SECOND AMENDED FORM 10-K/A-2

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
(State or other jurisdiction of incorporation or organization)

59-3090386
(IRS Employer No.)

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

33716
(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

EXPLANATORY NOTE

This document is a second amendment of the Form 10-K for the annual period ended March 31, 2005. This second amendment amends Item 8 Financial Statements and Supplementary Data for the correction of an error in the wording of the reports of the other auditor relied upon by the principal auditor. Those opinions, as originally filed, incorrectly stated that the audit was conducted in accordance with “the auditing standards of the Public Company Accounting Oversight Board (United States)”. The corrected reports contained herein state that the audit was conducted in accordance with “the standards of the Public Company Accounting Oversight Board (United States)”.

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	$ 0	$ 0	$ 0	$ 0	$ 70,059
Series 8	48,806	69,788	19,399	14,306	68,561
Series 9	378,066	506,873	55,286	79,085	149,650
Series 10	1,021,150	1,109,210	42,327	54,001	109,420
Series 11	0	1,667,049	0	6,540	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
September 8, 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.

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

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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued):

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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued):

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

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

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

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

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

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	(Unaudited)	(Unaudited)	(Unaudited)
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	(Unaudited)	(Unaudited)	(Unaudited)
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	(Unaudited)	(Unaudited)	(Unaudited)
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:

SERIES 10	DECEMBER 31, 2004	2003	2002
SUMMARIZED BALANCE SHEETS	(Unaudited)	(Unaudited)	(Unaudited)
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	(Unaudited)	(Unaudited)	(Unaudited)
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	$ 236,290	$ 272,578	$ 277,172
Long-term debt	9,982,493	10,099,725	10,233,992
Total liabilities	10,218,783	10,372,303	10,511,164
Partners' equity			
Limited Partner	2,090,653	2,384,986	2,664,470
General Partners	(273,425)	(226,647)	(198,030)
Total Partners' equity	1,817,228	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	(Unaudited)	(Unaudited)	(Unaudited)
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	$ (584,881)	$ (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 7 - 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 7 - 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 7 - 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 7 - 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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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, 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 the audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The partnership has determined that it 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 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., 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.

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 27, 2005

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INDEPENDENT AUDITORS' REPORT

To the Partners
Skyview Apartments, Ltd.
Troy, Alabama

We have audited the accompanying balance sheets of Skyview Apartments, Ltd., a limited partnership, 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 the audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The partnership has determined that it 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 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., 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.

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 6, 2005

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

To the Partners
Meadowview Apartments, Ltd.
Greenville, Alabama

We have audited the accompanying balance sheets of Meadowview Apartments, Ltd., a limited partnership, as of December 31, 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 the audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The partnership has determined that it 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 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.

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' 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 the audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The partnership has determined that it 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 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.

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 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 the audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The partnership has determined that it 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 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.

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 12, 2005

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: January 20, 2006

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

Date: January 20, 2006

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

Date: January 20, 2006

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

EXHIBIT 31.1

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: January 20, 2006

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

EXHIBIT 31.2

CERTIFICATIONS

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: January 20, 2006

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