INDEPENDENT AUDITORS' REPORT

To the Partners
Cottondale Rental Housing, L.P.
Valdosta, Georgia

We have audited the accompanying balance sheets of Cottondale Rental Housing, L.P. (a limited partnership), Federal ID No.: 58-1924862 as of December 31, 2004 and 2003, and the related statements of income, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cottondale Rental Housing, L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued reports dated January 21, 2005 on our consideration of Cottondale Rental Housing, L.P.'s internal control structure and a report dated January 21, 2005 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

January 21, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Arbor Trace Apartments Phase II, L.P. (a limited partnership), Federal ID No. 58-2032771 as of December 31, 2004 and 2003, and the related statements of income, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Arbor Trace Apartments Phase II, L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 21, 2005 on our consideration of Arbor Trace Apartments Phase II, L.P.'s internal control structure and a report dated January 21, 2005 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

January 21, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Omega Rental Housing, L.P.

We have audited the accompanying balance sheets of OMEGA RENTAL HOUSING, L.P., (Rural Development Case No. 11-037-582031602), a Georgia limited partnership, as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' accumulated deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OMEGA RENTAL HOUSING, L.P. as of December 31, 2004 and 2003, and the results of its operations, its changes in partners' accumulated deficit, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 18, 2005, on our consideration of OMEGA RENTAL HOUSING, L.P.'s internal control and a report dated January 18, 2005, on its compliance with laws and regulations applicable to the financial statements. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

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

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

Atlanta, Georgia
January 18, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Magnolia Place, L.P.

We have audited the accompanying balance sheets of MAGNOLIA PLACE, L.P. (a Georgia limited partnership) as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MAGNOLIA PLACE, L.P. as of December 31, 2004 and 2003, and the results of its operations, its changes in partners’ equity, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 10 - 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Atlanta, Georgia
January 18, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Antlers Properties I, A Limited Partnership, D/B/A Woodbine as of December 31, 2004 and 2003, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Antlers Properties I, A Limited Partnership, D/B/A Woodbine as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2005, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

February 9, 2005

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INDEPENDENT AUDITORS' REPORT

Partners
Meadowview Properties, A Limited Partnership
D/B/A GardenWalk on 41st Circle
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Meadowview Properties, A Limited Partnership, D/B/A GardenWalk on 41st Circle as of December 31, 2004 and 2003, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meadowview Properties, A Limited Partnership, D/B/A GardenWalk on 41st Circle as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2005, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

February 9, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of **Sunrise I Apartments Limited Partnership** as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Sunrise I Apartments Limited Partnership** as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2005, on our consideration of **Sunrise I Apartments Limited Partnership's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

/s/ Eide Bailly LLP
Certified Public Accountants

Sioux Falls, South Dakota
January 31, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Peachtree Associates Limited Partnership
Charlotte, North Carolina

We have audited the accompanying balance sheets of Peachtree Associates Limited Partnership (a South Carolina limited partnership) as of December 31, 2004 and 2003, and the related statements of operations, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peachtree Associates Limited Partnership as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2005, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

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

January 31, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Mountain City Manor Limited Partnership

We have audited the accompanying balance sheet of Mountain City Manor Limited Partnership as of December 31, 2004, and the related statements of operations, partners' deficit and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Mountain City Manor Limited Partnership as of December 31, 2003, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those statements in their report dated February 15, 2004.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mountain City Manor Limited Partnership as of December 31, 2004, and the results of its operations, changes in partners' deficit, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2005 on our consideration of Mountain City Manor Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Brown, Edwards & Company, LLP
Certified Public Accountants

February 15, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Mountain City Manor Limited Partnership

I have audited the accompanying balance sheets of Mountain City Manor Limited Partnership as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mountain City Manor Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of Mountain City Manor Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

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

February 15, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Tazewell Village Limited Partnership

We have audited the accompanying balance sheet of Tazewell Village Limited Partnership as of December 31, 2004, and the related statements of operations, partners' deficit and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Tazewell Village Limited Partnership as of December 31, 2003, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those statements in their report dated February 15, 2004.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tazewell Village Limited Partnership as of December 31, 2004, and the results of its operations, changes in partners' deficit, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2005 on our consideration of Tazewell Village Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Brown, Edwards & Co., LLP
Certified Public Accountants

February 15, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Tazewell Village Limited Partnership

I have audited the accompanying balance sheets of Tazewell Village Limited Partnership as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tazewell Village Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of Tazewell Village Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

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

February 15, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Jamestown Village Limited Partnership

We have audited the accompanying balance sheet of Jamestown Village Limited Partnership as of December 31, 2004, and the related statements of operations, partners' deficit and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Jamestown Village Limited Partnership as of December 31, 2003, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those statements in their report dated February 15, 2004.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jamestown Village Limited Partnership as of December 31, 2004, and the results of its operations, changes in partners' deficit and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2005 on our consideration of Jamestown Village Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Brown, Edwards & Company, LLP
Certified Public Accountants

February 15, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Jamestown Village Limited Partnership

I have audited the accompanying balance sheets of Jamestown Village Limited Partnership as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jamestown Village Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of Jamestown Village Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

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

February 15, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Clinch View Manor Limited Partnership

We have audited the accompanying balance sheet of Clinch View Manor Limited Partnership as of December 31, 2004, and the related statements of operations, partners' deficit and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Clinch View Manor Limited Partnership as of December 31, 2003, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those statements in their report dated February 15, 2004.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clinch View Manor Limited Partnership as of December 31, 2004, and the results of its operations, changes in partners' deficit and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2005 on our consideration of Clinch View Manor Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Brown, Edwards & Company, LLP
Certified Public Accountants

February 15, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners
Clinch View Manor Limited Partnership

I have audited the accompanying balance sheets of Clinch View Manor Limited Partnership as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clinch View Manor Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of Clinch View Manor Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

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

February 15, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Warsaw Manor Limited Partnership

We have audited the accompanying balance sheet of Warsaw Manor Limited Partnership as of December 31, 2004, and the related statements of operations, partners' deficit and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Warsaw Manor Limited Partnership as of December 31, 2003, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those statements in their report dated February 15, 2004.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warsaw Manor Limited Partnership as of December 31, 2004, and the results of its operations, changes in partners' deficit, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2005 on our consideration of Warsaw Manor Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide and opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Brown, Edwards & Company, LLP
Certified Public Accountants

February 15, 2004

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FAX: 276-669-5576

INDEPENDENT AUDITORS' REPORT

To the Partners
Warsaw Manor Limited Partnership

I have audited the accompanying balance sheets of Warsaw Manor Limited Partnership as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warsaw Manor Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of Warsaw Manor Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

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

February 15, 2004

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INDEPENDENT AUDITORS' REPORT

To The Partners
Brooks Lane Apartments, L.P.

We have audited the accompanying balance sheet of BROOKS LANE APARTMENTS, L.P., as of December 31, 2004 and 2003 and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of The Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BROOKS LANE APARTMENTS, L.P., as of December 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 8, 2005, on our consideration of BROOKS LANE APARTMENTS, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

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

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

Savannah, Georgia
February 8, 2005

David G. Pelliccione, C.P.A., P.C.
329 Commercial Dr., Suite 120
Savannah, GA 31406
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INDEPENDENT AUDITORS' REPORT

To The Partners
Brooks Field Apartments, L.P.

We have audited the accompanying balance sheets of BROOKS FIELD APARTMENTS, L.P., as of December 31, 2004 and 2003 and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of The Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BROOKS FIELD APARTMENTS, L.P., as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 8, 2005, on our consideration of BROOKS FIELD APARTMENTS, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

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

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

Savannah, Georgia
February 8, 2005

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INDEPENDENT AUDITORS' REPORT

To The Partners
Brooks Point Apartments, L.P.

We have audited the accompanying balance sheet of BROOKS POINT APARTMENTS, L.P. as of December 31, 2004 and 2003, and the related statements of operations, partners' equity and cash flow for the years then ended. These financial statements are the responsibility of The Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BROOKS POINT APARTMENTS, L.P., as of December 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 8, 2005, on our consideration of BROOKS POINT APARTMENTS, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

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

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

Savannah, Georgia
February 8, 2005

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INDEPENDENT AUDITORS' REPORT

Partners
Mariner Cove Apartments Limited Partnership
DeWitt, Michigan

We have audited the accompanying balance sheets of Mariner Cove Apartments Limited Partnership as of December 31, 2004 and 2003, and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mariner Cove Apartments Limited Partnership as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 16, 2005, on our consideration of Mariner Cove Apartments Limited Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report considering the results of our audit.

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

March 16, 2005

Simmons and Clubb
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FAX: 208-343-2381

INDEPENDENT AUDITORS' REPORT

General Partner
South Brenchley Housing Limited Partnership
Boise, Idaho

We have audited the accompanying balance sheets of South Brenchley Housing Limited Partnership as of December 31, 2004 and 2003, and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Brenchley Housing Limited Partnership as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 7, 2005, on our consideration of South Brenchley Housing Limited Partnership's internal control and on its compliance with laws and regulations. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

/s/ Roger Clubb
Simmons and Clubb
Certified Public Accountants

Boise, Idaho
February 7, 2005

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South Jordan, UT 84095
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INDEPENDENT AUDITORS' REPORT

TO THE PARTNERS
HOMESTEAD WEST LIMITED PARTNERSHIP

We have audited the accompanying balance sheets of Homestead West Limited Partnership, as of December 31, 2004 and 2003 and the related statements of income, changes in partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Project's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Homestead West Limited Partnership, as of December 31, 2004 and 2003 and the results of its operations, changes in partners' capital, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated February 2, 2005 on our consideration of Homestead West Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 14 through 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements of Homestead West Limited Partnership. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Gubler & Company, P.C.
Certified Public Accountants
South Jordan, Utah
February 2, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Louisa Senior Apartments, Ltd.
(A Kentucky Limited Partnership)

We have audited the accompanying balance sheet of Louisa Senior Apartments, Ltd. as of December 31, 2004, and the related statements of loss, changes in partners' equity (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended December 31, 2003 were audited by other auditors whose report dated March 4, 2004 expressed an unqualified opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisa Senior Apartments, Ltd. as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated January 14, 2005, on our consideration of Louisa Senior Apartments, Ltd.'s internal control and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

/s/ Dauby O'Connor & Zaleski, LLC
Certified Public Accountants

January 14, 2005
Carmel, Indiana

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INDEPENDENT AUDITORS' REPORT

To the Partners
Louisa Senior Apartments, Ltd.

Rural Development
Morehead, Kentucky

We have audited the accompanying balance sheets of Louisa Senior Apartments, Ltd., (a limited partnership) Case No. 20-064-407447188, as of December 31, 2003 and 2002 and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisa Senior Apartments, Ltd. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2004 on our consideration of Louisa Senior Apartments, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

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

Lexington, Kentucky
February 4, 2004

Dauby O'Connor & Zaleski
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Carmel, IN 46032
PHONE: 317-848-5700
FAX: 317-815-6140

INDEPENDENT AUDITORS' REPORT

To the Partners of
Wells Hill Apartments, Ltd.
(A Kentucky Limited Partnership)

We have audited the accompanying balance sheet of Wells Hill Apartments, Ltd. as of December 31, 2004, and the related statements of loss, changes in partners' equity (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended December 31, 2003 were audited by other auditors whose report dated February 9, 2004 expressed an unqualified opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wells Hill Apartments, Ltd. as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated January 14, 2005, on our consideration of Wells Hill Apartments, Ltd.'s internal control and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

/s/ Dauby O'Connor & Zaleski, LLC
Certified Public Accountants

January 14, 2005
Carmel, Indiana

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Lexington, KY 40504-3399
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FAX: 859-223-2143

INDEPENDENT AUDITORS' REPORT

To the Partners
Wells Hill Apartments, Ltd.

Rural Development
Morehead, Kentucky

We have audited the accompanying balance sheets of Wells Hill Apartments, Ltd., (a limited partnership) Case No. 20-086-611204241, as of December 31, 2003 and 2002 and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wells Hill Apartments, Ltd. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2004 on our consideration of Wells Hill Apartments, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

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

Lexington, Kentucky
February 9, 2004

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INDEPENDENT AUDITORS' REPORT

The Partners
Lincoln, Ltd.
Pierre, South Dakota

We have audited the accompanying balance sheets of **Lincoln, Ltd.** (a limited partnership) as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Lincoln, Ltd.** as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2005 on our consideration of **Lincoln, Ltd.'s** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

/s/ Eide Bailly LLP
Certified Public Accountants

Sioux Falls, South Dakota
January 24, 2005

Eide Bailly LLP
200 East 10th Street, Suite 500
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Sioux Falls, SD 57117-5126
PHONE: 605-339-1999
FAX: 605-339-1306

INDEPENDENT AUDITORS' REPORT

The Partners
Courtyard, Ltd.
Huron, South Dakota

We have audited the accompanying balance sheets of **Courtyard, Ltd.** (a limited partnership) as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Courtyard, Ltd.** as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2005, on our consideration of **Courtyard, Ltd.'s** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on pages 14 and 15 is presented for purposes of additional analysis and is not a required part of the financial statements of **Courtyard, Ltd.** Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Eide Bailly LLP
Certified Public Accountants

Sioux Falls, South Dakota
January 24, 2005

Brockway, Gersbach, McKinnon & Niemeier, P.C.
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Temple, TX 76505-4083
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INDEPENDENT AUDITORS' REPORT

The Partners
Leander Housing 1990, Ltd.
Leander, Texas

We have audited the accompanying balance sheet of Leander Housing 1990, Ltd. (a Texas limited partnership) as of December 31, 2004 and 2003 and the related statements of partners' deficit, operations, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Leander Housing 1990, Ltd. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Governmental Auditing Standards, we have also issued our report dated February 11, 2005, on our consideration of Leander Housing 1990, Ltd.'s internal control and on its compliance with laws and regulations applicable to the financial statements. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 10 through 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information presented in the Year End Report/Analysis (Form FmHA 1930-8); the Statement of Actual Budget and Income (Form FmHA 1930-7) for the year ended December 31, 2004, and the Supplemental Data Required by USDA Rural Development, is presented for purposes of complying with the requirements of USDA Rural Development and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

February 11, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Pleasant Valley Apartments, L.P. as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pleasant Valley Apartments, L.P. as of December 31, 2004 and 2003, and the results of its operations, changes in partners' equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2005, on our consideration of the partnership's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

January 25, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Brookwood Apartments, L.P. as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookwood Apartments, L.P. as of December 31, 2004 and 2003, and the results of its operations, changes in partners' equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2005, on our consideration of the partnership's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

January 20, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of River Rest Apartments, L.P. as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of River Rest Apartments, L.P. as of December 31, 2004 and 2003, and the results of its operations, changes in partners' equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2005, on our consideration of the partnership's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

January 26, 2005

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Atlanta, GA 30342
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FAX: 404-876-3913

INDEPENDENT AUDITORS' REPORT

To the Partners
Royston Elderly Housing, L.P.

We have audited the accompanying balance sheets of ROYSTON ELDERLY HOUSING, L.P. (USDA Rural Development Case No. 10-059-582088484), a limited partnership, as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ROYSTON ELDERLY HOUSING, L.P. as of December 31, 2004 and 2003, and the results of its operations, its changes in partners’ equity (deficit), and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2005, on our consideration of ROYSTON ELDERLY HOUSING, L.P.'s internal control and our report dated February 28, 2005, on its compliance with laws and regulations applicable to the financial statements. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 12 - 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Atlanta, Georgia
February 28, 2005

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INDEPENDENT AUDITORS' REPORT

Managing General Partner
Heritage Park Associates Limited Partnership
Boise, Idaho

We have audited the accompanying balance sheets of Heritage Park Associates Limited Partnership, as of December 31, 2004 and 2003, and the related statements of operations, partners' capital (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heritage Park Associates Limited Partnership as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 17, 2005 on our consideration of Heritage Park Associates Limited Partnership's internal control and on its compliance with laws and regulations. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

January 17, 2005

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Joplin, MO 64803
PHONE: 417-623-8666
FAX: 417-623-4075

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Galena Seniors, L.P. (a limited partnership) as of December 31, 2004 and 2003, and the related statements of income, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Galena Seniors L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 28, 2005 on our consideration of Galena Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. Those reports are an integral part of an audit performed in accordance with GOVERNMENT AUDITING STANDARDS and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 13-14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

February 28, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Purdy Apartments L.P. (a limited partnership) as of December 31, 2004 and 2003, and the related statements of income, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Purdy Apartments, L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 28, 2005 on our consideration of Purdy Apartments, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. Those reports are an integral part of an audit performed in accordance with GOVERNMENT AUDITING STANDARDS and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 13-14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

February 28, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Aurora Seniors, L.P. (a limited partnership) as of December 31, 2004 and 2003, and the related statements of income, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aurora Seniors L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 28, 2005 on our consideration of Aurora Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. Those reports are an integral part of an audit performed in accordance with GOVERNMENT AUDITING STANDARDS and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 13-14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

February 28, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Baxter Springs Seniors, L.P. (a limited partnership) as of December 31, 2004 and 2003, and the related statements of income, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baxter Springs Seniors L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 28, 2005 on our consideration of Baxter Springs Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. Those reports are an integral part of an audit performed in accordance with GOVERNMENT AUDITING STANDARDS and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 13-14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

February 28, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Marionville Seniors, L.P. (a limited partnership) as of December 31, 2004 and 2003, and the related statements of income, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marionville Seniors, L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 28, 2005 on our consideration of Marionville Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. Those reports are an integral part of an audit performed in accordance with GOVERNMENT AUDITING STANDARDS and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 13-14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

February 28, 2005

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INDEPENDENT AUDITORS' REPORT

To The Partners
Brookstone Apartments, L.P.

We have audited the accompanying balance sheet of BROOKSTONE APARTMENTS, L.P., as of December 31, 2004 and 2003 and the related statements of operation, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of The Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BROOKSTONE APARTMENTS, L.P. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 8, 2005, on our consideration of BROOKSTONE APARTMENTS, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

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

/s/ David G. Pelliccione, C.P.A., P.C.
Savannah, Georgia
February 8, 2005

David G. Pelliccione, C.P.A., P.C.
329 Commercial Drive, Suite 120
Savannah, GA 31406
PHONE: 912-354-2334
FAX: 912-354-2443

INDEPENDENT AUDITORS' REPORT

To The Partners
Brooks Hollow Apartments, L.P.

We have audited the accompanying balance sheet of BROOKS HOLLOW APARTMENTS, L.P., as of December 31, 2004 and 2003 and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of The Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BROOKS HOLLOW APARTMENTS, L.P., as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 8, 2005, on our consideration of BROOKS HOLLOW APARTMENTS, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be read in conjunction with this report in considering the results of our audit.

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

/s/ David G. Pelliccione, C.P.A., P.C.
Savannah, Georgia
February 8, 2005

Fentress, Brown, CPAs & Associates, LLC
8001 Ravines Edge Court, Suite 112
Columbus, OH 43235-5423
PHONE: 614-825-0011
FAX: 614-825-0014

INDEPENDENT AUDITORS' REPORT

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

Rural Housing Service
Servicing Office
Findlay, Ohio

We have audited the accompanying balance sheets of Morningside Villa Limited Partnership (a limited partnership), DBA Morningside Villa Apartments, Case No. 41-033-341704593, as of December 31, 2004 and 2003, and the related statements of income, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Morningside Villa Limited Partnership, DBA Morningside Villa Apartments, Case No. 41-033-341704593, at December 31, 2004 and 2003, and the results of its operations, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program," issued in December 1989, we have also issued a report dated January 26, 2005, on our consideration of Morningside Villa Limited Partnership's internal control and on compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Fentress, Brown, CPAs & Associates, LLC
Certified Public Accountants
Columbus, Ohio
January 26, 2005

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Columbus, OH 43235-5423
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INDEPENDENT AUDITORS' REPORT

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

Rural Housing Service
Servicing Office
Findlay, Ohio

We have audited the accompanying balance sheets of Kenton Apartments Company Limited Partnership (a limited partnership), DBA Springbrook Commons, Case No. 41-033-0382999141, as of December 31, 2004 and 2003, and the related statements of income, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kenton Apartments Company Limited Partnership, DBA Springbrook Commons, Case No. 41-033-0382999141, at December 31, 2004 and 2003, and the results of its operations, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program," issued in December 1989, we have also issued a report dated January 26, 2005, on our consideration of Kenton Apartments Company Limited Partnership's internal control and on compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Fentress, Brown, CPAs & Associates, LLC
Certified Public Accountants
Columbus, Ohio
January 26, 2005

Donald W. Causey & Associates, P.C.
516 Walnut Street-P.O. Box 775
Gadsden, AL 35902
PHONE: 256-543-3707
FAX: 256-543-9800

INDEPENDENT AUDITORS' REPORT

To the Partners
Lakeshore II, Ltd.
Tuskegee, Alabama

We have audited the accompanying balance sheets of Lakeshore II, Ltd., a limited partnership, RHS Project No.: 01-044-631056927 as of December 31, 2004 and 2003, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakeshore II, Ltd., RHS Project No.: 01-044-631056927 as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 11 and 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information presented in the Multiple Family Housing Borrower Balance Sheet (Form FmHA 1930-8) Parts I and II for the years ended December 31, 2004 and 2003, is presented for purposes of complying with the requirements of the Rural Housing Services and is also not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards,* we have also issued a report dated February 27, 2005 on our consideration of Lakeshore II, Ltd.'s, internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Gadsden, Alabama
February 27, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners
Skyview Apartments, Ltd.
Troy, Alabama

We have audited the accompanying balance sheets of Skyview Apartments, Ltd., a limited partnership, RHS Project No.: 01-055-631086473 as of December 31, 2004 and 2003, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Skyview Apartments, Ltd., RHS Project No.: 01-055-631086473 as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 10 through 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information presented in the Multiple Family Housing Borrower Balance Sheet (Form FmHA 1930-8) Parts I and II for the year ended December 31, 2004 and 2003, is presented for purposes of complying with the requirements of the Rural Housing Services and is also not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 6, 2005 on our consideration of Skyview Apartments, Ltd's., internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Gadsden, Alabama
February 6, 2005

Donald W. Causey & Associates, P.C.
516 Walnut Street-P.O. Box 775
Gadsden, AL 35902
PHONE: 256-543-3707
FAX: 256-543-9800

INDEPENDENT AUDITORS' REPORT

To the Partners
Meadowview Apartments, Ltd.
Greenville, Alabama

We have audited the accompanying balance sheets of Meadowview Apartments, Ltd., a limited partnership, as of December 31, 2004 and 2003, and the related statement of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meadowview Apartments, Ltd., as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 9 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Donald W. Causey and Associates, P.C.
Certified Public Accountant

Gadsden, Alabama
February 23, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Applegate Apartments, Ltd.
Florence, Alabama

We have audited the accompanying balance sheets of Applegate Apartments, Ltd., a limited partnership, as of December 31, 2004 and 2003, and the related statements of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Applegate Apartments, Ltd., as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 10 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Gadsden, Alabama
February 21, 2005

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Heatherwood Apartments, Ltd., a limited partnership, as of December 31, 2004 and 2003, and the related statement of operations, partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heatherwood Apartments, Ltd., as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 9 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Gadsden, Alabama
February 12, 2005

Bernard Robinson & Company, LLP
109 Muirs Chapel Rd.-P.O. Box 19608
Greensboro, NC 27419-9608
PHONE: 336-294-4494
FAX: 336-547-0840

INDEPENDENT AUDITORS' REPORT

To the Partners
Lovingston Ridge, L.P.
Charlotte, North Carolina

We have audited the accompanying balance sheets of Lovingston Ridge, L.P. (A Virginia Limited Partnership) as of December 31, 2004 and 2003, and the related statements of operations, partners' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lovingston Ridge, L.P. as of December 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2005, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

/s/ Bernard Robinson & Company, LLP
Certified Public Accountants

January 31, 2005

Item 9. Changes in and disagreements with Accountants on Accounting and Financial Disclosures

None.

Item 9a. 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 and 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.

PART III

Item 10. Directors and Executive Officers of Gateway

Gateway has no directors or executive officers. Gateway's affairs are managed and controlled by the Managing General Partner. Certain information concerning the directors and officers of the Managing General Partner are set forth below.

Raymond James Tax Credit Funds, Inc. - Managing General Partner

Raymond James Tax Credit Funds, Inc. is the Managing General Partner and is responsible for decisions pertaining to the acquisition and sale of Gateway's interests in the Project Partnerships and other matters related to the business operations of Gateway. The officers and directors of the Managing General Partner are as follows:

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

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

Raymond James Partners, Inc. -

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

Information regarding the officers and directors of Raymond James Partners, Inc. is included on page 68 of the Prospectus under the section captioned "Management" (consisting of pages 66 through 69 of the Prospectus) which is incorporated herein by reference.

Item 11. Executive Compensation

Gateway has no directors or officers.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Neither of the General Partners own any units of the outstanding securities of Gateway as of March 31, 2005. Ronald M. Diner, President of Raymond James Tax Credit Funds, Inc. owns 5 units of Series 7. None of the other directors and officers own any units of the outstanding securities of Gateway as of March 31, 2005.

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

Item 13. Certain Relationships and Related Transactions

Gateway has no officers or directors. However, under the terms of the public offering, various kinds of compensation and fees are payable to the General Partners and its affiliates during the organization and operations of Gateway. Additionally, the General Partners will receive distributions from Gateway if there is cash available for distribution or residual proceeds as defined in the Partnership Agreement. The amounts and kinds of compensation and fees are described on pages 24 to 26 of the Prospectus under the caption "Management Compensation", which is incorporated herein by reference.

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

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

For the periods ended March 31, 2005, 2004, and 2003 the General Partners and affiliates are entitled to compensation and reimbursement for costs and expenses incurred by Gateway as follows:

Asset Management Fee - The Managing General Partner is entitled to receive an annual asset management fee equal to the greater of (i) $2,000 for each limited partnership in which Gateway invests, as adjusted by the Consumer Price Index or (ii) 0.275% of Gateway's gross proceeds from the sale of limited partnership interests. In either event (i) or (ii), the maximum amount may not exceed 0.2% of the aggregate cost (Gateway's capital contribution plus Gateway's share of the Properties' mortgage) of Gateway's interest in properties owned by the Project Partnerships. The asset management fee will be paid only after all other expenses of Gateway have been paid. These fees are included in the Statement of Operations.

	2005	2004	2003
Series 7	$ 86,447	$ 86,749	$ 87,082
Series 8	89,908	90,313	90,730
Series 9	49,509	49,711	49,865
Series 10	33,819	33,890	34,013
Series 11	28,021	28,254	28,518
Total	$287,704	$288,917	$290,208

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.

	2005	2004	2003
Series 7	$ 56,857	$ 56,842	$ 32,765
Series 8	62,689	62,671	36,127
Series 9	34,990	34,979	20,164
Series 10	21,868	21,863	12,601
Series 11	17,494	17,491	10,081
Total	$193,898	$193,846	$111,738

Item 14. Principal Accounting Fees & Services

The aggregate fees billed by the Partnership’s principal accounting firm, Spence, Marston, Bunch, Morris and Co., for professional services rendered for the audit of the annual financial statements and review of financial statements included in the Partnerships quarterly reports on Form 10-Q for the years ended March 31, 2005 and 2004 were $21,625 and $24,925, respectively.

Tax – During fiscal 2005 and 2004, Spence, Marston, Bunch, Morris & Co. was engaged to prepare the Partnership’s federal tax return, for which they billed $6,500 for each year.

Other Fees – The Company’s Audit Committee Charter requires that the Committee approve the engagement of the principal auditing firm prior to the rendering of any audit or non-audit services. During fiscal 2005, 100% of the audit related and other fees and 100% of the tax fees were pre-approved by the Audit Committee.

PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

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

(2) Financial Statement Schedules -

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

(3)Exhibit Index -

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

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

b. Reports filed on Form 8-K - NONE

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

SERIES 7
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Nottingham	Pisgah, AL	18	$ 569,475
Cedar Hollow	Waterloo, NE	24	749,675
Sunrise	Mission, SD	44	1,993,527
Mountain City	Mountain City, TN	40	1,296,350
Burbank	Falls City, NE	24	793,975
Washington	Bloomfield, NE	24	787,951
BrookStone	McCaysville, GA	40	1,178,512
Tazewell	New Tazewell, TN	44	1,380,415
N. Irvine	Irvine, KY	24	779,825
Horton	Horton, KS	24	757,016
Manchester	Manchester, GA	42	1,185,749
Waynesboro	Waynesboro, GA	24	662,018
Lakeland II	Lakeland, GA	30	821,015
Mt. Vernon	Mt. Vernon, GA	24	728,876
Meadow Run	Dawson, GA	48	1,405,841
Spring Creek II	Quitman, GA	24	657,714
Warm Springs	Warm Springs, GA	22	665,231
Blue Ridge	Blue Ridge, GA	41	1,079,449
Walnut	Elk Point, SD	24	810,130
Pioneer	Mountain View, AR	48	1,192,576
Dilley	Dilley, TX	28	714,494
Elsa	Elsa, TX	40	1,021,604
Clinch View	Gate City, VA	42	1,436,587
Jamestown	Jamestown, TN	40	1,203,233
Leander	Leander, TX	36	902,414
Louisa Sr.	Louisa, KY	36	1,174,574
Orchard Commons	Crab Orchard, KY	12	337,264
Vardaman	Vardaman, MS	24	720,789
Heritage Park	Paze, AZ	32	1,226,056
BrooksHollow	Jasper, GA	40	1,163,002
Cavalry Crossing	Ft. Scott, KS	40	1,398,837
Carson City	Carson City, KS	24	777,585
Matteson	Capa, KS	24	752,046
Pembroke	Pembroke, KY	16	503,455
Robynwood	Cynthiana, KY	24	765,093
Atoka	Atoka, OK	24	666,362
Coalgate	Coalgate, OK	24	666,088
Hill Creek	West Blocton, AL	24	764,050
Cardinal	Mountain Home. AR	32	160,913
			$35,849,766

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

SERIES 7
Apartment Properties

Partnership	Cost At Acquisition: Land	Cost At Acquisition: Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Nottingham	$ 21,070	$ 695,113	$ 8,447
Cedar Hollow	25,000	889,355	66,936
Sunrise	30,000	837,000	1,732,037
Mountain City	67,000	1,345,826	231,411
Burbank	25,000	595,780	417,395
Washington	30,000	401,435	556,817
BrookStone	45,000	176,183	1,240,266
Tazewell	75,000	834,811	844,247
N. Irvine	27,600	696,407	302,425
Horton	15,615	641,460	275,465
Manchester	40,000	243,179	1,191,316
Waynesboro	45,310	107,860	663,155
Lakeland II	30,000	149,453	830,194
Mt. Vernon	19,500	156,335	724,691
Meadow Run	20,000	241,802	1,483,038
Spring Creek II	40,000	117,323	651,152
Warm Springs	45,000	196,691	581,275
Blue Ridge	0	234,193	1,104,950
Walnut	20,000	112,079	918,932
Pioneer	30,000	1,092,918	341,498
Dilley	30,000	847,755	12,647
Elsa	40,000	1,286,910	15,105
Clinch View	99,000	409,447	1,320,031
Jamestown	53,800	436,875	1,081,593
Leander	46,000	1,063,200	54,704
Louisa Sr.	90,000	449,409	979,128
Orchard Commons	28,789	452,556	(1,684)
Vardaman	15,000	93,877	808,691
Heritage Park	199,000	1,243,700	187,081
BrooksHollow	67,155	183,029	1,187,815
Cavalry Crossing	82,300	894,246	850,276
Carson City	86,422	354,778	522,490
Matteson	28,438	556,314	369,881
Pembroke	22,000	190,283	411,021
Robynwood	35,000	315,110	661,574
Atoka	16,000	819,334	0
Coalgate	22,500	806,005	0
Hill Creek	29,337	622,291	339,918
Cardinal	24,207	650,852	110,181
	$ 1,666,043	$21,441,174	$23,076,099

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

SERIES 7
Apartment Properties

Partnership	Land	Buildings, Improvements and Equipment	Total
	Gross Amount At Which Carried At December 31, 2004		
Nottingham	$ 21,070	$ 703,560	$ 724,630
Cedar Hollow	25,000	956,291	981,291
Sunrise	30,000	2,569,037	2,599,037
Mountain City	67,000	1,577,237	1,644,237
Burbank	25,000	1,013,175	1,038,175
Washington	30,000	958,252	988,252
BrookStone	45,000	1,416,449	1,461,449
Tazewell	75,000	1,679,058	1,754,058
N. Irvine	27,600	998,832	1,026,432
Horton	15,615	916,925	932,540
Manchester	49,455	1,425,040	1,474,495
Waynesboro	34,500	781,825	816,325
Lakeland II	29,600	980,047	1,009,647
Mt. Vernon	19,500	881,026	900,526
Meadow Run	40,000	1,704,840	1,744,840
Spring Creek II	30,000	778,475	808,475
Warm Springs	20,000	802,966	822,966
Blue Ridge	0	1,339,143	1,339,143
Walnut	20,000	1,031,011	1,051,011
Pioneer	30,000	1,434,416	1,464,416
Dilley	30,000	860,402	890,402
Elsa	40,000	1,302,015	1,342,015
Clinch View	99,000	1,729,478	1,828,478
Jamestown	53,800	1,518,468	1,572,268
Leander	46,000	1,117,904	1,163,904
Louisa Sr.	90,000	1,428,537	1,518,537
Orchard Commons	28,789	450,872	479,661
Vardaman	15,000	902,568	917,568
Heritage Park	199,000	1,430,781	1,629,781
BrooksHollow	67,000	1,370,999	1,437,999
Cavalry Crossing	101,365	1,725,457	1,826,822
Carson City	40,028	923,662	963,690
Matteson	39,000	915,633	954,633
Pembroke	22,000	601,304	623,304
Robynwood	35,000	976,684	1,011,684
Atoka	16,000	819,334	835,334
Coalgate	22,500	806,005	828,505
Hill Creek	29,337	962,209	991,546
Cardinal	24,207	761,033	785,240
	$ 1,632,366	$44,550,950	$46,183,316

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
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AS OF DECEMBER 31, 2004

SERIES 7

Apartment Properties Partnership	Accumulated Depreciation	Depreciable Life
Nottingham	$ 235,385	5.0-40.0
Cedar Hollow	333,204	7.0-40.0
Sunrise	1,105,491	5.0-27.5
Mountain City	739,763	7.0-27.5
Burbank	381,088	5.0-30.0
Washington	423,052	5.0-30.0
BrookStone	573,169	5.0-27.5
Tazewell	765,315	7.0-27.5
N. Irvine	315,167	5.0-40.0
Horton	450,141	5.0-25.0
Manchester	546,525	5.0-25.0
Waynesboro	311,345	10.0-30.0
Lakeland II	398,015	10.0-30.0
Mt. Vernon	335,363	5.0-30.0
Meadow Run	681,936	7.0-27.5
Spring Creek II	309,218	10.0-30.0
Warm Springs	327,203	5.0-40.0
Blue Ridge	562,677	5.0-25.0
Walnut	355,384	5.0-40.0
Pioneer	463,764	12.0-40.0
Dilley	216,102	5.0-50.0
Elsa	382,015	7.0-50.0
Clinch View	778,838	7.0-27.5
Jamestown	673,327	7.0-27.5
Leander	501,931	7.0-30.0
Louisa Sr.	466,548	5.0-40.0
Orchard Commons	154,526	5.0-40.0
Vardaman	280,170	5.0-40.0
Heritage Park	667,548	7.0-27.5
BrooksHollow	541,818	5.0-27.5
Cavalry Crossing	562,340	12.0-40.0
Carson City	415,690	7.0-27.5
Matteson	426,005	7.0-27.5
Pembroke	197,695	5.0-40.0
Robynwood	313,782	5.0-40.0
Atoka	394,809	5.0-25.0
Coalgate	394,485	5.0-25.0
Hill Creek	373,149	7.0-27.5
Cardinal	198,610	7.0-27.5
	$17,552,593	

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
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SERIES 8

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Purdy	Purdy, MO	16	$ 452,811
Galena	Galena, KS	24	599,949
Antlers 2	Antlers, OK	24	626,840
Holdenville	Holdenville, OK	24	712,246
Wetumka	Wetumka, OK	24	646,761
Mariners Cove	Marine City, MI	32	1,022,025
Mariners Cove Sr.	Marine City, MI	24	791,554
Antlers	Antlers, OK	36	1,075,948
Bentonville	Bentonville, AR	24	529,686
Deerpoint	Elgin, AL	24	734,207
Aurora	Aurora, MO	28	717,064
Baxter	Baxter Springs, KS	16	420,985
Arbor Gate	Bridgeport, AL	24	743,333
Timber Ridge	Collinsville, AL	24	724,985
Concordia Sr.	Concordia, KS	24	673,255
Mountainburg	Mountainburg, AR	24	701,669
Lincoln	Pierre, SD	25	877,944
Fox Ridge	Russellville, AL	24	732,963
Meadow View	Bridgeiport, NE	16	583,129
Sheridan	Auburn, NE	16	599,715
Morningside	Kenton, OH	32	960,290
Grand Isle	Grand Isle, ME	16	929,387
Meadowview	Van Buren, AR	29	748,801
Taylor	Taylor, TX	44	1,227,673
Brookwood	Gainesboro, TN	44	1,443,124
Pleasant Valley	Lynchburg, TN	33	1,084,444
Reelfoot	Ridgely, TN	20	644,580
River Rest	Newport, TN	34	1,131,891
Kirskville	Kirksville, MO	24	674,381
Cimmaron	Arco, ID	24	818,109
Kenton	Kenton, OH	46	1,410,369
Lovingston	Lovingston, VA	64	2,195,390
Pontotoc	Pontotoc, MS	36	1,088,655
So. Brenchley	Rexburg, ID	30	1,221,336
Hustonville	Hustonville, KY	16	514,662
Northpoint	Jackson, KY	24	884,452
Brooks Field	Louisville, GA	32	943,223
Brooks Lane	Clayton, GA	36	1,089,348
Brooks Point	Dahlonega, GA	41	1,351,118
Brooks Run	Jasper, GA	24	749,521
Logan Heights	Russellville, KY	24	773,634
Lakeshore 2	Tuskegee, AL	36	1,139,001
Cottondale	Cottondale, FL	25	754,690
			$37,745,148

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
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AS OF DECEMBER 31, 2004

SERIES 8

Partnership	Cost At Acquisition: Land	Cost At Acquisition: Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Purdy	$ 64,823	$ 493,596	$ 31,174
Galena	19,200	362,505	412,137
Antlers 2	26,000	761,859	0
Holdenville	15,000	877,598	0
Wetumka	19,977	792,876	0
Mariners Cove	117,192	1,134,974	60,191
Mariners Cove Sr.	72,252	901,745	42,910
Antlers	50,529	1,270,510	0
Bentonville	15,220	743,269	0
Deerpoint	33,250	912,974	(13,750)
Aurora	164,350	716,471	33,245
Baxter	13,800	418,296	129,854
Arbor Gate	43,218	873,748	25,138
Timber Ridge	15,145	879,334	24,746
Concordia Sr.	65,000	776,131	(14,742)
Mountainburg	20,000	863,990	0
Lincoln	121,000	933,872	73,236
Fox Ridge	35,000	867,785	0
Meadow View	29,000	686,959	11,808
Sheridan	20,100	373,018	389,010
Morningside	31,163	1,152,691	5,963
Grand Isle	20,000	1,180,210	(31,773)
Meadowview	40,000	954,717	0
Taylor	105,335	1,185,923	238,534
Brookwood	28,148	1,780,090	4,168
Pleasant Valley	56,269	1,288,452	13,379
Reelfoot	13,000	118,127	698,721
River Rest	50,750	431,259	922,530
Kirskville	50,000	188,140	593,352
Cimmaron	18,000	611,963	504,689
Kenton	61,699	785,703	934,357
Lovingston	178,985	2,215,782	336,429
Pontotoc	40,500	312,296	988,172
So. Brenchley	99,658	492,781	982,649
Hustonville	20,000	672,270	5,425
Northpoint	140,000	942,599	5,680
Brooks Field	45,762	113,295	1,018,634
Brooks Lane	57,500	123,401	1,174,784
Brooks Point	108,000	135,053	1,416,461
Brooks Run	50,000	158,025	716,653
Logan Heights	24,600	422,778	504,352
Lakeshore 2	45,000	273,501	1,109,002
Cottondale	36,000	911,975	344
	$ 2,280,425	$32,092,541	$13,347,462

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
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SERIES 8

	Gross Amount At Which Carried At December 31, 2004		
Partnership	Land	Buildings, Improvements and Equipment	Total
Purdy	$ 12,200	$ 577,393	$ 589,593
Galena	19,200	774,642	793,842
Antlers 2	26,000	761,859	787,859
Holdenville	15,000	877,598	892,598
Wetumka	19,977	792,876	812,853
Mariners Cove	64,000	1,248,357	1,312,357
Mariners Cove Sr.	46,216	970,691	1,016,907
Antlers	50,529	1,270,510	1,321,039
Bentonville	15,220	743,269	758,489
Deerpoint	19,500	912,974	932,474
Aurora	35,000	879,066	914,066
Baxter	14,845	547,105	561,950
Arbor Gate	43,218	898,886	942,104
Timber Ridge	15,145	904,080	919,225
Concordia Sr.	65,000	761,389	826,389
Mountainburg	20,000	863,990	883,990
Lincoln	121,000	1,007,108	1,128,108
Fox Ridge	35,000	867,785	902,785
Meadow View	18,000	709,767	727,767
Sheridan	20,100	762,028	782,128
Morningside	31,163	1,158,654	1,189,817
Grand Isle	20,000	1,148,437	1,168,437
Meadowview	40,000	954,717	994,717
Taylor	105,334	1,424,458	1,529,792
Brookwood	28,148	1,784,258	1,812,406
Pleasant Valley	56,269	1,301,831	1,358,100
Reelfoot	13,827	816,021	829,848
River Rest	52,062	1,352,477	1,404,539
Kirskville	50,000	781,492	831,492
Cimmaron	6,000	1,128,652	1,134,652
Kenton	61,699	1,720,060	1,781,759
Lovingston	171,772	2,559,424	2,731,196
Pontotoc	40,500	1,300,468	1,340,968
So. Brenchley	99,658	1,475,430	1,575,088
Hustonville	20,000	677,695	697,695
Northpoint	140,000	948,279	1,088,279
Brooks Field	45,761	1,131,930	1,177,691
Brooks Lane	57,500	1,298,185	1,355,685
Brooks Point	108,000	1,551,514	1,659,514
Brooks Run	50,366	874,312	924,678
Logan Heights	24,600	927,130	951,730
Lakeshore 2	45,000	1,382,503	1,427,503
Cottondale	36,000	912,319	948,319
	$ 1,978,809	$45,741,619	$47,720,428

GATEWAY TAX CREDIT FUND III LTD.
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SERIES 8
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Purdy	$ 301,414	7.0-27.5
Galena	369,792	7.0-27.5
Antlers 2	367,474	5.0-25.0
Holdenville	409,328	5.0-25.0
Wetumka	371,882	5.0-25.0
Mariners Cove	558,512	7.0-27.5
Mariners Cove Sr.	429,753	7.0-27.5
Antlers	601,081	10.0-25.0
Bentonville	372,251	5.0-25.0
Deerpoint	240,766	5.0-50.0
Aurora	431,343	7.0-27.5
Baxter	252,580	7.0-27.5
Arbor Gate	271,157	5.0-40.0
Timber Ridge	277,017	5.0-40.0
Concordia Sr.	351,348	5.0-25.0
Mountainburg	402,333	5.0-25.0
Lincoln	428,860	7.0-27.5
Fox Ridge	220,874	5.0-50.0
Meadow View	273,816	5.0-30.0
Sheridan	248,863	5.0-50.0
Morningside	419,750	5.0-33.0
Grand Isle	517,359	7.0-27.5
Meadowview	439,171	5.0-25.0
Taylor	325,192	5.0-50.0
Brookwood	721,109	5.0-50.0
Pleasant Valley	537,404	5.0-50.0
Reelfoot	317,441	7.0-27.5
River Rest	526,311	7.0-50.0
Kirskville	339,750	5.0-27.5
Cimmaron	474,594	7.0-27.5
Kenton	592,807	5.0-33.0
Lovingston	1,100,156	7.0-27.5
Pontotoc	338,791	5.0-40.0
So. Brenchley	618,523	7.0-27.5
Hustonville	202,715	5.0-40.0
Northpoint	290,319	5.0-40.0
Brooks Field	420,143	5.0-40.0
Brooks Lane	481,166	5.0-40.0
Brooks Point	564,713	5.0-40.0
Brooks Run	330,807	5.0-40.0
Logan Heights	387,770	7.0-40.0
Lakeshore 2	359,575	5.0-40.0
Cottondale	335,441	5.0-27.5
	$17,821,451	

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SERIES 9

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Jay	Jay, OK	24	$ 643,084
Boxwood	Lexington, TX	24	608,881
Stilwell 3	Stilwell, OK	16	458,879
Arbor Trace	Lake Park, GA	24	731,798
Arbor Trace 2	Lake Park, GA	42	1,440,228
Omega	Omega, GA	36	1,120,086
Cornell 2	Watertown, SD	24	910,889
Elm Creek	Pierre, SD	24	942,414
Marionville	Marionville, MO	20	556,116
Lamar	Lamar, AR	24	709,138
Mt. Glen	Heppner, OR	24	814,658
Centreville	Centreville, AL	24	779,292
Skyview	Troy, AL	36	1,120,431
Sycamore	Coffeyville, KS	40	1,397,702
Bradford	Cumberland, KY	24	782,004
Cedar Lane	London, KY	24	722,105
Stanton	Stanton, KY	24	791,664
Abernathy	Abernathy, TX	24	613,724
Pembroke	Pembroke, KY	24	788,340
Meadowview	Greenville, AL	24	650,556
Town Branch	Mt. Vernon, KY	24	760,850
Fox Run	Ragland, AL	24	765,913
Maple Street	Emporium, PA	32	1,348,451
Manchester	Manchester, GA	18	583,570
			$20,040,773

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SERIES 9
Apartment Properties

	Cost At Acquisition		
Partnership	Land	Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Jay	$ 30,000	$ 103,524	$ 677,073
Boxwood	22,273	718,529	30,137
Stilwell 3	15,567	82,347	489,218
Arbor Trace	62,500	185,273	670,585
Arbor Trace 2	100,000	361,210	1,345,224
Omega	35,000	188,863	1,183,441
Cornell 2	29,155	576,296	582,809
Elm Creek	71,360	233,390	903,930
Marionville	24,900	409,497	285,211
Lamar	18,000	202,240	684,085
Mt. Glen	23,500	480,064	574,991
Centreville	36,000	220,952	723,435
Skyview	120,000	220,161	1,078,736
Sycamore	64,408	415,748	1,357,014
Bradford	66,000	285,025	704,607
Cedar Lane	49,750	952,314	5,958
Stanton	41,584	959,574	0
Abernathy	30,000	751,898	0
Pembroke	43,000	955,687	7,608
Meadowview	46,270	1,086,351	4,292
Town Branch	21,000	942,114	21,296
Fox Run	47,467	919,296	11,431
Maple Street	85,000	1,178,856	448,225
Manchester	24,100	711,035	479
	$1,106,834	$13,140,244	$11,789,785

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

SERIES 9
Apartment Properties

Partnership	Gross Amount At Which Carried At December 31, 2004 Land	Buildings, Improvements and Equipment	Total
Jay	$ 25,000	$ 785,597	$ 810,597
Boxwood	22,273	748,666	770,939
Stilwell 3	10,000	577,132	587,132
Arbor Trace	62,500	855,858	918,358
Arbor Trace 2	100,000	1,706,434	1,806,434
Omega	35,000	1,372,304	1,407,304
Cornell 2	29,155	1,159,105	1,188,260
Elm Creek	71,360	1,137,320	1,208,680
Marionville	25,000	694,608	719,608
Lamar	18,000	886,325	904,325
Mt. Glen	23,500	1,055,055	1,078,555
Centreville	36,000	944,387	980,387
Skyview	120,000	1,298,897	1,418,897
Sycamore	64,600	1,772,570	1,837,170
Bradford	66,000	989,632	1,055,632
Cedar Lane	49,750	958,272	1,008,022
Stanton	41,584	959,574	1,001,158
Abernathy	30,000	751,898	781,898
Pembroke	43,000	963,295	1,006,295
Meadowview	46,270	1,090,643	1,136,913
Town Branch	21,000	963,410	984,410
Fox Run	47,467	930,727	978,194
Maple Street	85,000	1,627,081	1,712,081
Manchester	27,200	708,414	735,614
	$1,099,659	$24,937,204	$26,036,863

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III -REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

SERIES 9

Apartment Properties Partnership	Accumulated Depreciation	Depreciable Life
Jay	$ 346,361	5.0-25.0
Boxwood	347,058	5.0-25.0
Stilwell 3	256,212	5.0-25.0
Arbor Trace	298,407	10.0-30.0
Arbor Trace 2	594,242	10.0-30.0
Omega	484,467	5.0-50.0
Cornell 2	502,822	5.0-30.0
Elm Creek	483,589	5.0-27.5
Marionville	325,984	7.0-27.5
Lamar	397,990	5.0-25.0
Mt. Glen	452,362	7.0-27.5
Centreville	409,770	5.0-40.0
Skyview	344,934	5.0-40.0
Sycamore	486,474	12.0-40.0
Bradford	294,814	5.0-40.0
Cedar Lane	304,643	5.0-40.0
Stanton	303,898	5.0-40.0
Abernathy	341,443	5.0-25.0
Pembroke	291,676	7.0-40.0
Meadowview	280,947	5.0-40.0
Town Branch	271,766	7.0-40.0
Fox Run	353,783	7.0-27.5
Maple Street	448,727	7.0-40.0
Manchester	249,926	5.0-27.5
	$ 8,872,295	

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

SERIES 10
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Redstone	Challis, ID	24	$ 832,389
Albany	Albany, KY	24	764,439
Oak Terrace	Bonifay, FL	18	535,006
Wellshill	West Liberty, KY	32	1,069,388
Applegate	Florence, AL	36	1,114,105
Heatherwood	Alexander City, AL	36	881,790
Peachtree	Gaffney, SC	28	989,631
Donna	Donna, TX	50	1,403,825
Wellsville	Wellsville, NY	24	1,034,860
Tecumseh	Tecumseh, NE	24	884,220
Clay City	Clay City, KY	24	801,753
Irvine West	Irvine, KY	24	799,553
New Castle	New Castle, KY	24	794,648
Stigler	Stigler, OK	20	585,591
Courtyard	Huron, SD	21	634,903
			$13,126,101

	Cost At Acquisition		
Partnership	Land	Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Redstone	$ 24,000	$ 747,591	$ 381,110
Albany	39,500	990,162	12,867
Oak Terrace	27,200	633,284	3,996
Wellshill	75,000	1,270,844	5,100
Applegate	125,000	1,467,675	259,757
Heatherwood	55,000	1,551,679	13,575
Peachtree	25,000	1,021,466	46,330
Donna	112,000	1,661,889	4,778
Wellsville	38,000	1,286,389	59,187
Tecumseh	20,000	1,038,151	71,553
Clay City	22,750	998,334	17,924
Irvine West	25,000	1,060,585	8,122
New Castle	40,575	971,520	11,511
Stigler	24,000	730,056	0
Courtyard	12,000	465,936	300,015
	$665,025	$15,895,561	$ 1,195,825

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

SERIES 10
Apartment Properties

	Gross Amount At Which Carried At December 31, 2004		
Partnership	Land	Buildings, Improvements and Equipment	Total
Redstone	$ 7,600	$ 1,145,101	$ 1,152,701
Albany	39,500	1,003,029	1,042,529
Oak Terrace	27,200	637,280	664,480
Wellshill	75,000	1,275,944	1,350,944
Applegate	125,000	1,727,432	1,852,432
Heatherwood	55,000	1,565,254	1,620,254
Peachtree	25,000	1,067,796	1,092,796
Donna	112,000	1,666,667	1,778,667
Wellsville	38,000	1,345,576	1,383,576
Tecumseh	20,000	1,109,704	1,129,704
Clay City	22,750	1,016,258	1,039,008
Irvine West	25,000	1,068,707	1,093,707
New Castle	40,575	983,031	1,023,606
Stigler	24,000	730,056	754,056
Courtyard	12,000	765,951	777,951
	$ 648,625	$17,107,786	$17,756,411

Partnership	Accumulated Depreciation	Depreciable Life
Redstone	$ 492,703	7.0-27.5
Albany	319,337	5.0-40.0
Oak Terrace	248,249	5.0-27.5
Wellshill	375,435	5.0-40.0
Applegate	444,146	5.0-40.0
Heatherwood	407,698	5.0-40.0
Peachtree	286,714	5.0-40.0
Donna	363,982	7.0-50.0
Wellsville	564,399	7.0-27.5
Tecumseh	290,202	5.0-50.0
Clay City	281,960	5.0-40.0
Irvine West	299,081	5.0-40.0
New Castle	272,043	5.0-40.0
Stigler	205,436	5.0-25.0
Courtyard	251,963	5.0-40.0
	$5,103,348	

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2003

SERIES 11

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Homestead	Pinetop, AZ	32	$ 1,294,735
Mountain Oak	Collinsville, AL	24	671,963
Eloy	Eloy, AZ	24	640,340
Gila Bend	Gila Bend, AZ	36	962,225
Creekstone	Dallas, GA	40	743,895
Tifton	Tifton, GA	36	829,694
Cass Towne	Cartersville, GA	10	59,417
Warsaw	Warsaw, VA	56	2,623,838
Royston	Royston, GA	25	734,665
Red Bud	Mokane, MO	8	236,121
Cardinal	Mountain Home, AR	32	104,980
Parsons	Parsons, KS	38	1,080,620
			$ 9,982,493

	Cost At Acquisition		
Partnership	Land	Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Homestead	$ 126,000	$ 1,628,502	$ 55,630
Mountain Oak	30,000	473,033	385,760
Eloy	12,000	882,913	102,214
Gila Bend	18,000	945,233	408,572
Creekstone	130,625	170,655	1,707,324
Tifton	17,600	192,853	1,496,433
Cass Towne	22,690	301,458	4,854
Warsaw	146,800	3,200,738	18,567
Royston	36,000	785,602	113,557
Red Bud	5,500	295,617	447
Cardinal	15,793	424,616	71,883
Parsons	45,188	953,512	377,539
	$606,196	$10,254,732	$4,742,780

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

SERIES 11
Apartment Properties

Partnership	Land	Buildings, Improvements and Equipment	Total
	Gross Amount At Which Carried At December 31, 2004		
Homestead	$ 126,000	$ 1,684,132	$ 1,810,132
Mountain Oak	30,000	858,793	888,793
Eloy	12,000	985,127	997,127
Gila Bend	18,000	1,353,805	1,371,805
Creekstone	130,650	1,877,954	2,008,604
Tifton	17,327	1,689,559	1,706,886
Cass Towne	22,690	306,312	329,002
Warsaw	146,800	3,219,305	3,366,105
Royston	36,000	899,159	935,159
Red Bud	5,500	296,064	301,564
Cardinal	15,793	496,499	512,292
Parsons	38,437	1,337,802	1,376,239
	$ 599,197	$15,004,511	$15,603,708

Partnership	Accumulated Depreciation	Depreciable Life
Homestead	$ 477,225	5.0-40.0
Mountain Oak	330,570	5.0-27.5
Eloy	401,208	5.0-27.5
Gila Bend	539,222	5.0-40.0
Creekstone	628,826	7.0-27.5
Tifton	387,163	5.0-25.0
Cass Towne	81,664	7.0-27.5
Warsaw	1,137,913	7.0-27.5
Royston	297,303	7.0-40.0
Red Bud	70,688	7.0-40.0
Cardinal	129,574	7.0-27.5
Parsons	327,981	12.0-40.0
	$ 4,809,337	

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004
GATEWAY TAX CREDIT FUND III LTD.
NOTES TO SCHEDULE III

SERIES 7

Balance at beginning of period - December 31, 2003		$45,990,672
Additions during period:		
Acquisitions through foreclosure	$ 0	
Other acquisitions	285,660	
Improvements, etc.	0	
Other	0	

		285,660
Deductions during period:		
Cost of real estate sold	93,016	

		93,016

Balance at end of period - December 31, 2004		$46,183,316
		============

Reconciliation of Accumulated
Depreciation current year changes:

Balance at beginning of period - December 31, 2003	$16,066,571
Current year expense	1,494,903
Less Accumulated Depreciation of real estate sold	(8,881)

Balance at end of period - December 31, 2004	$17,552,593
	============

SCHEDULE III -REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004
GATEWAY TAX CREDIT FUND III LTD.
NOTES TO SCHEDULE III

Series 8

Balance at beginning of period - December 31, 2003		$47,651,519
Additions during period:		
Acquisitions through foreclosure	$ 0	
Other acquisitions	68,909	
Improvements, etc.	0	
Other	0	

		68,909
Deductions during period:		
Cost of real estate sold	0	
Other	0	

		0

Balance at end of period - December 31, 2004		$47,720,428
		============

Reconciliation of Accumulated
Depreciation current year changes:

Balance at beginning of period - December 31, 2003	$16,318,595
Current year expense	1,511,858
Less Accumulated Depreciation of real estate sold	(9,002)
Other	0

Balance at end of period - December 31, 2004	$17,821,451
	============

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004
GATEWAY TAX CREDIT FUND III LTD.
NOTES TO SCHEDULE III

Series 9

Balance at beginning of period - December 31, 2003		$26,021,086
Additions during period:		
Acquisitions through foreclosure	$ 0	
Other acquisitions	15,777	
Improvements, etc.	0	
Other	0	
	--------	15,777
Deductions during period:		
Cost of real estate sold	0	
Other	0	
	--------	0

Balance at end of period - December 31, 2003		$26,036,863
		============
Reconciliation of Accumulated Depreciation current year changes:		
Balance at beginning of period - December 31, 2003		8,088,865
Current year expense		786,034
Less Accumulated Depreciation of real estate sold		(2,604)
Other		0

Balance at end of period - December 31, 2004		$ 8,872,295
		============

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004
GATEWAY TAX CREDIT FUND III LTD.
NOTES TO SCHEDULE III

Series 10

Balance at beginning of period - December 31, 2003		$17,673,479
Additions during period:		
Acquisitions through foreclosure	$ 0	
Other acquisitions	82,932	
Improvements, etc.	0	
Other	0	
		82,932
Deductions during period:		
Cost of real estate sold	0	
Other	0	
		0
Balance at end of period - December 31, 2004		$17,756,411

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2003	$ 4,636,704
Current year expense	469,489
Less Accumulated Depreciation of real estate sold	(2,845)
Other	0
Balance at end of period - December 31, 2004	$ 5,103,348

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004
GATEWAY TAX CREDIT FUND III LTD.
NOTES TO SCHEDULE III

Series 11

Balance at beginning of period - December 31, 2003		$15,571,642
Additions during period:		
Acquisitions through foreclosure	$ 0	
Other acquisitions	32,066	
Improvements, etc.	0	
Other	0	

		32,066
Deductions during period:		
Cost of real estate sold	0	
Other	0	
	--------	0

Balance at end of period - December 31, 2003		$15,603,708
		===========

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2003	$ 4,302,127
Current year expense	510,584
Less Accumulated Depreciation of real estate sold	(3,374)
Other	0

Balance at end of period - December 31, 2004	$ 4,809,337
	===========

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2004

SERIES 7

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Nottingham	18	$ 569,475	7.75%	4,041	50
Cedar Hollow	24	749,675	7.75%	5,115	50
Sunrise	44	1,993,527	7.25%	12,842	50
Mountain City	40	1,296,350	7.75%	8,853	50
Burbank	24	793,975	8.25%	5,725	50
Washington	24	787,951	8.25%	5,674	50
BrookStone	40	1,178,512	6.50%	6,970	50
Tazewell	44	1,380,415	7.25%	8,916	50
N. Irvine	24	779,825	7.75%	5,311	50
Horton	24	757,016	7.75%	5,160	50
Manchester	42	1,185,749	6.50%	6,991	50
Waynesboro	24	662,018	6.50%	3,899	50
Lakeland II	30	821,015	7.25%	5,290	50
Mt. Vernon	24	728,876	6.50%	4,294	50
Meadow Run	48	1,405,841	6.50%	8,284	50
Spring Creek II	24	657,714	6.50%	3,835	50
Warm Springs	22	665,231	7.25%	4,276	50
Blue Ridge	41	1,079,449	7.25%	2,372	50
Walnut	24	810,130	7.75%	5,528	50
Pioneer	48	1,192,576	8.25%	8,516	50
Dilley	28	714,494	8.25%	5,143	50
Elsa	40	1,021,604	7.75%	6,976	50
Clinch View	42	1,436,587	8.75%	11,046	50
Jamestown	40	1,203,233	7.25%	7,770	50
Leander	36	902,414	7.75%	6,755	50
Louisa Sr.	36	1,174,574	7.25%	7,622	50
Orchard Commons	12	337,264	7.75%	2,676	50
Vardaman	24	720,789	7.25%	4,634	50
Heritage Park	32	1,226,056	7.75%	8,360	50
BrooksHollow	40	1,163,002	6.50%	6,854	50
Cavalry Crossing	40	1,398,837	7.75%	9,545	50
Carson City	24	777,585	7.25%	5,005	50
Matteson	24	752,046	7.25%	4,845	50
Pembroke	16	503,455	7.25%	3,296	50
Robynwood	24	765,093	7.25%	5,078	50
Atoka	24	666,362	7.25%	4,392	50
Coalgate	24	666,088	7.25%	4,384	50
Hill Creek	24	764,050	6.50%	4,491	50
Cardinal	32	160,913	6.50%	948	50
		$35,849,766			

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2003

SERIES 8

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Purdy	16	$ 452,811	7.75%	5,242	50
Galena	24	599,949	7.25%	6,410	50
Antlers 2	24		7.25%	4,174	50
Holdenville	24	626,840	6.50%	4,267	50
Wetumka	24	712,246	6.50%	3,911	50
Mariners Cove	32	646,761	7.25%	6,572	50
Mariners Cove Sr.	24	1,022,025	7.25%	5,105	50
Antlers	36	791,554	7.25%	6,938	50
Bentonville	24	1,075,948	7.75%	4,835	45
Deerpoint	24	529,686	7.75%	5,250	50
Aurora	28	734,207	7.25%	7,652	50
Baxter	16	717,064	6.50%	4,086	50
Arbor Gate	24	420,985	6.50%	4,380	50
Timber Ridge	24	743,333	7.25%	4,679	50
Concordia Sr.	24	724,985	6.50%	3,963	50
Mountainburg	24	673,255	6.50%	4,162	50
Lincoln	25	701,669	8.25%	6,330	50
Fox Ridge	24	877,944	7.25%	4,732	50
Meadow View	16	732,963	7.25%	3,757	50
Sheridan	16	583,129	8.25%	3,527	50
Morningside	32	599,715	7.25%	6,177	50
Grand Isle	16	960,290	8.25%	6,703	50
Meadowview	29	929,387	7.25%	5,243	39
Taylor	44	748,801	7.50%	7,223	50
Brookwood	44	1,227,673	6.50%	8,499	50
Pleasant Valley	33	1,443,124	7.25%	6,978	50
Reelfoot	20	1,084,444	7.25%	4,234	50
River Rest	34	644,580	7.25%	7,256	50
Kirskville	24	1,131,891	7.25%	4,320	50
Cimmaron	24	674,381	10.75%	4,905	50
Kenton	46	818,109	7.25%	9,045	50
Lovingston	64	1,410,369	7.00%	12,917	50
Pontotoc	36	2,195,390	7.25%	6,927	50
So. Brenchley	30	1,088,655	7.25%	7,728	50
Hustonville	16	1,221,336	6.50%	3,062	50
Northpoint	24	514,662	7.25%	5,700	50
Brooks Field	32	884,452	7.25%	6,046	50
Brooks Lane	36	943,223	7.25%	6,954	50
Brooks Point	41	1,089,348	7.25%	8,613	50
Brooks Run	24	1,351,118	7.25%	4,786	50
Logan Heights	24	749,521	7.25%	4,960	50
Lakeshore 2	36	773,634	7.75%	7,716	50
Cottondale	25	1,139,001	7.75%	5,115	50
		754,690			
		$37,745,148			

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2004

SERIES 9

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Jay	24	$ 643,084	7.25%	4,167	50
Boxwood	24	608,881	6.50%	3,666	50
Stilwell 3	16	458,879	7.25%	3,038	50
Arbor Trace	24	731,798	7.25%	4,700	50
Arbor Trace 2	42	1,440,228	7.25%	9,235	50
Omega	36	1,120,086	7.25%	7,193	50
Cornell 2	24	910,889	7.25%	5,862	50
Elm Creek	24	942,414	7.25%	6,060	50
Marionville	20	556,116	6.50%	5,308	50
Lamar	24	709,138	7.25%	4,593	50
Mt. Glen	24	814,658	6.50%	4,797	50
Centreville	24	779,292	7.25%	4,998	50
Skyview	36	1,120,431	7.25%	7,199	50
Sycamore	40	1,397,702	7.25%	8,979	50
Bradford	24	782,004	7.03%	5,008	50
Cedar Lane	24	722,105	6.50%	4,383	50
Stanton	24	791,664	7.25%	5,120	50
Abernathy	24	613,724	6.50%	3,673	50
Pembroke	24	788,340	7.25%	5,070	50
Meadowview	24	650,556	0.50%	3,006	20
Town Branch	24	760,850	7.25%	4,973	50
Fox Run	24	765,913	6.50%	4,510	50
Maple Street	32	1,348,451	7.25%	8,632	50
Manchester	18	583,570	7.25%	3,740	50
		$20,040,773			

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2004

SERIES 10

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Redstone	24	$ 832,389	6.50%	4,905	50
Albany	24	764,439	6.50%	4,570	50
Oak Terrace	18	535,006	6.50%	3,150	50
Wellshill	32	1,069,388	7.25%	6,843	50
Applegate	36	1,114,105	0.50%	4,937	20
Heatherwood	36	881,790	0.50%	4,301	20
Peachtree	28	989,631	7.25%	6,379	50
Donna	50	1,403,825	6.50%	8,252	50
Wellsville	24	1,034,860	6.50%	6,316	50
Tecumseh	24	884,220	7.25%	5,481	50
Clay City	24	801,753	7.25%	5,158	50
Irvine West	24	799,553	7.25%	5,137	50
New Castle	24	794,648	7.25%	5,131	50
Stigler	20	585,591	7.25%	3,764	50
Courtyard	21	634,903	6.50%	3,729	50
		$13,126,101			

SERIES 11

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Homestead	32	$ 1,294,735	6.50%	7,411	50
Mountain Oak	24	671,963	8.00%	2,745	50
Eloy	24	640,340	6.00%	3,460	50
Gila Bend	36	962,225	8.00%	6,428	50
Creekstone	40	743,895	11.00%	5,235	30
Tifton	36	829,694	0.00%	2,077	42
Cass Towne	10	59,417	3.00%	1,417	10
Warsaw	56	2,623,838	6.50%	15,387	50
Royston	25	734,665	6.75%	4,414	50
Red Bud	8	236,121	7.25%	1,458	50
Cardinal	32	104,980	6.50%	1,348	50
Parsons	38	1,080,620	8.00%	6,243	50
		$ 9,982,493			

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: July 13, 2005

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

Date: July 13, 2005

By:/s/ Jonathan Oorlog
Jonathan Oorlog
Vice President and Chief Financial Officer

Date: July 13, 2005

By:/s/ Sandra C. Humphreys
Sandra C. Humphreys
Secretary and Treasurer

CERTIFICATIONS*

I, Ron Diner, certify that:

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

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information include in this annual 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 annual 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 annual 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 annual report (the "Evaluation Date"); and

c) presented in this annual 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 annual 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: July 13, 2005

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

I, Jonathan Oorlog, certify that:

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

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information include in this annual 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 annual 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 annual 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 annual report (the "Evaluation Date"); and

c) presented in this annual 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 annual 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: July 13, 2005

By: /s/ Jonathan Oorlog
Jonathan Oorlog
Vice President and Chief Financial Officer