UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2012

OR

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

For the transition period from__________to__________

Commission File Number 0-21762

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

Florida	59-3090386
(State or other jurisdiction of incorporation or organization)	(IRS Employer No.)
880 Carillon Parkway	St. Petersburg, Florida 33716
(Address of principal executive offices)	(Zip Code)
Registrant's Telephone Number, Including Area Code:	(727) 567-1000

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
Units of Limited Partnership Interest

Title of Class	Number of Record Holders as of March 31, 2012
Limited Partnership Interest	2,041
General Partner Interest	2

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES [ ] NO [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

YES [ ] NO [X]

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files).

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 not 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]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ]	Smaller Reporting Company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrants most recently completed second fiscal quarter.

There is no market for the Registrant's Limited Partnership interests.

DOCUMENTS INCORPORATED BY REFERENCE

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

PART I

Item 1. Business

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

Gateway is engaged in only one industry segment, to acquire limited partnership interests in unaffiliated limited partnerships (“Project Partnerships”), each of which owns and operates one or more apartment complexes eligible for Low-Income Housing Tax Credits (“Tax Credits”) under Section 42 of the Internal Revenue Code, received over a ten year period. Subject to certain limitations, Tax Credits may be used by Gateway's investors to reduce their income tax liability generated from other income sources. Gateway will terminate on December 31, 2040 or sooner, in accordance with the terms of its Limited Partnership Agreement. As of March 31, 2012, Gateway received capital contributions of $1,000 from the General Partners and from the Limited Partners: $10,395,000 in Series 7, $9,980,000 from Series 8, $6,254,000 from Series 9, $5,043,000 from Series 10 and $5,127,000 from Series 11.

Gateway offered Limited Partnership units in series. Each Series invests in a separate and distinct pool of Project Partnerships. Net proceeds from each Series were used to acquire Project Partnerships which are specifically allocated to such Series. Income or loss and all tax items from the Project Partnerships acquired by each Series are specifically allocated among the Limited Partners of such Series.

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

Gateway initially held investments in 133 Project Partnerships. As more fully described in Item 7 herein, Gateway is presently in the process of disposing of its interests in Project Partnerships. As of March 31, 2012, 40 Project Partnerships once held by Gateway have been sold. Project Partnership investments held by Series as of March 31, 2012 are as follows: 18 Project Partnerships for Series 7, 36 Project Partnerships for Series 8, 19 Project Partnerships for Series 9, 12 Project Partnerships for Series 10 and 8 Project Partnerships for Series 11. Gateway acquired its interests in the Project Partnerships by becoming a limited partner in the Project Partnerships that own the properties. As of March 31, 2012, the capital received for each Series was fully invested in Project Partnerships and management plans no new Project Partnership acquisitions.

The primary source of funds from the inception of each Series has been the capital contributions from Limited Partner investors. Gateway’s operating costs are funded using the reserves established for this purpose, the interest earned on these reserves and distributions received from Project Partnerships. Gateway has also received proceeds from the sale of Project Partnerships and made corresponding cash distributions to Limited Partners.

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

The investment objectives of Gateway are to:

1) Provide tax benefits to Limited Partners in the form of Tax Credits during the period in which each Project is eligible to claim Tax Credits;
2) Preserve and protect the capital of each Series.

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

Item 1. Business (Continued)

Gateway's goal is to invest in a diversified portfolio of Project Partnerships located in rural and suburban locations with a high demand for low income housing. As of March 31, 2012, each Series' investor capital contributions were successfully invested in Project Partnerships which met the investment criteria. The Tax Credits have been provided to Gateway's investors and the fifteen year Tax Credit compliance period has expired for all of the Project Partnerships (see further information in the Exit Strategy discussion below). Gateway is now in the process of disposing of its remaining interests and distributing proceeds from those sales to the Limited Partners. Gateway's objective is to sell Gateway's interests in Project Partnerships which have exited the Tax Credit compliance period for fair market value and ultimately, liquidate the Project Partnerships and in turn liquidate Gateway.

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

Exit Strategy Upon expiration of the Project Partnership Tax Credit Compliance Period

When Project Partnerships reach the end of their Tax Credit compliance period, Gateway initiates a process of disposing of its investments in the Project Partnerships. The objective is to sell Gateway's interest in such properties for fair market value and ultimately, liquidate the Project Partnerships and in turn, when Gateway's last Project Partnership investment is sold, liquidate Gateway.

The IRS compliance period for low-income housing Tax Credit properties is generally 15 years from occupancy following construction or rehabilitation completion.

All of the original 133 Project Partnership investments have reached the end of their Tax Credit compliance period as of December 31, 2010. As of March 31, 2012, 40 of the Project Partnership investments have been sold and, in accordance with the Gateway partnership agreement, the entire net proceeds received from these sales either have been or will be distributed to the Limited Partners of those Series. On a cumulative basis as of March 31, 2012, $338,877 of net sales proceeds representing $32.60 per Limited Partner unit in Series 7 and $67,964 of net sales proceeds representing $6.81 per Limited Partner unit in Series 8 have been distributed to the Limited Partners of the respective Series.

Item 1A. Risk Factors

The General Partners do not believe the Project Partnerships are subject to the risks generally associated with conventionally financed nonsubsidized apartment properties. Risks related to the operations of Gateway are described in detail on pages 29 through 38 of the Prospectus, as supplemented, contained in the Registration Statement, File No. 33-44238 ("Prospectus"), under the Caption "Risk Factors" which is incorporated herein by reference.

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. No such contributions have been made during fiscal year 2012, 2011,or 2010.

Investors eventually may be allocated profits for tax purposes which exceed any cash Gateway distributes to them. Under these circumstances, unless an investor has passive losses or credits to reduce such tax liability, the investor will have to pay federal income tax without a corresponding cash distribution from Gateway. Similarly, in the event of a sale or foreclosure of an apartment complex, an investor may be allocated taxable income, resulting in a tax liability in excess of any cash distributed to the investor as a result of such event. There is no assurance that investors will receive any cash distributions from the sale or disposal of a Project Partnership.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Gateway holds an interest in properties through its limited partnership investments in Project Partnerships. The largest single net investment as of March 31, 2012 in a Project Partnership is in Series 11, where one Project Partnership constitutes 16.3% of the Series' total assets (the net investment for book purposes is zero for each Project Partnership in Series 7, 8, 9 and 10). The following table provides certain summary information regarding the Project Partnerships in which Gateway held an interest as of December 31, 2011 (the Project Partnerships' financial information contained herein is reported on a 3-month lag):

SERIES 7

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNITS	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Washington	Bloomfield, NE	24	9/92	$ 999,871	79%
BrookStone	McCaysville, GA	40	9/92	1,464,981	98%
N. Irvine	Irvine, KY	24	9/92	1,049,192	88%
Manchester	Manchester, GA	42	9/92	1,474,053	98%
Waynesboro	Waynesboro, GA	24	9/92	819,270	100%
Warm Springs	Warm Springs, GA	22	9/92	822,317	91%
Dilley	Dilley, TX	28	9/92	892,426	100%
Elsa	Elsa, TX	40	9/92	1,343,531	100%
Leander	Leander, TX	36	9/92	1,188,198	100%
Louisa Sr.	Louisa, KY	36	9/92	1,451,921	100%
Orchard Commons	Crab Orchard, KY	12	9/92	450,887	100%
Heritage Park	Paze, AZ	32	9/92	1,667,747	97%
BrooksHollow	Jasper, GA	40	9/92	1,514,019	98%
Carson City	Carson City, KS	24	11/92	984,740	79%
Matteson	Capa, KS	24	11/92	978,455	83%
Pembroke	Pembroke, KY	16	12/92	588,717	100%
Robynwood	Cynthiana, KY	24	12/92	962,677	92%
Hill Creek	West Blocton, AL	24	11/93	1,009,630	100%
Total Series 7		512		$ 19,662,632	

The average effective rental income per unit for the year ended December 31, 2011 is $4,639 per year ($387 per month).

Item 2 - Properties (Continued)

SERIES 8

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNITS	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Purdy	Purdy, MO	16	12/92	$ 683,150	94%
Galena	Galena, KS	24	12/92	897,975	100%
Antlers 2	Antlers, OK	24	1/93	787,859	100%
Holdenville	Holdenville, OK	24	1/93	892,598	100%
Wetumka	Wetumka, OK	24	1/93	812,853	96%
Mariners Cove	Marine City, MI	32	1/93	1,348,497	81%
Mariners Cove Sr.	Marine City, MI	24	1/93	1,046,112	83%
Antlers	Antlers, OK	36	3/93	1,321,039	86%
Bentonville	Bentonville, AR	24	3/93	758,489	92%
Deerpoint	Elgin, AL	24	3/93	948,824	83%
Aurora	Aurora, MO	28	3/93	998,053	100%
Baxter	Baxter Springs, KS	16	4/93	636,656	100%
Timber Ridge	Collinsville, AL	24	5/93	966,840	96%
Concordia Sr.	Concordia, KS	24	5/93	826,389	88%
Mountainburg	Mountainburg, AR	24	6/93	883,990	100%
Fox Ridge	Russellville, AL	24	6/93	909,110	88%
Meadow View	Bridgeport, NE	16	6/93	755,768	94%
Sheridan	Auburn, NE	16	6/93	837,896	100%
Grand Isle	Grand Isle, ME	16	6/93	1,156,825	94%
Meadowview	Van Buren, AR	29	8/93	994,717	93%
Taylor	Taylor, TX	44	9/93	1,530,463	100%
Brookwood	Gainesboro, TN	44	9/93	1,881,170	95%
Pleasant Valley	Lynchburg, TN	33	9/93	1,457,746	100%
Reelfoot	Ridgely, TN	20	9/93	841,695	90%
River Rest	Newport, TN	34	9/93	1,465,419	97%
Kirksville	Kirksville, MO	24	9/93	831,492	96%
Kenton	Kenton, OH	46	9/93	1,781,759	83%
Lovingston	Lovingston, VA	64	9/93	2,841,268	100%
Hustonville	Hustonville, KY	16	10/93	727,278	100%
Northpoint	Jackson, KY	24	10/93	1,146,792	92%
Brooks Field	Louisville, GA	32	10/93	1,245,045	100%
Brooks Lane	Clayton, GA	36	10/93	1,377,885	100%
Brooks Point	Dahlonega, GA	41	10/93	1,716,890	98%
Brooks Run	Jasper, GA	24	10/93	962,937	100%
Logan Heights	Russellville, KY	24	11/93	971,701	88%
Lakeshore 2	Tuskegee, AL	36	12/93	1,506,489	94%
Total Series 8		1,011		$ 40,749,669	

The average effective rental income per unit for the year ended December 31, 2011 is $4,783 per year ($399 per month).

Item 2 - Properties (Continued)

SERIES 9

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNITS	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Jay	Jay, OK	24	9/93	$ 810,597	96%
Boxwood	Lexington, TX	24	9/93	770,939	92%
Omega	Omega, GA	36	11/93	1,407,304	86%
Cornell 2	Watertown, SD	24	11/93	1,282,776	100%
Elm Creek	Pierre, SD	24	11/93	1,360,972	88%
Marionville	Marionville, MO	20	11/93	814,002	100%
Lamar	Lamar, AR	24	12/93	904,325	83%
Centreville	Centreville, AL	24	12/93	1,014,057	100%
Skyview	Troy, AL	36	12/93	1,506,162	86%
Bradford	Cumberland, KY	24	12/93	1,026,848	100%
Cedar Lane	London, KY	24	12/93	963,841	100%
Stanton	Stanton, KY	24	12/93	959,149	96%
Abernathy	Abernathy, TX	24	1/94	781,898	100%
Pembroke	Pembroke, KY	24	1/94	950,827	92%
Meadowview	Greenville, AL	24	2/94	1,170,447	88%
Town Branch	Mt. Vernon, KY	24	12/93	937,356	100%
Fox Run	Ragland, AL	24	3/94	973,193	100%
Maple Street	Emporium, PA	32	3/94	1,722,593	94%
Manchester	Manchester, GA	18	5/94	735,558	89%
Total Series 9		478		$ 20,092,844	

The average effective rental income per unit for the year ended December 31, 2011 is $4,738 per year ($395 per month).

Item 2 - Properties (Continued)

SERIES 10

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNITS	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Albany	Albany, KY	24	1/94	$ 1,013,806	100%
Oak Terrace	Bonifay, FL	18	1/94	663,362	100%
Wellshill	West Liberty, KY	32	1/94	1,297,119	100%
Applegate	Florence, AL	36	2/94	1,874,908	100%
Heatherwood	Alexander, AL	36	2/94	1,661,886	94%
Donna	Donna, TX	50	1/94	1,779,782	100%
Wellsville	Wellsville, NY	24	2/94	1,490,796	96%
Tecumseh	Tecumseh, NE	24	4/94	1,193,824	100%
Clay City	Clay City, KY	24	5/94	1,118,501	96%
Irvine West	Irvine, KY	24	5/94	1,157,971	96%
New Castle	New Castle, KY	24	5/94	1,060,885	100%
Stigler	Stigler, OK	20	7/94	754,056	100%
Total Series 10		336		$ 15,066,896	

The average effective rental income per unit for the year ended December 31, 2011 is $4,669 per year ($389 per month).

SERIES 11

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNITS	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Homestead	Pinetop, AZ	32	9/94	$ 1,846,395	97%
Eloy	Eloy, AZ	24	11/94	1,149,400	92%
Gila Bend	Gila Bend, AZ	36	11/94	1,611,752	94%
Creekstone	Dallas, GA	40	12/94	2,008,604	93%
Tifton	Tifton, GA	36	12/94	1,706,886	92%
Cass Towne	Cartersville, GA	10	12/94	360,040	80%
Royston	Royston, GA	25	12/94	934,548	100%
Red Bud	Mokane, MO	8	12/94	305,198	88%
Total Series 11		211		$ 9,922,823	

The average effective rental income per unit for the year ended December 31, 2011 is $5,658 per year ($472 per month).

Item 2 - Properties (Continued)

A summary of the book value of the fixed assets of the Project Partnerships as of December 31, 2011, 2010 and 2009 is as follows:

12/31/2011	SERIES 7	SERIES 8	SERIES 9
Land	$ 875,709	$ 1,601,270	$ 839,059
Land Improvements	195,519	458,404	258,485
Buildings	17,988,098	36,433,935	18,155,428
Furniture and Fixtures	603,306	2,256,060	839,872
Properties, at Cost	19,662,632	40,749,669	20,092,844
Less: Accum Depr.	11,021,438	23,642,551	10,683,606
Properties, Net	$ 8,641,194	$ 17,107,118	$ 9,409,238

	SERIES 10	SERIES 11	TOTAL
Land	$ 604,025	$ 368,167	$ 4,288,230
Land Improvements	101,193	18,163	1,031,764
Buildings	13,768,245	9,159,677	95,505,383
Furniture and Fixtures	593,433	376,816	4,669,487
Properties, at Cost	15,066,896	9,922,823	105,494,864
Less: Accum Depr.	6,587,656	4,813,311	56,748,562
Properties, Net	$ 8,479,240	$ 5,109,512	$ 48,746,302

12/31/2010	SERIES 7	SERIES 8	SERIES 9
Land	$ 1,102,244	$ 1,841,988	$ 1,066,159
Land Improvements	185,259	506,661	267,829
Buildings	26,107,509	40,441,082	22,319,500
Furniture and Fixtures	856,957	2,397,785	1,006,280
Properties, at Cost	28,251,969	45,187,516	24,659,768
Less: Accum Depr.	15,080,769	24,615,247	12,235,111
Properties, Net	$ 13,171,200	$ 20,572,269	$ 12,424,657

	SERIES 10	SERIES 11	TOTAL
Land	$ 641,025	$ 583,404	$ 5,234,820
Land Improvements	169,702	22,242	1,151,693
Buildings	15,608,336	14,402,902	118,879,329
Furniture and Fixtures	652,002	751,440	5,664,464
Properties, at Cost	17,071,065	15,759,988	130,930,306
Less: Accum Depr.	7,062,374	7,441,864	66,435,365
Properties, Net	$ 10,008,691	$ 8,318,124	$ 64,494,941

Item 2 - Properties (Continued)

	12/31/2009 SERIES 7	SERIES 8	SERIES 9
Land	$ 1,331,869	$ 1,841,988	$ 1,076,159
Land Improvements	185,259	449,688	266,148
Buildings	30,482,220	39,998,985	22,826,427
Furniture and Fixtures	1,107,081	2,288,985	985,450
Construction in Process	7,134	-	-
Properties, at Cost	33,113,563	44,579,646	25,154,184
Less: Accum Depr.	16,929,623	23,197,112	11,869,777
Properties, Net	$ 16,183,940	$ 21,382,534	$ 13,284,407

	SERIES 10	SERIES 11	TOTAL
Land	$ 641,025	$ 599,197	$ 5,490,238
Land Improvements	148,044	22,242	1,071,381
Buildings	15,602,386	14,793,221	123,703,239
Furniture and Fixtures	625,446	735,475	5,742,437
Construction in Process	-	-	7,134
Properties, at Cost	17,016,901	16,150,135	136,014,429
Less: Accum Depr.	6,629,121	7,119,194	65,744,827
Properties, Net	$ 10,387,780	$ 9,030,941	$ 70,269,602

Item 3. Legal Proceedings

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

Item 4. (Removed and Reserved)

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

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

(b) Approximate Number of Equity Security Holders:

Title of Class	Number of Record Holders as of March 31, 2012
Limited Partnership Interest	2,041
General Partner Interest	2

Item 6. Selected Financial Data

SERIES 7	FOR THE YEARS ENDED MARCH 31, 2012	2011	2010	2009	2008
Total Revenues	$ 16,017	$ 23,473	$ 31,189	$ 26,416	$ 36,085
Net Income (Loss)	76,290	473,439	142,985	(349,081)	(345,647)
Equity in Income (Loss) of Project Partnerships	-	-	-	707	(28,789)
Total Assets	831,096	770,297	293,719	335,175	650,076
Investments In Project Partnerships	-	-	84,017	88,308	284,147
Per Weighted Average					
Limited Partnership Unit: (A)					
Tax Credits	.00	.00	.00	.00	.00
Portfolio Income	0.69	1.75	3.52	7.40	10.02
Passive Loss	(61.17)	(73.86)	(100.74)	(104.98)	(94.93)
Net Income (Loss)	7.27	45.09	8.32	(37.38)	(32.92)
Distributions Paid	-	-	28.43	4.17	-

SERIES 8	FOR THE YEARS ENDED MARCH 31, 2012	2011	2010	2009	2008
Total Revenues	$ 23,726	$ 24,662	$ 23,800	$ 18,335	$ 29,379
Net Loss	(31,397)	(90,218)	(91,802)	(517,416)	(251,652)
Equity in Loss of Project Partnerships	-	-	(2,631)	(45,239)	(54,012)
Total Assets	134,550	231,397	238,988	200,925	625,123
Investments In Project Partnerships	-	-	-	15,007	296,532
Per Weighted Average					
Limited Partnership Unit: (A)					
Tax Credits	.00	.00	.00	.00	.00
Portfolio Income	1.93	3.99	4.11	8.70	12.04
Passive Loss	(103.30)	(96.76)	(113.31)	(131.63)	(110.05)
Net Loss	(3.56)	(9.35)	(11.39)	(51.36)	(31.71)
Distributions Paid	-	-	-	6.81	-

Item 6. Selected Financial Data (Continued)

SERIES 9	FOR THE YEARS ENDED MARCH 31, 2012	2011	2010	2009	2008
Total Revenues	$ 15,517	$ 16,002	$ 15,862	$ 10,038	$ 8,514
Net Income (Loss)	6,445	(9,637)	(120,481)	(416,956)	(242,723)
Equity in Loss of Project Partnerships	-	-	(4,909)	(87,688)	(100,405)
Total Assets	140,755	142,196	96,912	134,007	502,778
Investments In Project Partnerships	-	-	-	9,681	292,761
Per Weighted Average					
Limited Partnership Unit: (A)					
Tax Credits	.00	.00	.00	.00	.00
Portfolio Income	1.27	2.72	1.84	6.02	8.73
Passive Loss	(84.36)	(103.73)	(131.15)	(130.99)	(112.02)
Net Loss	(0.07)	(8.65)	(20.65)	(66.00)	(38.42)

SERIES 10	FOR THE YEARS ENDED MARCH 31, 2012	2011	2010	2009	2008
Total Revenues	$ 11,814	$ 12,943	$ 8,658	$ 12,302	$ 2,129
Net Loss	(71,877)	(60,829)	(100,294)	(609,675)	(561,574)
Equity in (Loss) Income of Project Partnerships	(59,249)	(25,669)	(28,325)	796	(75,336)
Total Assets	156,749	218,357	250,905	295,574	872,011
Investments In Project Partnerships	-	64,697	97,267	136,408	672,563
Per Weighted Average					
Limited Partnership Unit: (A)					
Tax Credits	.00	.00	.00	.00	.00
Portfolio Income	1.37	1.57	2.97	6.24	9.28
Passive Loss	(87.99)	(58.86)	(98.97)	(89.39)	(79.58)
Net Loss	(19.24)	(12.33)	(21.65)	(119.69)	(110.24)

SERIES 11	FOR THE YEARS ENDED MARCH 31, 2012	2011	2010	2009	2008
Total Revenues	$ 7,589	$ 3,607	$ 4,207	$ 2,182	$ 2,782
Net Income (Loss)	11,150	(45,060)	(188,280)	(468,075)	(628,777)
Equity in Loss of Project Partnerships	(57,365)	(107,077)	(80,592)	(115,651)	(74,752)
Total Assets	578,758	602,148	621,840	782,534	1,220,597
Investments In Project Partnerships	185,696	245,863	411,872	536,485	935,152
Per Weighted Average					
Limited Partnership Unit: (A)					
Tax Credits	.00	.00	.00	.00	.00
Portfolio Income	0.38	1.03	2.49	5.61	7.55
Passive Loss	(63.25)	(63.44)	(69.47)	(71.57)	(67.19)
Net Income (Loss)	2.14	(16.94)	(36.36)	(90.38)	(121.41)

TOTAL SERIES 7 - 11	FOR THE YEARS ENDED MARCH 31, 2012	2011	2010	2009	2008
Total Revenues	$ 74,663	$ 80,687	$ 83,716	$ 69,273	$ 78,889
Net (Loss) Income	(9,389)	267,695	(357,872)	(2,361,203)	(2,030,373)
Equity in Loss of Project Partnerships	(116,614)	(132,746)	(116,457)	(247,075)	(333,294)
Total Assets	1,841,908	1,964,395	1,502,364	1,748,215	3,870,585
Investments In Project Partnerships	185,696	310,560	593,156	785,889	2,481,155

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

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

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

The following Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the results of operations and financial condition of Gateway. The MD&A is provided as a supplement to, and should be read in conjunction with the financial statements and accompanying footnotes to the financial statements contained elsewhere in this report.

The Managing General Partner monitors developments in the area of legal and regulatory compliance. For example, the Sarbanes-Oxley Act of 2002 (the "Act") mandates or suggests additional compliance measures with regard to governance, disclosure, audit and other areas, and certain provisions of the Act have been implemented by Gateway and other provisions will be implemented by Gateway in subsequent years.

Gateway - All Series - The following discusses the overall results of operations, liquidity and capital resources for Gateway as a whole. A summary of the activity within each specific Series of Gateway then follows.

Results of Operations

As more fully detailed in the Exit Strategy discussion included within this MD&A, all of the Project Partnerships have delivered their Tax Credits to Gateway and the Tax Credit compliance period has expired for all 133 of the Project Partnerships initially held. Gateway is in the process of selling or disposing of its interests in Project Partnerships that have reached the end of their Tax Credit compliance period. Net proceeds received from the sales are in turn distributed to the Limited Partners. Once all Project Partnership interests have been sold or otherwise disposed of, Gateway will be liquidated. The target date for liquidation of Gateway is on or before December 31, 2012, although there is no certainty, and it may not even be considered likely at this time, that all the activities necessary to occur as of such date will have transpired.

Distribution income arises from any cash distributions received from Project Partnerships which have a zero investment balance for financial reporting purposes. Distribution income decreased 8% in fiscal year 2012 to $74,663, a decrease of $6,024 from the fiscal year 2011 distribution income of $80,687, which represented a $3,029 or 4% decrease as compared to distribution income of $83,716 in fiscal year 2010. The decrease in distribution income for the years ended March 31, 2012 and 2011 is a result of a reduction in distribution payments to Gateway by the Project Partnerships. The gross distributions received from Project Partnerships decreased from $95,789 for the year ended March 31, 2011 to $82,913 for the year ended March 31, 2012.

Gateway has no direct employees. The General Partners have full and exclusive discretion in management and control of Gateway. Total expenses of Gateway were $348,164 for the fiscal year ended March 31, 2012, a decrease of $49,695 as compared to the fiscal year 2011 total expenses of $397,859, which represented a $275,542 decrease in total expenses as compared to the fiscal year 2010 amount of $673,401. During fiscal year 2010, impairment expense was recorded in the aggregate amount of $28,099. Net of this impairment expense, expenses of Gateway decreased $247,443, or 38% in fiscal year 2011 versus fiscal year 2010. The decrease in fiscal years 2012 and 2011 results primarily from decreases in: 1) asset management fees and general and administrative expenses - General Partner due to sales of Project Partnerships (Gateway ceases accruing Asset Management Fees and General and Administrative Expenses - General Partner for sold Project Partnerships) along with the cessation of accruals for general and administrative expenses - General Partner in Series 8 (beginning in fiscal year 2010), Series 7, 9 and 10 (beginning in March 2010) and Series 11 (beginning in October 2010) and 2) amortization expense (resulting from the suspension of amortization due to Project Partnership investment balances reaching zero or the acquisition fees and expense being fully amortized).

For the year ended March 31, 2012, Equity in Loss of Project Partnerships totaled $116,614 which represents a $16,132 decrease as compared to the Equity in Loss of Project Partnerships for the year ended March 31, 2011 of $132,746. For the year ended March 31, 2010, Equity in Loss of Project Partnerships totaled $116,457. Equity in Loss of Project Partnerships decreased for the year ended March 31, 2012 as compared to the year ended March 31, 2011 because of a decrease in the losses from Project Partnerships with a positive investment balance. Because Gateway utilizes the equity method of accounting for its Project Partnerships, income or losses from Project Partnerships with a zero investment balance are not recognized in the Statement of Operations. For the year ended December 31, 2011 (Project Partnership financial information is reported on a three-month lag), Gateway's share of the net loss was $1,859,913, of which $1,743,299 was suspended. For the year ended December 31, 2010, Gateway's share of the net loss was $2,197,029, of which $2,064,283 was suspended. For the year ended December 31, 2009, Gateway's share of the net loss was $2,478,314, of which $2,361,857 was suspended. Typically, it is customary in the low-income housing Tax Credit industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. As the Project Partnership investments mature and the Investments in Project Partnership balances decrease over time, the losses from Project Partnerships recorded by Gateway decrease.

In fiscal year 2012, the Gain on Sale of Project Partnerships amounted to $380,459, a decrease of $337,030 over the fiscal year 2011 amount of $717,489, which in turn was an increase of $373,971 from the fiscal year 2010 Gain on Sale of Project Partnerships amount of $343,518. As more fully discussed herein, nineteen Project Partnership investments were sold during fiscal year 2012 as compared to seven in fiscal year 2011 and nine in fiscal year 2010. The amount of the gain or loss from the sale of a Project Partnership and the year in which it is recognized on the Statement of Operations is dependent upon the specifics related to each sale or disposition transaction. Refer to the discussion of each Project Partnerships sold in the Exit Strategy section within this MD&A.

Interest income for the year ended March 31, 2012 of $267 represents an increase of $143 or 115%, as compared to fiscal year 2011. Interest income in fiscal year 2011 of $124 was a decrease of $4,628 or 97% as compared to the fiscal year 2010 interest income of $4,752. The change in interest income results from the fluctuation of interest rates on short-term investments over this period. Interest income is generally one source of funds available to pay administrative costs of Gateway.

Liquidity and Capital Resources

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

The sources of funds to pay the expenses of Gateway are cash and cash equivalents and the interest earnings thereon, and cash distributed to the Series from the operations of the Project Partnerships. Due to the rent limitations applicable to the Project Partnerships as a result of their qualifying for Low-Income Housing Tax Credits, Gateway does not expect there to be a significant increase in future rental income of the Project Partnerships. Therefore, cash distributions from the operations of the Project Partnerships are not expected to increase on a per project basis. However, operational factors of the Project Partnerships and the timing of distributions contribute to fluctuations of distributions from year to year. Management believes these sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

In total, Gateway reported a net loss of $9,389 from operations for the year ended March 31, 2012. Cash and Cash Equivalents decreased by $13,366. Of the Cash and Cash Equivalents on hand as of March 31, 2012, $1,146,399 is payable to certain Series' Limited Partners arising from the sale of Project Partnerships. After consideration of these sales proceeds, Cash and Cash Equivalents decreased $393,825 as compared to the prior year-end balances.

The financial performance of each respective Series is summarized as follows:

Series 7 - Gateway closed this series on October 16, 1992 after receiving $10,395,000 from 635 Limited Partner investors. As of March 31, 2012, the Series had invested $3,308,861 in 18 Project Partnerships located in 7 states containing 512 apartment units. Average occupancy of the Project Partnerships was 95% at December 31, 2011.

Equity in Loss of Project Partnerships has been $0 for each of the fiscal years ended March 31, 2012, 2011 and 2010. As presented in Note 4, the Project Partnerships generated a loss for the years ended December 31, 2011, 2010 and 2009 of $347,258, $548,804 and $695,025 on Rental and other income of $3,160,983, $4,434,943 and $5,284,523, respectively. Gateway's share of the Project Partnerships' net loss for the years ended December 31, 2011, 2010 and 2009 was $367,309, $573,276 and $701,101, all of which were suspended. If not suspended, these losses would have reduced the Investments in Project Partnerships below zero. In general, it is common in the real estate industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. (These Project Partnerships reported depreciation and amortization of $579,826, $847,923 and $1,008,239 for the years ended December 31, 2011, 2010 and 2009, respectively). As a result, management expects that this Series, as well as the Series described below, will report its equity in Project Partnerships as a loss for tax and financial reporting purposes. 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. There was no impairment expense for the fiscal years ended March 31, 2012, 2011 or 2010. Overall management believes the Project Partnerships are operating as expected and have generated Tax Credits which met projections.

At March 31, 2012, the Series had $831,096 of short-term investments (Cash and Cash Equivalents). Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net income of $76,290 for the year ended March 31, 2012. However, after considering the changes in operating assets and liabilities, net cash used in operating activities was $92,979. Cash provided by investing activities totaled $153,778 consisting of $16,017 in cash distributions from the Project Partnerships and $137,761 in net proceeds from the Sale of Project Partnerships (refer to the Exit Strategy section within this MD&A for more detailed discussion of these sales of Project Partnerships).

Series 8 - Gateway closed this Series on July 1, 1993 after receiving $9,980,000 from 664 Limited Partner investors. As of March 31, 2012, the Series had invested $6,293,277 in 36 Project Partnerships located in 14 states containing 1,011 apartment units. Average occupancy of the Project Partnerships was 94% at December 31, 2011.

Equity in Loss of Project Partnerships was $0 for the fiscal year ended March 31, 2012. Equity in Loss of Project Partnerships decreased to $0 in fiscal year 2011 from a loss of $2,631 for fiscal year 2010. As presented in Note 4, the Project Partnerships generated a loss for the years ended December 31, 2011, 2010 and 2009 of $774,354, $723,487 and $782,205 on Rental and other income of $6,112,701, $6,793,755 and $6,930,389, respectively. Gateway's share of the Project Partnerships' net loss for the years ended December 31, 2011, 2010 and 2009 was $785,848, $717,967 and $777,837, of which $785,848, $717,967 and $775,206 were suspended, respectively. If not suspended, these losses would have reduced the Investments in Project Partnerships below zero. In general, it is common in the real estate industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. (These Project Partnerships reported depreciation and amortization of $1,281,664, $1,420,237 and $1,397,733 for the years ended December 31, 2011, 2010 and 2009, respectively). 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. There was no impairment expense for the fiscal years ended March 31, 2012 or 2011. For the fiscal year ended March 31, 2010, impairment expense of $8,681 was recognized. Overall management believes the Project Partnerships are operating as expected and have generated Tax Credits which met projections.

At March 31, 2012, the Series had $134,550 of short-term investments (Cash and Cash Equivalents). Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $31,397 for the year ended March 31, 2012. However, after considering the changes in operating assets and liabilities, net cash used in operating activities was $180,638. Cash provided by investing activities totaled $83,791 consisting of $23,726 in cash distributions from the Project Partnerships and $60,065 in net proceeds from the Sale of Project Partnerships (refer to the Exit Strategy section within this MD&A for more detailed discussion of these sales of Project Partnerships).

Series 9 - Gateway closed this Series on September 30, 1993 after receiving $6,254,000 from 406 Limited Partner investors. As of March 31, 2012, the Series had invested $3,824,212 in 19 Project Partnerships located in 9 states containing 478 apartment units. Average occupancy of the Project Partnerships was 94% at December 31, 2011.

Equity in Loss of Project Partnerships was $0 for the fiscal year ended March 31, 2012. Equity in Loss of Project Partnerships decreased to $0 in fiscal year 2011 from a loss of $4,909 for fiscal year 2010. As presented in Note 4, the Project Partnerships generated a loss for the years ended December 31, 2011, 2010 and 2009 of $330,423, $452,089 and $552,678 on Rental and other income of $3,031,020, $3,690,119 and $3,633,336, respectively. Gateway's share of the Project Partnerships' net loss for the years ended December 31, 2011, 2010 and 2009 was $327,119, $447,568 and $547,151, of which $327,119, $447,568 and $542,242 were suspended, respectively. If not suspended, these losses would have reduced the Investments in Project Partnerships below zero. In general, it is common in the real estate industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. (These Project Partnerships reported depreciation and amortization of $603,449, $733,144 and $747,222 for the years ended December 31, 2011, 2010 and 2009, respectively). 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. There was no impairment expense for the fiscal years ended March 31, 2012, 2011 or 2010. Overall management believes the Project Partnerships are operating as expected and have generated Tax Credits which met projections.

At March 31, 2012, the Series had $140,755 of short-term investments (Cash and Cash Equivalents). Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had net income of $6,445 for the year ended March 31, 2012. However, after considering the changes in operating assets and liabilities, net cash used in operating activities was $73,676. Cash provided by investing activities totaled $72,235 consisting of $15,517 in cash distributions from the Project Partnerships and $56,718 in net proceeds from the Sale of Project Partnerships (refer to the Exit Strategy section within this MD&A for more detailed discussion of this sale of Project Partnership).

Series 10 - Gateway closed this Series on January 21, 1994 after receiving $5,043,000 from 325 Limited Partner investors. As of March 31, 2012, the Series had invested $3,453,240 in 12 Project Partnerships located in 7 states containing 336 apartment units. Average occupancy of the Project Partnerships was 99% at December 31, 2011.

Equity in Loss of Project Partnerships increased $33,580 to $59,249 in fiscal year 2012 as compared to $25,669 in fiscal year 2011. Equity in Loss of Project Partnerships decreased $2,656 to a loss of $25,669 in fiscal year 2011 as compared to a loss of $28,325 for fiscal year 2010. As presented in Note 4, the Project Partnerships generated a loss for the years ended December 31, 2011, 2010 and 2009 of $221,215, $144,571 and $201,549 on Rental and other income of $1,958,453, $2,307,400 and $2,239,370, respectively. Gateway's share of the Project Partnerships' net loss for the years ended December 31, 2011, 2010 and 2009 was $235,984, $163,491 and $211,172, of which $176,735, $137,822 and $182,847 were suspended, respectively. If not suspended, these losses would have reduced the Investments in Project Partnerships below zero. In general, it is common in the real estate industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. (These Project Partnerships reported depreciation and amortization of $390,665, $439,674 and $439,815 for the years ended December 31, 2011, 2010 and 2009, respectively). 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. There was no impairment expense for the fiscal year ended March 31, 2012, 2011 or 2010. Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits which met projections.

At March 31, 2012, the Series had $141,006 of short-term investments (Cash and Cash Equivalents). Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $71,877 for the year ended March 31, 2012. However, after considering the Equity in Loss of Project Partnerships of $59,249 and the changes in operating assets and liabilities, net cash used in operating activities was $56,061. Cash provided by investing activities totaled $43,407 consisting of $17,262 in cash distributions from the Project Partnerships and $26,145 in net proceeds from the Sale of Project Partnerships (refer to the Exit Strategy section within this MD&A for more detailed discussion of this sale of Project Partnership).

Series 11 - Gateway closed this Series on April 29, 1994 after receiving $5,127,000 from 330 Limited Partner investors. As of March 31, 2012 the Series had invested $2,894,482 in 8 Project Partnerships located in 3 states containing 211 apartment units. Average occupancy of the Project Partnerships was 93% at December 31, 2011.

Equity in Loss of Project Partnerships decreased $49,712 to $57,365 in fiscal year 2012 as compared to $107,077 in fiscal year 2011. Equity in Loss of Project Partnerships increased $26,485 to $107,077 in fiscal year 2011 as compared to $80,592 in fiscal year 2010. As presented in Note 4, the Project Partnerships generated a loss for the years ended December 31, 2011, 2010 and 2009 of $145,104, $307,670 and $246,604 on Rental and other income of $1,422,551, $2,263,577 and $2,231,664, respectively. Gateway's share of the Project Partnerships' net loss for the years ended December 31, 2011, 2010 and 2009 was $143,653, $294,727 and $241,053, of which $86,288, $187,650 and $160,461 were suspended, respectively. If not suspended, these losses would have reduced the Investments in Project Partnerships below zero. In general, it is common in the real estate industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. (These Project Partnerships reported depreciation and amortization of $326,847, $525,157 and $525,030 for the years ended December 31, 2011, 2010 and 2009, respectively). 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. There was no impairment expense for the fiscal years ended March 31, 2012 or 2011 For the fiscal year ended March 31, 2010, impairment expense of $19,418 was recognized. Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits which met projections.

At March 31, 2012, the Series had $393,062 of short-term investments (Cash and Cash Equivalents). Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had net income of $11,150 for the year ended March 31, 2012. However, after considering the Equity in Loss of Project Partnerships of $57,365 and the changes in operating assets and liabilities, net cash used in operating activities was $73,384. Cash provided by investing activities totaled $110,161 consisting of $10,391 in cash distributions from the Project Partnerships and $99,770 in net proceeds from the Sale of Project Partnerships (refer to the Exit Strategy section within this MD&A for more detailed discussion of this sale of Project Partnership).

Critical Accounting Estimates

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. Gateway did not recognize any impairment expense for the years ended March 31, 2012 or 2011. Impairment expense for the year ended March 31, 2010 totaled $28,099, comprised of $8,681 in Series 8 and $19,418 in Series 11.

Recent Accounting Changes

In June 2009, the FASB issued amendments to the consolidation guidance applicable to variable interest entities which Gateway adopted effective April 1, 2010. The amendments had no impact on its financial statements for the year-ended March 31, 2011.

Exit Strategy Upon Expiration of the Project Partnership Tax Credit Compliance Period

The IRS compliance period for low-income housing Tax Credit properties is generally 15 years from occupancy following construction or rehabilitation completion. When Project Partnerships reach the end of their Tax Credit compliance period, Gateway initiates the process of disposing of its investment in the Project Partnership; the objective of the process is to sell Gateway's interest in the properties for fair market value and ultimately, when Gateway's last Project Partnership investment is sold, liquidate Gateway. Generally, the market for Project Partnerships is limited. Some of the factors which negatively impact the marketability of these projects include (1) requirements by government agencies that the project's mortgagor continue to maintain the property in the low-income housing program, and (2) the mortgage balance of the property is very near the initial balance as a result of the heavily subsidized debt of the Project Partnerships and lengthy (usually 50 year) amortization periods.

As of March 31, 2012, Gateway holds a limited partner interest in 93 Project Partnerships which own and operate government assisted multi-family housing complexes. Gateway at one time held investments in 133 Project Partnerships. As of December 31, 2010, all of the Project Partnerships had reached the end of their Tax Credit compliance period. As of March 31, 2012, 40 of the Project Partnerships have been sold (21 in Series 7, 7 in Series 8, 5 in Series 9, 3 in Series 10 and 4 in Series 11) and, in accordance with the Gateway partnership agreement, the entire net proceeds received from these sales either have been or will be distributed to the Limited Partners of the respective Series. A summary of the sale transactions for the Project Partnerships disposed during the past three fiscal years are summarized below:

Fiscal Year 2012 Disposition Activity:

Series 7

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
April 2011	Blue Ridge Elderly Housing	$ 32,675	$ 3.14	$ 32,675
April 2011	Lakeland II	23,875	2.30	23,875
April 2011	Meadow Run Apartments	38,275	3.68	38,275
April 2011	Mount Vernon Rental Housing	19,074	1.83	19,074
August 2011	Cavalry Crossing Apartments	4,977	0.48	4,977
December 2011	Nottingham Apartments	7,468	0.72	7,468
December 2011	Vardaman Manor	9,417	0.91	9,417
	Other, net (see below)	-	-	2,000
				$ 137,761

The net proceeds per LP unit from the sale of Blue Ridge Elderly Housing, Lake Lakeland II, Meadow Run Apartments, Mount Vernon Rental Housing, Cavalry Crossing Apartments, Nottingham Apartments and Vardaman Manor are a component of the Distribution Payable on the Balance Sheet as of March 31, 2012. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 7 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Gateway recognized an additional gain on sale of Project Partnerships in the amount of $2,000 resulting from the true-up of certain legal and other sale transaction closing expenses arising from Project Partnership sale transactions which closed in the prior fiscal year. This amount, less the applicable state tax withholding, will be distributed to the Series 7 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 8

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
April 2011	Cottondale Rental Housing	$ 19,875	$ 1.99	$ 19,875
December 2011	Arbor Gate Apartments	10,018	1.00	10,018
December 2011	Lincoln Apartments	15,955	1.60	15,955
December 2011	Elderly Housing of Pontotoc	14,217	1.42	14,217
				$ 60,065

The net proceeds per LP unit from the sale of Cottondale Rental Housing, Arbor Gate Apartments, Lincoln Apartments and Elderly Housing of Pontotoc are a component of the Distribution Payable on the Balance Sheet as of March 31, 2012. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 8 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 9

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
April 2011	Arbor Trace Apartments Phase I	$ 19,075	$ 3.05	$ 19,075
April 2011	Arbor Trace Apartments Phase II	33,474	5.35	33,474
August 2011	Sycamore Landing	4,169	0.67	4,169
				$ 56,718

The net proceeds per LP unit from the sale of Arbor Trace Apartment Phase, Arbor Trace Apartments Phase II and Sycamore Landing are a component of the Distribution Payable on the Balance Sheet as of March 31, 2012. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 9 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 10

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal	Deferred Gain on Disposal
September 2011	Peachtree Apartments	$ 26,145	$ 5.18	$ 26,145	$ -
March 2012	Courtyard Apartments Phase II	15,743	3.13	-	15,743
				$ 26,145	$ 15,743

The net proceeds per LP unit from the sale of Peachtree Apartments is a component of the Distribution Payable on the Balance Sheet as of March 31, 2012. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 10 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

In accordance with GAAP, although the sale of Courtyard Apartments Phase II was consummated on or prior to March 31, 2012, the gain on the sale is being deferred on the Balance Sheet and not recognized on the Statement of Operations until the period that the sale proceeds are received. Gateway recorded a receivable for the proceeds from this sale totaling $15,743 which is included in Receivable - Other on the Balance Sheet. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 10 Assignees in a subsequent period at such time that state withholding tax liabilities have been settled. The deferred gain of $15,743 will be recognized on the Statement of Operations during the period in which the proceeds are received.

Series 11

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
August 2011	Parsons Village	$ 2,681	$ 0.52	$ 2,681
September 2011	Mountain Oak Apartments	5,324	1.04	5,324
September 2011	Warsaw Manor Apartments	89,765	17.51	89,765
	Other, net (see below)	-	-	2,000
				$ 99,770

The net proceeds per LP unit from the sale of Parson Village, Mountain Oak Apartments and Warsaw Manor Apartments are a component of the Distribution Payable on the Balance Sheet as of March 31, 2012. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 11 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Gateway recognized an additional gain on sale of Project Partnerships in the amount of $2,000 resulting from the true-up of certain legal and other sale transaction closing expenses arising from Project Partnership sale transactions which closed in the prior fiscal year. This amount, less the applicable state tax withholding, will be distributed to the Series 11 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Fiscal Year 2011 Disposition Activity:

Series 7

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
August 2010	Pioneer Apartments, L.P.	$ 157,949	$ 15.19	$ 157,949
December 2010	Lake Village Apartments	65,124	6.27	65,124
December 2010	Savannah Park of Atoka	65,125	6.27	65,125
December 2010	Savannah Park of Coalgate	65,125	6.27	65,125
December 2010	Cardinal Apartments	272,071	26.17	187,362
				$ 540,685

The net proceeds per LP unit from the sale of Pioneer Apartments, Lake Village Apartments, Savannah Park of Atoka, Savannah Park of Coalgate and Cardinal Apartments are a component of the Distribution Payable on the Balance Sheet as of March 31, 2011. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 7 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 8

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
	Other, net (see below)	$ -	$ -	$ 4,000
				$ 4,000

Gateway recognized an additional gain on sale of Project Partnerships in the amount of $4,000 resulting from the true-up of certain legal and other sale transaction closing expenses arising from Project Partnership sale transactions which closed in the prior fiscal year. This amount, less the applicable state tax withholding, will be distributed to the Series 8 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 9

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
September 2010	Stilwell Properties III	$ 43,030	$ 6.88	$ 43,030
	Other, net (see below)	-	-	2,000
				$ 45,030

The net proceeds per LP unit from the sale of Stilwell Properties III is a component of the Distribution Payable on the Balance Sheet as of March 31, 2011. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 9 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Gateway recognized an additional gain on sale of Project Partnerships in the amount of $2,000 resulting from the true-up of certain legal and other sale transaction closing expenses arising from a Project Partnership sale transaction which closed in the prior fiscal year. This amount, less the applicable state tax withholding, will be distributed to the Series 9 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 10

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
	Other, net (see below)	$ -	$ -	$ 2,000
				$ 2,000

Gateway recognized an additional gain on sale of Project Partnerships in the amount of $2,000 resulting from the true-up of certain legal and other sale transaction closing expenses arising from a Project Partnership sale transaction which closed in the prior fiscal year. This amount, less the applicable state tax withholding, will be distributed to the Series 10 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 11

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
December 2010	Cardinal Apartments	$ 175,667	$ 34.26	$ 125,774
				$ 125,774

The net proceeds per LP unit from the sale of Cardinal Apartments is a component of the Distribution Payable on the Balance Sheet as of March 31, 2011. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 11 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Fiscal Year 2010 Disposition Activity:

Series 7

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
August 2009	Mountain City Manor	$ 36,860	$ 3.54	$ 38,190
August 2009	Tazewell Village	41,290	3.97	42,620
August 2009	Jamestown Village	36,450	3.51	37,864
August 2009	Clinch View Manor	134,400	12.93	135,814
May 2009	Spring Creek Apartments II LP	46,520	4.48	46,030
				$ 300,518

The net proceeds per LP unit from the sale of Mountain City Manor, Tazewell Village, Jamestown Village, Clinch View Manor, and Spring Creek Apartments II LP were distributed to the Series 7 Limited Partners in September 2009.

Series 8

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
January 2010	South Brenchley	$ 13,000	$ 1.30	$ 13,000
January 2010	Cimmaron Station	10,000	1.00	10,000
				$ 23,000

The net proceeds per LP unit from the sale of South Brenchely and Cimmaron Station are a component of the Distribution Payable on the Balance Sheet as of March 31, 2010. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 8 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 9

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
January 2010	Mountain Glen	$ 10,000	$ 1.59	$ 10,000
				$ 10,000

The net proceeds per LP unit from the sale of Mountain Glen are a component of the Distribution Payable on the Balance Sheet as of March 31, 2010. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 9 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 10

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
January 2010	Redstone	$ 10,000	$ 1.98	$ 10,000
				$ 10,000

The net proceeds per LP unit from the sale of Redstone are a component of the Distribution Payable on the Balance Sheet as of March 31, 2010. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 10 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Status Update on Unsold Project Partnerships:

The following summarizes the most recent status of the sale/disposal process for the Project Partnership investments held as of March 31, 2012:

Project Partnerships sold subsequent to March 31, 2012:

Series 8

Lovingston Ridge Limited Partnership

Subsequent to the March 31, 2012 year-end, Gateway sold its partnership interest in Lovingston Ridge Limited Partnership. Gateway received approximately $69,688 in net proceeds (approximately $6.99 per beneficial assignee certificate) which also approximates the gain on sale of the Project Partnership. The gain will be recognized in the first quarter of fiscal year 2013 and available proceeds from this sale transaction, less the applicable state tax withholding, will be distributed to the Series 8 Assignees in a subsequent period at such time that state withholding tax liabilities have been settled.

Gateway has approved the sale to the general partner of the Project Partnership or a third party:

Series 8

Antlers Properties
Antlers Properties II
AAA Properties of Bentonville
Concordia Senior Housing, L.P
Deerpoint, Ltd.
Fox Ridge II, Ltd.
Holdenville Properties
Kirksville Senior Apartments, Limited Partnership
Meadowview Properties Limited Partnership
Mountainburg Properties
Wetumka Properties

These approvals are subject to a number of contingencies, the outcome of which cannot be predicted with certainty. However, utilizing the sales amounts as approved by Gateway, should all the transactions close without modification, the estimated net proceeds to Gateway from the sales of these Project Partnerships are estimated to be $680,478, or $68.19 per limited partnership unit. Sales proceeds would be available for distribution, less the applicable state tax withholding, to the Series 8 Limited Partners in a period subsequent to the closing of these sales transactions which would most likely occur within the next year.

Series 9

Abernathy Properties
Boxwood Place Properties
Jay Properties II
Lamar Properties, L.P.

These approvals are subject to a number of contingencies, the outcome of which cannot be predicted with certainty. However, utilizing the sales amounts as approved by Gateway, should all the transactions close without modification, the estimated net proceeds to Gateway from the sales of these Project Partnerships are estimated to be $265,536, or $42.46 per limited partnership unit. Sales proceeds would be available for distribution, less the applicable state tax withholding, to the Series 9 Limited Partners in a period subsequent to the closing of these sales transactions which would most likely occur within the next year.

Series 10

Stigler Properties

This approval is subject to a number of contingencies, the outcome of which cannot be predicted with certainty. However, utilizing the sale amount as approved by Gateway, should the transaction close without modification, the estimated net proceeds to Gateway from the sale of this Project Partnership is estimated to be $55,320, or $10.97 per limited partnership unit. Sales proceeds would be available for distribution, less the applicable state tax withholding, to the Series 10 Limited Partners in a period subsequent to the closing of this sales transaction which would most likely occur within the next year.

Disclosure of Contractual Obligations

		Payment due by period			
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-Term Debt Obligations					
Capital Lease Obligations					
Operating Lease Obligations					
Purchase Obligations					
Other Liabilities Reflected on the Registrant's Balance Sheet under GAAP	$3,429,410 (1)	3,429,410	-	-	-

(1) The Other Liabilities represent the asset management fees and other general and administrative expense reimbursements owed to the General Partners as of March 31, 2012. This payable is unsecured, due on demand and, in accordance with the limited partnership agreement, non-interest bearing. As referred to in Note 3, the Managing General Partner does not intend to demand payment of the portion of this balance reflected as due later than one year within the next twelve months.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

As a smaller reporting company, no information is required.

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 Gateway Tax Credit Fund III Ltd. (a Florida Limited Partnership) - Series 7 through 11, in total and for each series, as of March 31, 2012 and 2011, and the related statements of operations, partners' equity (deficit), and cash flows for the total partnership and for each of the series for each of the years in the three-year period ended March 31, 2012. Gateway's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

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. Gateway is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits 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 Gateway's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gateway Tax Credit Fund III Ltd. - Series 7 through 11, in total and for each series, as of March 31, 2012 and 2011, and the results of its operations and its cash flows for the total partnership and for each of the series for each of the years in the three-year period ended March 31, 2012, 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 15(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 state 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/ Reznick Group, P.C.
REZNICK GROUP, P.C.

Atlanta, Georgia
June 25, 2012

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

BALANCE SHEETS

	SERIES 7		SERIES 8		SERIES 9	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 831,096	$ 770,297	$ 134,550	$ 231,397	$ 140,755	$ 142,196
Total Current Assets	831,096	770,297	134,550	231,397	140,755	142,196
Total Assets	$ 831,096	$ 770,297	$ 134,550	$ 231,397	$ 140,755	$ 142,196
LIABILITIES AND PARTNERS' DEFICIT						
Current Liabilities:						
Payable to General Partners	$ 1,056,272	$ 6,174	$ 1,267,906	$ 183,126	$ 737,636	$ 55,327
Distribution Payable	683,512	545,751	87,450	27,385	111,748	55,030
Total Current Liabilities	1,739,784	551,925	1,355,356	210,511	849,384	110,357
Long-Term Liabilities:						
Payable to General Partners	-	1,065,589	-	1,150,230	-	690,195
Partners' Equity (Deficit):						
Limited Partners - 10,395, 9,980, and 6,254 units for Series 7, 8, and 9, respectively, at March 31, 2012 and 2011	(916,635)	(854,401)	(1,221,362)	(1,125,775)	(709,127)	(651,966)
General Partners	7,947	7,184	556	(3,569)	498	(6,390)
Total Partners' Deficit	(908,688)	(847,217)	(1,220,806)	(1,129,344)	(708,629)	(658,356)
Total Liabilities and Partners' Deficit	$ 831,096	$ 770,297	$ 134,550	$ 231,397	$ 140,755	$ 142,196

See accompanying notes to financial statements.

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

BALANCE SHEETS

	SERIES 10		SERIES 11		TOTAL SERIES 7 - 11	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 141,006	$ 153,660	$ 393,062	$ 356,285	$ 1,640,469	$ 1,653,835
Receivable - Other	15,743	-	-	-	15,743	-
Total Current Assets	156,749	153,660	393,062	356,285	1,656,212	1,653,835
Investments in Project Partnerships, net	-	64,697	185,696	245,863	185,696	310,560
Total Assets	$ 156,749	$ 218,357	$ 578,758	$ 602,148	$ 1,841,908	$ 1,964,395
LIABILITIES AND PARTNERS' DEFICIT						
Current Liabilities:						
Payable to General Partners	$ 257,093	$ 27,005	$ 110,503	$ 4,167	$ 3,429,410	$ 275,799
Distribution Payable	38,145	12,000	225,544	125,774	1,146,399	765,940
Deferred Gain on Sale of Project Partnerships	15,743	-	-	-	15,743	-
Total Current Liabilities	310,981	39,005	336,047	129,941	4,591,552	1,041,739
Long-Term Liabilities:						
Payable to General Partners	-	235,562	-	140,876	-	3,282,452
Partners' Equity (Deficit):						
Limited Partners - 5,043 and 5,127 units for Series 10 and 11, respectively, at March 31, 2012 and 2011	(146,655)	(23,468)	241,714	330,500	(2,752,065)	(2,325,110)
General Partners	(7,577)	(32,742)	997	831	2,421	(34,686)
Total Partners' Equity (Deficit)	(154,232)	(56,210)	242,711	331,331	(2,749,644)	(2,359,796)
Total Liabilities and Partners' Equity (Deficit)	$ 156,749	$ 218,357	$ 578,758	$ 602,148	$ 1,841,908	$ 1,964,395

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, 2012, 2011 AND 2010

	SERIES 7			SERIES 8		
	2012	2011	2010	2012	2011	2010
Revenues:						
Distribution Income	$ 16,017	$ 23,473	$ 31,189	$ 23,726	$ 24,662	$ 23,800
Total Revenues	16,017	23,473	31,189	23,726	24,662	23,800
Expenses:						
Asset Management Fee - General Partner	36,057	57,429	67,188	72,492	80,466	85,780
General and Administrative:						
General Partner	-	-	82,933	-	-	-
Other	41,562	33,183	38,336	42,722	38,442	40,376
Amortization	-	146	291	-	-	1,156
Impairment Loss on Investment in Project Partnerships	-	-	-	-	-	8,681
Total Expenses	77,619	90,758	188,748	115,214	118,908	135,993
Loss Before Equity in Loss of Project Partnerships and Other Income	(61,602)	(67,285)	(157,559)	(91,488)	(94,246)	(112,193)
Equity in Loss of Project Partnerships	-	-	-	-	-	(2,631)
Gain on Sale of Project Partnerships	137,761	540,685	300,518	60,065	4,000	23,000
Interest Income	131	39	26	26	28	22
Net Income (Loss)	$ 76,290	$ 473,439	$ 142,985	$ (31,397)	$ (90,218)	$ (91,802)
Allocation of Net Income (Loss):						
Limited Partners	$ 75,527	$ 468,704	$ 86,459	$ (35,522)	$ (93,276)	$ (113,654)
General Partners	763	4,735	56,526	4,125	3,058	21,852
	$ 76,290	$ 473,439	$ 142,985	$ (31,397)	$ (90,218)	$ (91,802)
Net Income (Loss) Per Limited Partnership Unit	$ 7.27	$ 45.09	$ 8.32	$ (3.56)	$ (9.35)	$ (11.39)
Number of Limited Partnership Units Outstanding	10,395	10,395	10,395	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, 2012, 2011 AND 2010

	SERIES 9			SERIES 10		
	2012	2011	2010	2012	2011	2010
Revenues:						
Distribution Income	$ 15,517	$ 16,002	$ 15,862	$ 11,814	$ 12,943	$ 8,658
Total Revenues	15,517	16,002	15,862	11,814	12,943	8,658
Expenses:						
Asset Management Fee - General Partner	36,829	45,797	48,589	28,851	31,251	33,424
General and Administrative:						
General Partner	-	-	62,259	-	-	38,620
Other	28,987	24,886	27,603	21,759	18,870	19,824
Amortization	-	-	2,993	-	-	667
Total Expenses	65,816	70,683	141,444	50,610	50,121	92,535
Loss Before Equity in Loss of Project Partnerships and Other Income	(50,299)	(54,681)	(125,582)	(38,796)	(37,178)	(83,877)
Equity in Loss of Project Partnerships	-	-	(4,909)	(59,249)	(25,669)	(28,325)
Gain on Sale of Project Partnerships	56,718	45,030	10,000	26,145	2,000	10,000
Interest Income	26	14	10	23	18	1,908
Net Income (Loss)	$ 6,445	$ (9,637)	$ (120,481)	$ (71,877)	$ (60,829)	$ (100,294)
Allocation of Net Income (Loss):						
Limited Partners	$ (443)	$ (54,120)	$ (129,176)	$ (97,042)	$ (62,200)	$ (109,191)
General Partners	6,888	44,483	8,695	25,165	1,371	8,897
	$ 6,445	$ (9,637)	$ (120,481)	$ (71,877)	$ (60,829)	$ (100,294)
Net Loss Per Limited Partnership Unit	$ (0.07)	$ (8.65)	$ (20.65)	$ (19.24)	$ (12.33)	$ (21.65)
Number of Limited Partnership Units Outstanding	6,254	6,254	6,254	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, 2012, 2011 AND 2010

	SERIES 11			TOTAL SERIES 7 - 11		
	2012	2011	2010	2012	2011	2010
Revenues:						
Distribution Income	$ 7,589	$ 3,607	$ 4,207	$ 74,663	$ 80,687	$ 83,716
Total Revenues	7,589	3,607	4,207	74,663	80,687	83,716
Expenses:						
Asset Management Fee - General Partner	16,916	27,711	28,124	191,145	242,654	263,105
General and Administrative:						
General Partner	-	20,774	34,766	-	20,774	218,578
Other	21,989	18,904	19,855	157,019	134,285	145,994
Amortization	-	-	12,518	-	146	17,625
Impairment Loss on Investment in Project Partnerships	-	-	19,418	-	-	28,099
Total Expenses	38,905	67,389	114,681	348,164	397,859	673,401
Loss Before Equity in Loss of Project Partnerships and Other Income	(31,316)	(63,782)	(110,474)	(273,501)	(317,172)	(589,685)
Equity in Loss of Project Partnerships	(57,365)	(107,077)	(80,592)	(116,614)	(132,746)	(116,457)
Gain on Sale of Project Partnerships	99,770	125,774	-	380,459	717,489	343,518
Interest Income	61	25	2,786	267	124	4,752
Net Income (Loss)	$ 11,150	$ (45,060)	$ (188,280)	$ (9,389)	$ 267,695	$ (357,872)
Allocation of Net Income (Loss):						
Limited Partners	$ 10,984	$ (86,860)	$ (186,397)	$ (46,496)	$ 172,248	$ (451,959)
General Partners	166	41,800	(1,883)	37,107	95,447	94,087
	$ 11,150	$ (45,060)	$ (188,280)	$ (9,389)	$ 267,695	$ (357,872)
Net Income (Loss) Per Limited Partnership Unit	$ 2.14	$ (16.94)	$ (36.36)			
Number of Limited Partnership Units 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 PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2012, 2011 AND 2010

	SERIES 7			SERIES 8		
	Limited Partners	General Partners	Total	Limited Partners	General Partners	Total
Balance at March 31, 2009	$ (568,361)	$ (54,077)	$ (622,438)	$ (891,845)	$ (28,479)	$ (920,324)
Net Income (Loss)	86,459	56,526	142,985	(113,654)	21,852	(91,802)
Distributions	(300,518)	-	(300,518)	(23,000)	-	(23,000)
Balance at March 31, 2010	(782,420)	2,449	(779,971)	(1,028,499)	(6,627)	(1,035,126)
Net Income (Loss)	468,704	4,735	473,439	(93,276)	3,058	(90,218)
Distributions	(540,685)	-	(540,685)	(4,000)	-	(4,000)
Balance at March 31, 2011	(854,401)	7,184	(847,217)	(1,125,775)	(3,569)	(1,129,344)
Net Income (Loss)	75,527	763	76,290	(35,522)	4,125	(31,397)
Distributions	(137,761)	-	(137,761)	(60,065)	-	(60,065)
Balance at March 31, 2012	$ (916,635)	$ 7,947	$ (908,688)	$ (1,221,362)	$ 556	$ (1,220,806)

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, 2012, 2011 AND 2010

	SERIES 9			SERIES 10		
	Limited Partners	General Partners	Total	Limited Partners	General Partners	Total
Balance at March 31, 2009	$ (413,640)	$ (59,568)	$ (473,208)	$ 159,923	$ (43,010)	$ 116,913
Net (Loss) Income	(129,176)	8,695	(120,481)	(109,191)	8,897	(100,294)
Distributions	(10,000)	-	(10,000)	(10,000)	-	(10,000)
Balance at March 31, 2010	(552,816)	(50,873)	(603,689)	40,732	(34,113)	6,619
Net (Loss) Income	(54,120)	44,483	(9,637)	(62,200)	1,371	(60,829)
Distributions	(45,030)	-	(45,030)	(2,000)	-	(2,000)
Balance at March 31, 2011	(651,966)	(6,390)	(658,356)	(23,468)	(32,742)	(56,210)
Net (Loss) Income	(443)	6,888	6,445	(97,042)	25,165	(71,877)
Distributions	(56,718)	-	(56,718)	(26,145)	-	(26,145)
Balance at March 31, 2012	$ (709,127)	$ 498	$ (708,629)	$ (146,655)	$ (7,577)	$ (154,232)

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, 2012, 2011 AND 2010

	SERIES 11			TOTAL SERIES 7 - 11		
	Limited Partners	General Partners	Total	Limited Partners	General Partners	Total
Balance at March 31, 2009	$ 729,531	$ (39,086)	$ 690,445	$ (984,392)	$ (224,220)	$ (1,208,612)
Net (Loss) Income	(186,397)	(1,883)	(188,280)	(451,959)	94,087	(357,872)
Distributions	-	-	-	(343,518)	-	(343,518)
Balance at March 31, 2010	543,134	(40,969)	502,165	(1,779,869)	(130,133)	(1,910,002)
Net (Loss) Income	(86,860)	41,800	(45,060)	172,248	95,447	267,695
Distributions	(125,774)	-	(125,774)	(717,489)	-	(717,489)
Balance at March 31, 2011	330,500	831	331,331	(2,325,110)	(34,686)	(2,359,796)
Net Income (Loss)	10,984	166	11,150	(46,496)	37,107	(9,389)
Distributions	(99,770)	-	(99,770)	(380,459)	-	(380,459)
Balance at March 31, 2012	$ 241,714	$ 997	$ 242,711	$ (2,752,065)	$ 2,421	$ (2,749,644)

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, 2012, 2011 AND 2010

	SERIES 7		
	2012	2011	2010
Cash Flows from Operating Activities:			
Net Income	$ 76,290	$ 473,439	$ 142,985
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:			
Amortization	-	146	291
Gain on Sale of Project Partnerships	(137,761)	(540,685)	(300,518)
Distribution Income	(16,017)	(23,473)	(31,189)
Changes in Operating Assets and Liabilities:			
(Decrease) Increase in Payable to General Partners	(15,491)	3,139	111,089
Net Cash Used in Operating Activities	(92,979)	(87,434)	(77,342)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	16,017	22,635	35,189
Net Proceeds from Sale of Project Partnerships	137,761	625,394	300,518
Net Cash Provided by Investing Activities	153,778	648,029	335,707
Cash Flows from Financing Activities:			
Distributions	-	-	(295,530)
Net Cash Used in Financing Activities	-	-	(295,530)
Increase (Decrease) in Cash and Cash Equivalents	60,799	560,595	(37,165)
Cash and Cash Equivalents at Beginning of Year	770,297	209,702	246,867
Cash and Cash Equivalents at End of Year	$ 831,096	$ 770,297	$ 209,702
Supplemental disclosure of non-cash activities:			
Increase in Distribution Payable	$ 137,761	$ 540,685	$ -
Distribution to Limited Partners	(137,761)	(540,685)	-
	$ -	$ -	$ -

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, 2012, 2011 AND 2010

	SERIES 8		
	2012	2011	2010
Cash Flows from Operating Activities:			
Net Loss	$ (31,397)	$ (90,218)	$ (91,802)
Adjustments to Reconcile Net Loss to Net Cash (Used in) Provided by Operating Activities:			
Amortization	-	-	1,156
Impairment Loss on Investment in Project Partnerships	-	-	8,681
Equity in Loss of Project Partnerships	-	-	2,631
Gain on Sale of Project Partnerships	(60,065)	(4,000)	(23,000)
Distribution Income	(23,726)	(24,662)	(23,800)
Changes in Operating Assets and Liabilities:			
(Decrease) Increase in Payable to General Partners	(65,450)	82,627	129,865
Net Cash (Used in) Provided by Operating Activities	(180,638)	(36,253)	3,731
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	23,726	24,662	26,339
Net Proceeds from Sale of Project Partnerships	60,065	4,000	23,000
Net Cash Provided by Investing Activities	83,791	28,662	49,339
(Decrease) Increase in Cash and Cash Equivalents	(96,847)	(7,591)	53,070
Cash and Cash Equivalents at Beginning of Year	231,397	238,988	185,918
Cash and Cash Equivalents at End of Year	$ 134,550	$ 231,397	$ 238,988
Supplemental disclosure of non-cash activities:			
Increase in Distribution Payable	$ 60,065	$ 4,000	$ 23,000
Distribution to Limited Partners	(60,065)	(4,000)	(23,000)
	$ -	$ -	$ -

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, 2012, 2011 AND 2010

	SERIES 9		
	2012	2011	2010
Cash Flows from Operating Activities:			
Net Income (Loss)	$ 6,445	$ (9,637)	$ (120,481)
Adjustments to Reconcile Net Income (Loss) to Net Cash Used in Operating Activities:			
Amortization	-	-	2,993
Equity in Loss of Project Partnerships	-	-	4,909
Gain on Sale of Project Partnerships	(56,718)	(45,030)	(10,000)
Distribution Income	(15,517)	(16,002)	(15,862)
Changes in Operating Assets and Liabilities:			
(Decrease) Increase in Payable to General Partners	(7,886)	54,921	83,386
Net Cash Used in Operating Activities	(73,676)	(15,748)	(55,055)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	15,517	16,002	17,641
Net Proceeds from Sale of Project Partnerships	56,718	45,030	10,000
Net Cash Provided by Investing Activities	72,235	61,032	27,641
(Decrease) Increase in Cash and Cash Equivalents	(1,441)	45,284	(27,414)
Cash and Cash Equivalents at Beginning of Year	142,196	96,912	124,326
Cash and Cash Equivalents at End of Year	$ 140,755	$ 142,196	$ 96,912
Supplemental disclosure of non-cash activities:			
Increase in Distribution Payable	$ 56,718	$ 45,030	$ 10,000
Distribution to Limited Partners	(56,718)	(45,030)	(10,000)
	$ -	$ -	$ -

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, 2012, 2011 AND 2010

	SERIES 10		
	2012	2011	2010
Cash Flows from Operating Activities:			
Net Loss	$ (71,877)	$ (60,829)	$ (100,294)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	-	-	667
Accreted Interest Income on Investment in Securities	-	-	(1,896)
Equity in Loss of Project Partnerships	59,249	25,669	28,325
Gain on Sale of Project Partnerships	(26,145)	(2,000)	(10,000)
Distribution Income	(11,814)	(12,943)	(8,658)
Changes in Operating Assets and Liabilities:			
(Decrease) Increase in Payable to General Partners	(5,474)	28,281	55,625
Net Cash Used in Operating Activities	(56,061)	(21,822)	(36,231)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	17,262	19,844	18,807
Net Proceeds from Sale of Project Partnerships	26,145	2,000	10,000
Redemption of Investment Securities	-	-	40,000
Net Cash Provided by Investing Activities	43,407	21,844	68,807
(Decrease) Increase in Cash and Cash Equivalents	(12,654)	22	32,576
Cash and Cash Equivalents at Beginning of Year	153,660	153,638	121,062
Cash and Cash Equivalents at End of Year	$ 141,006	$ 153,660	$ 153,638
Supplemental disclosure of non-cash activities:			
Increase in Distribution Payable	$ 26,145	$ 2,000	$ 10,000
Distribution to Limited Partners	(26,145)	(2,000)	(10,000)
Increase in Receivable - Other	(15,743)	-	-
Increase in Deferred Gain on Sale of Project Partnerships	15,743	-	-
	$ -	$ -	$ -

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, 2012, 2011 AND 2010

	SERIES 11		
	2012	2011	2010
Cash Flows from Operating Activities:			
Net Income (Loss)	$ 11,150	$ (45,060)	$ (188,280)
Adjustments to Reconcile Net Income (Loss) to Net Cash Used in Operating Activities:			
Amortization	-	-	12,518
Impairment Loss on Investment in Project Partnerships	-	-	19,418
Accreted Interest Income on Investment in Securities	-	-	(2,767)
Equity in Loss of Project Partnerships	57,365	107,077	80,592
Gain on Sale of Project Partnerships	(99,770)	(125,774)	-
Distribution Income	(7,589)	(3,607)	(4,207)
Changes in Operating Assets and Liabilities:			
(Decrease) Increase in Payable to General Partners	(34,540)	25,368	27,586
Net Cash Used in Operating Activities	(73,384)	(41,996)	(55,140)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	10,391	12,646	16,292
Net Proceeds from Sale of Project Partnerships	99,770	175,667	-
Redemption of Investment Securities	-	-	44,000
Net Cash Provided by Investing Activities	110,161	188,313	60,292
Increase in Cash and Cash Equivalents	36,777	146,317	5,152
Cash and Cash Equivalents at Beginning of Year	356,285	209,968	204,816
Cash and Cash Equivalents at End of Year	$ 393,062	$ 356,285	$ 209,968
Supplemental disclosure of non-cash activities:			
Increase in Distribution Payable	$ 99,770	$ 125,774	$ -
Distribution to Limited Partners	(99,770)	(125,774)	-
	$ -	$ -	$ -

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, 2012, 2011 AND 2010

	TOTAL SERIES 7 - 11		
	2012	2011	2010
Cash Flows from Operating Activities:			
Net (Loss) Income	$ (9,389)	$ 267,695	$ (357,872)
Adjustments to Reconcile Net (Loss) Income to Net Cash Used in Operating Activities:			
Amortization	-	146	17,625
Impairment Loss on Investment in Project Partnerships	-	-	28,099
Accreted Interest Income on Investment in Securities	-	-	(4,663)
Equity in Loss of Project Partnerships	116,614	132,746	116,457
Gain on Sale of Project Partnerships	(380,459)	(717,489)	(343,518)
Distribution Income	(74,663)	(80,687)	(83,716)
Changes in Operating Assets and Liabilities:			
(Decrease) Increase in Payable to General Partners	(128,841)	194,336	407,551
Net Cash Used in Operating Activities	(476,738)	(203,253)	(220,037)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	82,913	95,789	114,268
Net Proceeds from Sale of Project Partnerships	380,459	852,091	343,518
Redemption of Investment Securities	-	-	84,000
Net Cash Provided by Investing Activities	463,372	947,880	541,786
Cash Flows from Financing Activities:			
Distributions	-	-	(295,530)
Net Cash Used in Financing Activities	-	-	(295,530)
(Decrease) Increase in Cash and Cash Equivalents	(13,366)	744,627	26,219
Cash and Cash Equivalents at Beginning of Year	1,653,835	909,208	882,989
Cash and Cash Equivalents at End of Year	$ 1,640,469	$ 1,653,835	$ 909,208
Supplemental disclosure of non-cash activities:			
Increase in Distribution Payable	$ 380,459	$ 717,489	$ 43,000
Distribution to Limited Partners	(380,459)	(717,489)	(43,000)
Increase in Receivable - Other	15,743	-	-
Increase in Deferred Gain on Sale of Project Partnerships	(15,743)	-	-
	$ -	$ -	$ -

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012, 2011 AND 2010

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 ("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 (the "Agreement"). As of March 31, 2012, 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 and collectively the General Partners.

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 are 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 properties by each Series are allocated as specified in the Agreement.

When Project Partnerships reach the end of their Tax Credit compliance period, Gateway initiates a process of disposing of its investments in the Project Partnerships. The objective is to sell Gateway's interest in such properties for fair market value and ultimately, liquidate the Project Partnerships and in turn, when Gateway's last Project Partnership investment is sold, liquidate Gateway.

The IRS compliance period for low-income housing Tax Credit properties is generally 15 years from occupancy following construction or rehabilitation completion.

All of the original 133 Project Partnership investments have reached the end of their Tax Credit compliance period as of December 31, 2010. As of March 31, 2012, 40 of the Project Partnership investments have been sold and, in accordance with the Gateway partnership agreement, the entire net proceeds received from these sales either have been or will be distributed to the Limited Partners of those Series. On a cumulative basis as of March 31, 2012, $338,877 of net sales proceeds representing $32.60 per Limited Partner unit in Series 7 and $67,964 of net sales proceeds representing $6.81 per Limited Partner unit in Series 8 have been distributed to the Limited Partners of the respective Series.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

Gateway utilizes the 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 loss 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,
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 loss of the Project Partnerships,
2) Decreased for cash distributions received from the Project Partnerships,
3) Decreased for the amortization of the acquisition fees and expenses,
4) Increased for loans or advances made to the Project Partnerships by Gateway,
5) Decreased, where appropriate, for impairment.

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 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. In accordance with generally accepted accounting principles ("GAAP"), once the net investment in a Project Partnership is reduced to zero, receivables due from the Project Partnership are decreased by Gateway's share of Project Partnership losses. The suspended losses will be used to offset future income from the individual Project Partnerships. Any cash distributions received from Project Partnerships which have a zero investment balance are accounted for as distribution income in the period the cash distribution is received by Gateway.

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 remaining low-income housing tax credits and other tax benefits is less than the carrying amount of the investment, Gateway recognizes an impairment loss. No impairment expense was recognized for the years ended March 31, 2012 and March 31, 2011. Impairment expense for the year ended March 31, 2010 totaled $28,099, comprised of $8,681 in Series 8 and $19,418 in Series 11. Refer to Note 4 - Investments in Project Partnerships for further details regarding the components of the Investments in Project Partnerships balance. Gateway is continuing to execute its process of disposition of its interest in Project Partnerships that have reached the end of their Tax Credit compliance period, refer to Note 5 - Summary of Disposition Activities for the most recent update of those on-going activities.

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 for 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. However, Gateway does not guarantee any of the mortgages or other debt of the Project Partnerships. No such funding to Project Partnerships occurred during fiscal years 2012, 2011, or 2010.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

Cash and Cash Equivalents

Gateway's policy is 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.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP 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.

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. Gateway files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. Gateway is no longer subject to U.S. federal examination by tax authorities for years prior to calendar year 2009. The income tax returns subject to state examination by tax authorities are generally consistent with the federal period.

Distribution Payable

Distribution payable consists of amounts received as net sales proceeds. These amounts, net of the applicable state tax withholding, are due and payable to the Assignees and will be distributed at such time that state tax withholding liabilities have been settled.

State Tax Withholding

Certain state tax jurisdictions impose a capital gains tax on the taxable gains associated with the sale of investments in partnerships. As General Partner of Gateway, it is Gateway’s obligation to calculate and withhold the applicable state taxes that are payable by the Partners of Gateway when Project Partnerships are sold or otherwise disposed by Gateway. In most cases, the state taxes are due regardless if proceeds are received from the sale of Project Partnerships. Therefore, Gateway has estimated the withholding taxes payable and the amount is included in Distribution Payable on the Balance Sheet.

Variable Interest Entities

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 power to direct the activities of the entity that most significantly affect its economic performance, (ii) the obligation to absorb the expected losses or the right to receive the expected benefits 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. GAAP requires a VIE to be consolidated in the financial statements of the entity that is determined to be the primary beneficiary of the VIE.

Determination of the primary beneficiary of each VIE requires judgment and is based on an analysis of control of the entity and economic factors. A VIE would be required to be consolidated if it has (1) the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance and (2) the obligation to absorb losses or receive benefits that could possibly be significant to the VIE. In the design of Project Partnership VIEs, the overriding concept centers around the premise that the limited partner invests solely for tax attributes associated with the property held by the VIE, while the general partner of the Project Partnership is responsible for overseeing its operations. Based upon its analysis of all the relevant facts and considerations, Gateway has concluded that the general partner of the Project Partnership has the power to direct the activities of the Project Partnership that most significantly impact its economic performance, and the obligation to absorb losses or receive benefits that could be significant to the Project Partnership and therefore, Gateway is not the primary beneficiary.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

Gateway holds variable interests in 93 VIEs, which consist of Project Partnerships (Refer to Note 1 - Organization for information about Gateway's involvement in the Project Partnerships). Gateway is not the primary beneficiary of the VIEs. Since its inception, Gateway's maximum exposure to loss as a result of its involvement with unconsolidated VIEs is limited to Gateway's capital contributions to those VIEs, which is approximately $19,774,072 at March 31, 2012. Over the course of the investment and Tax Credit Cycle, this maximum exposure to loss was offset by actual losses experienced by the Project Partnerships recorded by Gateway in its equity accounting. Accordingly, at the current stage of the investment and Tax Credit Cycle, the carrying value of Gateway's interest in the VIEs has been reduced to $185,696. Tabular disclosures within Note 4 - Investments in Project Partnerships detail total capital contributions to VIEs, the carrying amount of assets and liabilities related to Gateway's VIEs and the aggregate assets, liabilities and Gateway's exposure to loss from those VIEs. 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. Gateway does not currently intend to provide future financial support to the Project Partnerships.

Recent Accounting Changes

In June 2009, the FASB issued amendments to the consolidation guidance applicable to variable interest entities which Gateway adopted effective April 1, 2010. The amendments had no impact on its financial statements for the year-ended March 31, 2011.

NOTE 3 - RELATED PARTY TRANSACTIONS:

The Payable to General Partners primarily represents the asset management fees and general and administrative expenses owed to the General Partners at the end of the period. It is unsecured, due on demand and, in accordance with the Agreement, non-interest bearing. This payable will be paid in a future period to the extent of any funds available for such payment.

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 (see further discussion in Note 4).

For the years ended March 31, 2012, 2011 and 2010 the General Partners and affiliates are entitled to compensation and reimbursement for costs and expenses incurred by Gateway as follows:

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

	2012	2011	2010
Series 7	$ 36,057	$ 57,429	$ 67,188
Series 8	72,492	80,466	85,780
Series 9	36,829	45,797	48,589
Series 10	28,851	31,251	33,424
Series 11	16,916	27,711	28,124
Total	$ 191,145	$ 242,654	$ 263,105

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 Statements of Operations. During fiscal year 2011, the General Partner ceased further allocations of general and administrative expenses to Gateway.

	2012	2011	2010
Series 7	$ -	$ -	$ 82,933
Series 8	-	-	-
Series 9	-	-	62,259
Series 10	-	-	38,620
Series 11	-	20,774	34,766
Total	$ -	$ 20,774	$ 218,578

Total unpaid asset management fees and administrative expenses payable to the General Partners, which are included on the Balance Sheet as of March 31, 2012 and 2011 are as follows:

	March 31, 2012	March 31, 2011
Series 7	$ 1,056,272	$ 1,071,763
Series 8	1,267,906	1,333,356
Series 9	737,636	745,522
Series 10	257,093	262,567
Series 11	110,503	145,043
Total	$ 3,429,410	$ 3,558,251

NOTE 4 - INVESTMENTS IN PROJECT PARTNERSHIPS:

As of March 31, 2012, Gateway had acquired a 99% interest in the profits, losses, and Tax Credits as a limited partner in Project Partnerships (Series 7 - 18, Series 8 - 36, and Series 9 - 19) which own and operate government assisted multi-family housing complexes. Cash flows from operations are allocated according to each Project Partnership agreement. Upon dissolution, proceeds will be distributed according to each Project Partnership agreement.

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

	SERIES 7		SERIES 8		SERIES 9	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 3,308,861	$ 4,648,444	$ 6,293,277	$ 6,965,669	$ 3,824,212	$ 4,599,313
Cumulative equity in losses of Project Partnerships (1)	(3,186,081)	(4,533,144)	(6,271,505)	(6,877,633)	(3,489,505)	(4,242,472)
Cumulative distributions received from Project Partnerships	(132,157)	(177,214)	(144,158)	(179,115)	(124,614)	(164,111)
Investment in Project Partnerships before Adjustment	(9,377)	(61,914)	(122,386)	(91,079)	210,093	192,730
Excess of investment cost over the underlying assets acquired:						
Acquisition fees and expenses	347,475	496,983	476,293	513,903	174,172	218,681
Accumulated amortization of acquisition fees and expenses	(161,198)	(229,600)	(139,623)	(161,554)	(76,333)	(103,479)
Reserve for Impairment of Investment in Project Partnerships	(176,900)	(205,469)	(214,284)	(261,270)	(307,932)	(307,932)
Investments in Project Partnerships	$ -	$ -	$ -	$ -	$ -	$ -

(1) In accordance with Gateway's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $3,992,509 in Series 7, $9,039,390 in Series 8, and $3,344,387 in Series 9 for the year ended March 31, 2012; and cumulative suspended losses of $5,196,366 in Series 7, $8,784,792 in Series 8, and $3,506,137 in Series 9 for the year ended March 31, 2011 are not included.

NOTE 4 - INVESTMENTS IN PROJECT PARTNERSHIPS (Continued):

As of March 31, 2011, Gateway had acquired a 99% interest in the profits, losses, and Tax Credits as a limited partner in Project Partnerships (Series 10 - 12 and Series 11 - 8) which own and operate government assisted multi-family housing complexes. Cash flows from operations are allocated according to each Project Partnership agreement. Upon dissolution, proceeds will be distributed according to each Project Partnership agreement.

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

	SERIES 10		SERIES 11		TOTAL SERIES 7 - 11	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 3,453,240	$ 3,716,106	$ 2,894,482	$ 3,832,294	$ 19,774,072	$ 23,761,826
Cumulative equity in losses of Project Partnerships (1)	(2,156,421)	(2,350,831)	(1,140,133)	(2,013,680)	(16,243,645)	(20,017,761)
Cumulative distributions received from Project Partnerships	(231,425)	(241,641)	(176,566)	(203,283)	(808,920)	(965,363)
Investment in Project Partnerships before Adjustment	1,065,394	1,123,634	1,577,783	1,615,331	2,721,507	2,778,702
Excess of investment cost over the underlying assets acquired:						
Acquisition fees and expenses	163,745	174,878	201,455	267,568	1,363,140	1,672,013
Accumulated amortization of acquisition fees and expenses	(143,213)	(147,889)	(170,316)	(200,224)	(690,683)	(842,746)
Reserve for Impairment of Investment in Project Partnerships	(1,085,926)	(1,085,926)	(1,423,226)	(1,436,812)	(3,208,268)	(3,297,409)
Investments in Project Partnerships	$ -	$ 64,697	$ 185,696	$ 245,863	$ 185,696	$ 310,560

(1) In accordance with Gateway's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $889,567 in Series 10 and $942,927 in Series 11 for the year ended March 31, 2012; and cumulative suspended losses of $856,925 in Series 10 and $1,579,776 in Series 11 for the year ended March 31, 2011 are not included.

NOTE 4 - INVESTMENTS IN PROJECT PARTNERSHIPS (Continued):

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized balance sheets for the Project Partnerships of Series 7 as of December 31 and the summarized statements of operations for the year ended December 31 of each year:

	SERIES 7		
	2011	2010	2009
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 2,064,391	$ 2,824,891	$ 3,440,082
Investment properties, net	8,641,194	13,171,200	16,183,940
Other assets	22,751	23,284	38,062
Total assets	$ 10,728,336	$ 16,019,375	$ 19,662,084
Liabilities and Partners' Deficit:			
Current liabilities	$ 554,622	$ 684,298	$ 786,978
Long-term debt	14,475,871	21,032,703	24,463,674
Total liabilities	15,030,493	21,717,001	25,250,652
Partners' deficit			
Limited Partner	(4,090,292)	(5,368,845)	(5,270,577)
General Partners	(211,865)	(328,781)	(317,991)
Total partners' deficit	(4,302,157)	(5,697,626)	(5,588,568)
Total liabilities and partners' deficit	$ 10,728,336	$ 16,019,375	$ 19,662,084
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 3,160,983	$ 4,434,943	$ 5,284,523
Expenses:			
Operating expenses	1,918,877	2,703,870	3,172,014
Interest expense	1,009,538	1,431,954	1,799,295
Depreciation and amortization	579,826	847,923	1,008,239
Total expenses	3,508,241	4,983,747	5,979,548
Net loss	$ (347,258)	$ (548,804)	$ (695,025)
Other partners' share of net income	$ 20,051	$ 24,472	$ 6,076
Gateway's share of net loss	$ (367,309)	$ (573,276)	$ (701,101)
Suspended losses	367,309	573,276	701,101
Equity in Income of Project Partnerships	$ -	$ -	$ -

NOTE 4 - INVESTMENTS IN PROJECT PARTNERSHIPS (Continued):

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized balance sheets for the Project Partnerships of Series 8 as of December 31 and the summarized statements of operations for the year ended December 31 of each year:

	SERIES 8 **(1)**		
	2011	2010	2009
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 3,682,782	$ 4,220,739	$ 4,271,715
Investment properties, net	17,107,118	20,572,269	21,382,534
Other assets	170,439	126,899	341,101
Total assets	$ 20,960,339	$ 24,919,907	$ 25,995,350
Liabilities and Partners' Deficit:			
Current liabilities	$ 1,458,933	$ 1,549,539	$ 1,527,103
Long-term debt	29,413,947	33,041,891	33,354,386
Total liabilities	30,872,880	34,591,430	34,881,489
Partners' deficit			
Limited Partner	(9,107,794)	(8,833,568)	(8,199,433)
General Partners	(804,747)	(837,955)	(686,706)
Total partners' deficit	(9,912,541)	(9,671,523)	(8,886,139)
Total liabilities and partners' deficit	$ 20,960,339	$ 24,919,907	$ 25,995,350
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 6,112,701	$ 6,793,755	$ 6,930,389
Expenses:			
Operating expenses	3,783,320	4,044,264	3,922,755
Interest expense	1,822,071	2,052,741	2,392,106
Depreciation and amortization	1,281,664	1,420,237	1,397,733
Total expenses	6,887,055	7,517,242	7,712,594
Net loss	$ (774,354)	$ (723,487)	$ (782,205)
Other partners' share of net income (loss)	$ 11,494	$ (5,520)	$ (4,368)
Gateway's share of net loss	$ (785,848)	$ (717,967)	$ (777,837)
Suspended losses	785,848	717,967	775,206
Equity in Loss of Project Partnerships	$ -	$ -	$ (2,631)

NOTE 4 - INVESTMENTS IN PROJECT PARTNERSHIPS (Continued):

(1) As discussed in Note 3, an affiliate of the General Partner (Value Partners, Inc.) is the operating general partner in one of the Project Partnerships included in Series 8 above (Logan Heights). The Logan Heights Project Partnership is not consolidated in Gateway's financial statements as Gateway's investment in Logan Heights is accounted for under the equity method. The information below is included for related party disclosure purposes. The Project Partnership's financial information for the years ending December 2011 and December 2010 is as follows:

	December 2011	December 2010
Total Assets	$ 441,045	$ 439,620
Total Liabilities	788,109	794,593
Gateway Deficit	(319,729)	(327,559)
Other Partner's Deficit	(27,335)	(27,414)
Total Revenue	140,720	141,186
Net Income	$ 7,909	$ 13,224

NOTE 4 - INVESTMENTS IN PROJECT PARTNERSHIPS (Continued):

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized balance sheets for the Project Partnerships of Series 9 as of December 31 and the summarized statements of operations for the year ended December 31 of each year:

	SERIES 9		
	2011	2010	2009
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 1,719,959	$ 2,143,673	$ 2,118,394
Investment properties, net	9,409,238	12,424,657	13,284,407
Other assets	48,863	35,561	30,637
Total assets	$ 11,178,060	$ 14,603,891	$ 15,433,438
Liabilities and Partners' Deficit:			
Current liabilities	$ 437,845	$ 532,780	$ 488,554
Long-term debt	14,385,401	17,941,049	18,523,562
Total liabilities	14,823,246	18,473,829	19,012,116
Partners' deficit			
Limited Partner	(3,239,827)	(3,408,830)	(3,139,742)
General Partners	(405,359)	(461,108)	(438,936)
Total partners' deficit	(3,645,186)	(3,869,938)	(3,578,678)
Total liabilities and partners' deficit	$ 11,178,060	$ 14,603,891	$ 15,433,438
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 3,031,020	$ 3,690,119	$ 3,633,336
Expenses:			
Operating expenses	1,766,274	2,159,846	2,173,411
Interest expense	991,720	1,249,218	1,265,381
Depreciation and amortization	603,449	733,144	747,222
Total expenses	3,361,443	4,142,208	4,186,014
Net loss	$ (330,423)	$ (452,089)	$ (552,678)
Other partners' share of net loss	$ (3,304)	$ (4,521)	$ (5,527)
Gateway's share of net loss	$ (327,119)	$ (447,568)	$ (547,151)
Suspended losses	327,119	447,568	542,242
Equity in Loss of Project Partnerships	$ -	$ -	$ (4,909)

NOTE 4 - INVESTMENTS IN PROJECT PARTNERSHIPS (Continued):

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized balance sheets for the Project Partnerships of Series 10 as of December 31 and the summarized statements of operations for the year ended December 31 of each year:

	SERIES 10		
	2011	2010	2009
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 1,731,489	$ 2,022,394	$ 1,953,105
Investment properties, net	8,479,240	10,008,691	10,387,780
Other assets	85,569	62,419	44,068
Total assets	$ 10,296,298	$ 12,093,504	$ 12,384,953
Liabilities and Partners' Deficit:			
Current liabilities	$ 495,978	$ 492,932	$ 499,015
Long-term debt	10,124,287	11,859,858	11,952,788
Total liabilities	10,620,265	12,352,790	12,451,803
Partners' equity (deficit)			
Limited Partner	190,472	267,256	425,714
General Partners	(514,439)	(526,542)	(492,564)
Total partners' deficit	(323,967)	(259,286)	(66,850)
Total liabilities and partners' deficit	$ 10,296,298	$ 12,093,504	$ 12,384,953
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 1,958,453	$ 2,307,400	$ 2,239,370
Expenses:			
Operating expenses	1,284,717	1,394,094	1,358,362
Interest expense	504,286	618,203	642,742
Depreciation and amortization	390,665	439,674	439,815
Total expenses	2,179,668	2,451,971	2,440,919
Net loss	$ (221,215)	$ (144,571)	$ (201,549)
Other partners' share of net income	$ 14,769	$ 18,920	$ 9,623
Gateway's share of net loss	$ (235,984)	$ (163,491)	$ (211,172)
Suspended losses	176,735	137,822	182,847
Equity in Loss of Project Partnerships	$ (59,249)	$ (25,669)	$ (28,325)

NOTE 4 - INVESTMENTS IN PROJECT PARTNERSHIPS (Continued):

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized balance sheets for the Project Partnerships of Series 11 as of December 31 and the summarized statements of operations for the year ended December 31 of each year:

	SERIES 11		
	2011	2010	2009
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 699,006	$ 1,096,882	$ 1,184,662
Investment properties, net	5,109,512	8,318,124	9,030,941
Other assets	221,609	232,653	284,542
Total assets	$ 6,030,127	$ 9,647,659	$ 10,500,145
Liabilities and Partners' Deficit:			
Current liabilities	$ 372,825	$ 470,370	$ 470,712
Long-term debt	5,315,240	9,604,676	9,799,866
Total liabilities	5,688,065	10,075,046	10,270,578
Partners' equity (deficit)			
Limited Partner	661,601	43,347	646,030
General Partners	(319,539)	(470,734)	(416,463)
Total partners' equity (deficit)	342,062	(427,387)	229,567
Total liabilities and partners' deficit	$ 6,030,127	$ 9,647,659	$ 10,500,145
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 1,422,551	$ 2,263,577	$ 2,231,664
Expenses:			
Operating expenses	940,763	1,449,775	1,349,500
Interest expense	300,045	596,315	603,738
Depreciation and amortization	326,847	525,157	525,030
Total expenses	1,567,655	2,571,247	2,478,268
Net loss	$ (145,104)	$ (307,670)	$ (246,604)
Other partners' share of net loss	$ (1,451)	$ (12,943)	$ (5,551)
Gateway's share of net loss	$ (143,653)	$ (294,727)	$ (241,053)
Suspended losses	86,288	187,650	160,461
Equity in Loss of Project Partnerships	$ (57,365)	$ (107,077)	$ (80,592)

NOTE 4 - INVESTMENTS IN PROJECT PARTNERSHIPS (Continued):

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized balance sheets for the Project Partnerships of Series 7 through 11 as of December 31 and the summarized statements of operations for the year ended December 31 of each year:

	TOTAL SERIES 7 - 11		
	2011	2010	2009
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 9,897,627	$ 12,308,579	$ 12,967,958
Investment properties, net	48,746,302	64,494,941	70,269,602
Other assets	549,231	480,816	738,410
Total assets	$ 59,193,160	$ 77,284,336	$ 83,975,970
Liabilities and Partners' Deficit:			
Current liabilities	$ 3,320,203	$ 3,729,919	$ 3,772,362
Long-term debt	73,714,746	93,480,177	98,094,276
Total liabilities	77,034,949	97,210,096	101,866,638
Partners' deficit			
Limited Partner	(15,585,840)	(17,300,640)	(15,538,008)
General Partners	(2,255,949)	(2,625,120)	(2,352,660)
Total partners' deficit	(17,841,789)	(19,925,760)	(17,890,668)
Total liabilities and partners' deficit	$ 59,193,160	$ 77,284,336	$ 83,975,970
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 15,685,708	$ 19,489,794	$ 20,319,282
Expenses:			
Operating expenses	9,693,951	11,751,849	11,976,042
Interest expense	4,627,660	5,948,431	6,703,262
Depreciation and amortization	3,182,451	3,966,135	4,118,039
Total expenses	17,504,062	21,666,415	22,797,343
Net loss	$ (1,818,354)	$ (2,176,621)	$ (2,478,061)
Other partners' share of net income	$ 41,559	$ 20,408	$ 253
Gateway's share of net loss	$ (1,859,913)	$ (2,197,029)	$ (2,478,314)
Suspended losses	1,743,299	2,064,283	2,361,857
Equity in Loss of Project Partnerships	$ (116,614)	$ (132,746)	$ (116,457)

NOTE 4 - INVESTMENTS IN PROJECT PARTNERSHIPS (Continued):

Gateway's equity by Series as reflected by the Project Partnerships differs from the Investments in Project Partnerships before acquisition fees and expenses, amortization and impairment reserves by Series primarily because of suspended losses (refer to Note 2 for discussion of suspended losses).

By Series these differences are as follows:

	Equity Per Project Partnership	Equity Per Gateway
Series 7	$ (4,090,292)	$ (9,377)
Series 8	(9,107,794)	(122,386)
Series 9	(3,239,827)	210,093
Series 10	190,472	1,065,394
Series 11	661,601	1,577,783

The aggregate assets, liabilities and exposure to loss from the VIEs in which Gateway holds a variable interest, but has concluded that it is not the primary beneficiary, are provided in the table below (refer to Note 2 for discussion of variable interest entities).

	December 31, 2011			December 31, 2010		
	Aggregate Assets	Aggregate Liabilities	Our Risk Of Loss	Aggregate Assets	Aggregate Liabilities	Our Risk Of Loss
Series 7	$ 10,728,336	$ 15,030,493	$ -	$ 16,019,375	$ 21,717,001	$ -
Series 8	20,960,339	30,872,880	-	24,919,907	34,591,430	-
Series 9	11,178,060	14,823,246	-	14,603,891	18,473,829	-
Series 10	10,296,298	10,620,265	-	12,093,504	12,352,790	64,697
Series 11	6,030,127	5,688,065	185,696	9,647,659	10,075,046	245,863
Total	$ 59,193,160	$ 77,034,949	$ 185,696	$ 77,284,336	$ 97,210,096	$ 310,560

NOTE 5 - SUMMARY OF DISPOSITION ACTIVITIES:

Gateway at one time held investments in 133 Project Partnerships (39 in Series 7, 43 in Series 8, 24 in Series 9, 15 in Series 10, and 12 in Series 11). As of March 31, 2012, Gateway has sold its interest in 40 Project Partnerships (21 in Series 7, 7 in Series 8, 5 in Series 9, 2 in Series 10 and 4 in Series 11). A summary of the sale transactions for the Project Partnerships disposed during the past three fiscal years are summarized below:

Fiscal Year 2012 Disposition Activity:

Series 7

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
April 2011	Blue Ridge Elderly Housing	$ 32,675	$ 3.14	$ 32,675
April 2011	Lakeland II	23,875	2.30	23,875
April 2011	Meadow Run Apartments	38,275	3.68	38,275
April 2011	Mount Vernon Rental Housing	19,074	1.83	19,074
August 2011	Cavalry Crossing Apartments	4,977	0.48	4,977
December 2011	Nottingham Apartments	7,468	0.72	7,468
December 2011	Vardaman Manor	9,417	0.91	9,417
	Other, net (see below)	-	-	2,000
				$ 137,761

The net proceeds per LP unit from the sale of Blue Ridge Elderly Housing, Lake Lakeland II, Meadow Run Apartments, Mount Vernon Rental Housing, Cavalry Crossing Apartments, Nottingham Apartments and Vardaman Manor are a component of the Distribution Payable on the Balance Sheet as of March 31, 2012. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 7 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

NOTE 5 - SUMMARY OF DISPOSITION ACTIVITIES (Continued):

Gateway recognized an additional gain on sale of Project Partnerships in the amount of $2,000 resulting from the true-up of certain legal and other sale transaction closing expenses arising from Project Partnership sale transactions which closed in the prior fiscal year. This amount, less the applicable state tax withholding, will be distributed to the Series 7 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 8

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
April 2011	Cottondale Rental Housing	$ 19,875	$ 1.99	$ 19,875
December 2011	Arbor Gate Apartments	10,018	1.00	10,018
December 2011	Lincoln Apartments	15,955	1.60	15,955
December 2011	Elderly Housing of Pontotoc	14,217	1.42	14,217
				$ 60,065

The net proceeds per LP unit from the sale of Cottondale Rental Housing, Arbor Gate Apartments, Lincoln Apartments and Elderly Housing of Pontotoc are a component of the Distribution Payable on the Balance Sheet as of March 31, 2012. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 8 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 9

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
April 2011	Arbor Trace Apartments Phase I	$ 19,075	$ 3.05	$ 19,075
April 2011	Arbor Trace Apartments Phase II	33,474	5.35	33,474
August 2011	Sycamore Landing	4,169	0.67	4,169
				$ 56,718

The net proceeds per LP unit from the sale of Arbor Trace Apartment Phase, Arbor Trace Apartments Phase II and Sycamore Landing are a component of the Distribution Payable on the Balance Sheet as of March 31, 2012. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 9 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 10

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal	Deferred Gain on Disposal
September 2011	Peachtree Apartments	$ 26,145	$ 5.18	$ 26,145	$ -
March 2012	Courtyard Apartments Phase II	15,743	3.13	-	15,743
				$ 26,145	$ 15,743

The net proceeds per LP unit from the sale of Peachtree Apartments is a component of the Distribution Payable on the Balance Sheet as of March 31, 2012. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 10 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

In accordance with GAAP, although the sale of Courtyard Apartments Phase II was consummated on or prior to March 31, 2012, the gain on the sale is being deferred on the Balance Sheet and not recognized on the Statement of Operations until the period that the sale proceeds are received. Gateway recorded a receivable for the proceeds from this sale totaling $15,743 which is included in Receivable - Other on the Balance Sheet. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 10 Assignees in a subsequent period at such time that state withholding tax liabilities have been settled. The deferred gain of $15,743 will be recognized on the Statement of Operations during the period in which the proceeds are received.

NOTE 5 - SUMMARY OF DISPOSITION ACTIVITIES (Continued):

Series 11

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
August 2011	Parsons Village	$ 2,681	$ 0.52	$ 2,681
September 2011	Mountain Oak Apartments	5,324	1.04	5,324
September 2011	Warsaw Manor Apartments	89,765	17.51	89,765
	Other, net (see below)	-	-	2,000
				$ 99,770

The net proceeds per LP unit from the sale of Parson Village, Mountain Oak Apartments and Warsaw Manor Apartments are a component of the Distribution Payable on the Balance Sheet as of March 31, 2012. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 11 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Gateway recognized an additional gain on sale of Project Partnerships in the amount of $2,000 resulting from the true-up of certain legal and other sale transaction closing expenses arising from Project Partnership sale transactions which closed in the prior fiscal year. This amount, less the applicable state tax withholding, will be distributed to the Series 11 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Fiscal Year 2011 Disposition Activity:

Series 7

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
August 2010	Pioneer Apartments, L.P.	$ 157,949	$ 15.19	$ 157,949
December 2010	Lake Village Apartments	65,124	6.27	65,124
December 2010	Savannah Park of Atoka	65,125	6.27	65,125
December 2010	Savannah Park of Coalgate	65,125	6.27	65,125
December 2010	Cardinal Apartments	272,071	26.17	187,362
				$ 540,685

The net proceeds per LP unit from the sale of Pioneer Apartments, Lake Village Apartments, Savannah Park of Atoka, Savannah Park of Coalgate and Cardinal Apartments are a component of the Distribution Payable on the Balance Sheet as of March 31, 2011. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 7 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 8

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
	Other, net (see below)	$ -	$ -	$ 4,000
				$ 4,000

Gateway recognized an additional gain on sale of Project Partnerships in the amount of $4,000 resulting from the true-up of certain legal and other sale transaction closing expenses arising from Project Partnership sale transactions which closed in the prior fiscal year. This amount, less the applicable state tax withholding, will be distributed to the Series 8 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

NOTE 5 - SUMMARY OF DISPOSITION ACTIVITIES (Continued):

Series 9

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
September 2010	Stilwell Properties III	$ 43,030	$ 6.88	$ 43,030
	Other, net (see below)	-	-	2,000
				$ 45,030

The net proceeds per LP unit from the sale of Stilwell Properties III is a component of the Distribution Payable on the Balance Sheet as of March 31, 2011. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 9 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Gateway recognized an additional gain on sale of Project Partnerships in the amount of $2,000 resulting from the true-up of certain legal and other sale transaction closing expenses arising from a Project Partnership sale transaction which closed in the prior fiscal year. This amount, less the applicable state tax withholding, will be distributed to the Series 9 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 10

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
	Other, net (see below)	$ -	$ -	$ 2,000
				$ 2,000

Gateway recognized an additional gain on sale of Project Partnerships in the amount of $2,000 resulting from the true-up of certain legal and other sale transaction closing expenses arising from a Project Partnership sale transaction which closed in the prior fiscal year. This amount, less the applicable state tax withholding, will be distributed to the Series 10 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 11

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
December 2010	Cardinal Apartments	$ 175,667	$ 34.26	$ 125,774
				$ 125,774

The net proceeds per LP unit from the sale of Cardinal Apartments is a component of the Distribution Payable on the Balance Sheet as of March 31, 2011. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 11 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Fiscal Year 2010 Disposition Activity:

Series 7

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
August 2009	Mountain City Manor	$ 36,860	$ 3.54	$ 38,190
August 2009	Tazewell Village	41,290	3.97	42,620
August 2009	Jamestown Village	36,450	3.51	37,864
August 2009	Clinch View Manor	134,400	12.93	135,814
May 2009	Spring Creek Apartments II LP	46,520	4.48	46,030
				$ 300,518

NOTE 5 - SUMMARY OF DISPOSITION ACTIVITIES (Continued):

The net proceeds per LP unit from the sale of Mountain City Manor, Tazewell Village, Jamestown Village, Clinch View Manor, and Spring Creek Apartments II LP were distributed to the Series 7 Limited Partners in September 2009.

Series 8

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
January 2010	South Brenchley	$ 13,000	$ 1.30	$ 13,000
January 2010	Cimmaron Station	10,000	1.00	10,000
				$ 23,000

The net proceeds per LP unit from the sale of South Brenchely and Cimmaron Station are a component of the Distribution Payable on the Balance Sheet as of March 31, 2010. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 8 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 9

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
January 2010	Mountain Glen	$ 10,000	$ 1.59	$ 10,000
				$ 10,000

The net proceeds per LP unit from the sale of Mountain Glen are a component of the Distribution Payable on the Balance Sheet as of March 31, 2010. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 9 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

Series 10

Transaction Month / Year	Project Partnership	Net Proceeds	Net Proceeds Per LP Unit	Gain on Disposal
January 2010	Redstone	$ 10,000	$ 1.98	$ 10,000
				$ 10,000

The net proceeds per LP unit from the sale of Redstone are a component of the Distribution Payable on the Balance Sheet as of March 31, 2010. These net proceeds, less the applicable state tax withholding, will be distributed to the Series 10 Limited Partners in a subsequent period at such time that state withholding tax liabilities have been settled.

NOTE 6 - SIGNIFICANT EQUITY INVESTEES:

Certain Project Partnerships constitute 20% or more of assets, equity or income (loss) from continuing operations of the respective Series in which they are held ("Significant Project Partnerships"). In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized results of operations as of December 31, 2011 for each Significant Project Partnership:

Series 11

	Creekstone Apartments, L.P.
Rental and other income	$ 217,349
Gross profit	52,201
Net loss	$ (16,088)

	Magnolia Place Apartments, L.P.
Rental and other income	$ 177,690
Gross profit	360
Net loss	$ (41,856)

NOTE 7 - TAXABLE INCOME (LOSS):

The following is a reconciliation between net income as reported in the financial statements and Gateway's income for tax purposes:

SERIES 7	2012	2011	2010
Net Income per Financial Statements	$ 76,290	$ 473,439	$ 142,985
Equity in Loss of Project Partnerships for tax purposes in excess of losses for financial statement purposes	(544,612)	(701,367)	(885,009)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(6,016)	(23,167)	(9,544)
Additional Gain on Sale of Project Partnerships for tax purposes	2,268,168	786,102	1,084,221
Items Expensed for Tax purposes not expensed for Financial Statement purposes:			
Administrative Expense	-	(6,092)	(2,993)
Asset Management Fee	(3,833)	-	-
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	-	59,680	70,755
Amortization Expense	-	218	1,472
Impairment Expense	-	-	-
Other Adjustments	(19,114)	(19,145)	(37,873)
Gateway income for tax purposes as of December 31	$ 1,770,883	$ 569,668	$ 364,014

	December 31, 2011	December 31, 2010	December 31, 2009
Federal Low Income Housing Tax Credits (Unaudited)	$ -	$ -	$ -

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2012 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Project Partnerships	$ -	$ (5,414,055)	$ 5,414,055
Other Assets	$ 831,096	$ 2,032,235	$ (1,201,139)
Liabilities	$ 1,739,784	$ 5,335	$ 1,734,449

NOTE 7 - TAXABLE INCOME (LOSS) (Continued):

The following is a reconciliation between net loss as reported in the financial statements and Gateway's loss for tax purposes:

SERIES 8	2012	2011	2010
Net Loss per Financial Statements	$ (31,397)	$ (90,218)	$ (91,802)
Equity in Loss of Project Partnerships for tax purposes in excess of losses for financial statement purposes	(974,871)	(895,551)	(1,027,610)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(4,590)	(5,837)	(34,033)
Additional Gain (Loss) on Sale of Project Partnerships for tax purposes	951,816	360,732	(23,000)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	74,597	81,794	85,907
Amortization Expense	-	289	3,635
Administrative Expense	-	-	349
Impairment Expense	-	-	8,681
Other Adjustments	(25,564)	(21,683)	(22,916)
Gateway loss for tax purposes as of December 31	$ (10,009)	$ (570,474)	$ (1,100,789)

	December 31, 2011	December 31, 2010	December 31, 2009
Federal Low Income Housing Tax Credits (Unaudited)	$ -	$ -	$ -

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2012 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Project Partnerships	$ -	$ (10,938,622)	$ 10,938,622
Other Assets	$ 134,550	$ 1,380,760	$ (1,246,210)
Liabilities	$ 1,355,356	$ 81,300	$ 1,274,056

NOTE 7 - TAXABLE INCOME (LOSS) (Continued):

The following is a reconciliation between net loss as reported in the financial statements and Gateway's loss for tax purposes:

SERIES 9	2012	2011	2010
Net Income (Loss) per Financial Statements	$ 6,445	$ (9,637)	$ (120,481)
Equity in Loss of Project Partnerships for tax purposes in excess of losses for financial statement purposes	(491,613)	(600,323)	(716,217)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(2,633)	(18,822)	(3,270)
Additional Gain (Loss) on Sale of Project Partnerships for tax purposes	743,217	319,601	(10,000)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	36,867	46,631	48,651
Amortization Expense	-	749	4,756
Impairment Expense	-	-	-
Other Adjustments	(17,250)	(11,709)	(20,305)
Gateway income (loss) for tax purposes as of December 31	$ 275,033	$ (273,510)	$ (816,866)

	December 31, 2011	December 31, 2010	December 31, 2009
Federal Low Income Housing Tax Credits (Unaudited)	$ -	$ -	$ -

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2012 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Project Partnerships	$ -	$ (5,109,465)	$ 5,109,465
Other Assets	$ 140,755	$ 920,219	$ (779,464)
Liabilities	$ 849,384	$ 42,739	$ 806,645

NOTE 7 - TAXABLE INCOME (LOSS) (Continued):

The following is a reconciliation between net loss as reported in the financial statements and Gateway's loss for tax purposes:

SERIES 10	2012	2011	2010
Net Loss per Financial Statements	$ (71,877)	$ (60,829)	$ (100,294)
Equity in Loss of Project Partnerships for tax purposes in excess of losses for financial statement purposes	(350,796)	(239,275)	(400,541)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	55	(10,378)	(6,201)
Additional Gain (Loss) on Sale of Project Partnerships for tax purposes	294,210	137,602	(10,000)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	20,651	31,794	33,464
Amortization Expense	-	166	5,729
Impairment Expense	-	-	-
Other Adjustments	(13,153)	(11,299)	(11,171)
Gateway loss for tax purposes as of December 31	$ (120,910)	$ (152,219)	$ (489,014)

	December 31, 2011	December 31, 2010	December 31, 2009
Federal Low Income Housing Tax Credits (Unaudited)	$ -	$ -	$ -

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2012 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Project Partnerships	$ -	$ (2,442,418)	$ 2,442,418
Other Assets	$ 141,006	$ 745,028	$ (604,022)
Liabilities	$ 310,981	$ 2,530	$ 308,451

NOTE 7 - TAXABLE INCOME (LOSS) (Continued):

The following is a reconciliation between net income (loss) as reported in the financial statements and Gateway's loss for tax purposes:

SERIES 11	2012	2011	2010
Net Income (Loss) per Financial Statements	$ 11,150	$ (45,060)	$ (188,280)
Equity in Loss of Project Partnerships for tax purposes in excess of losses for financial statement purposes	(196,803)	(166,849)	(216,230)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(10,175)	(12,998)	(3,915)
Additional Gain (Loss) on Sale of Project Partnerships for tax purposes	992,299	(198,608)	-
Items Expensed for Tax purposes not expensed for Financial Statement purposes:			
Asset Management Fee	(25,383)	-	-
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	-	27,947	28,181
Amortization Expense	-	3,129	16,635
Impairment Expense	-	-	19,418
Other Adjustments	(4,592)	(3,607)	(3,582)
Gateway income (loss) for tax purposes as of December 31	$ 766,496	$ (396,046)	$ (347,773)

	December 31, 2011	December 31, 2010	December 31, 2009
Federal Low Income Housing Tax Credits (Unaudited)	$ -	$ -	$ -

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2012 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Project Partnerships	$ 185,696	$ 578,234	$ (392,538)
Other Assets	$ 393,062	$ 851,112	$ (458,050)
Liabilities	$ 336,047	$ 1,713	$ 334,334

NOTE 7 - TAXABLE INCOME (LOSS) (Continued):

The following is a reconciliation between net (loss) income as reported in the financial statements and Gateway's loss for tax purposes:

TOTAL SERIES 7 - 11	2012	2011	2010
Net (Loss) Income per Financial Statements	$ (9,389)	$ 267,695	$ (357,872)
Equity in Loss of Project Partnerships for tax purposes in excess of losses for financial statement purposes	(2,558,695)	(2,603,365)	(3,245,607)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(23,359)	(71,202)	(56,963)
Additional Gain on Sale of Project Partnerships for tax purposes	5,249,709	1,405,430	1,041,221
Items Expensed for Tax purposes not expensed for Financial Statement purposes:			
Administrative Expense	-	(6,092)	(2,993)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	102,899	247,846	266,958
Amortization Expense	-	4,551	32,227
Administrative Expense	-	-	349
Impairment Expense	-	-	28,099
Other Adjustments	(79,673)	(67,443)	(95,847)
Gateway income (loss) for tax purposes as of December 31	$ 2,681,492	$ (822,580)	$ (2,390,428)

The difference in the total value of Gateway's Investments in Project Partnerships is approximately $5,414,055 higher for Series 7, $10,938,622 higher for Series 8, $5,109,465 higher for Series 9, $2,442,418 higher for Series 10, and $392,538 lower 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 Gateway for financial reporting purposes and tax reporting purposes for the year ended March 31, 2012 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Project Partnerships	$ 185,696	$ (23,326,325)	$ 23,512,021
Other Assets	$ 1,640,469	$ 5,929,354	$ (4,288,885)
Liabilities	$ 4,591,552	$ 133,616	$ 4,457,936

NOTE 8 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED):

Series 7 Year 2012	Quarter 1 6/30/2011	Quarter 2 9/30/2011	Quarter 3 12/31/2011	Quarter 4 3/31/2012
Total Revenues	$ 8,047	$ -	$ 2,154	$ 5,816
Net Income (Loss)	$ 103,128	$ (27,196)	$ 3,416	$ (3,058)
Earnings (Loss) Per Weighted Average Limited Partnership Unit Outstanding	$ 9.82	$ (2.59)	$ 0.33	$ (0.29)

Series 8 Year 2012	Quarter 1 6/30/2011	Quarter 2 9/30/2011	Quarter 3 12/31/2011	Quarter 4 3/31/2012
Total Revenues	$ 7,894	$ 868	$ 7,001	$ 7,963
Net Income (Loss)	$ 1,658	$ (43,280)	$ 21,151	$ (10,926)
(Loss) Earnings Per Weighted Average Limited Partnership Unit Outstanding	$ (0.21)	$ (4.34)	$ 2.08	$ (1.09)

Series 9 Year 2012	Quarter 1 6/30/2011	Quarter 2 9/30/2011	Quarter 3 12/31/2011	Quarter 4 3/31/2012
Total Revenues	$ 3,382	$ 6,893	$ 1,632	$ 3,610
Net Income (Loss)	$ 40,398	$ (15,286)	$ (10,533)	$ (8,134)
Earnings (Loss) Per Weighted Average Limited Partnership Unit Outstanding	$ 5.36	$ (2.45)	$ (1.68)	$ (1.30)

Series 10 Year 2012	Quarter 1 6/30/2011	Quarter 2 9/30/2011	Quarter 3 12/31/2011	Quarter 4 3/31/2012
Total Revenues	$ 2,080	$ 2,569	$ 2,146	$ 5,019
Net Loss	$ (15,571)	$ (2,317)	$ (46,842)	$ (7,147)
Loss Per Weighted Average Limited Partnership Unit Outstanding	$ (3.06)	$ (5.59)	$ (9.20)	$ (1.39)

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

Series 11 Year 2012	Quarter 1 6/30/2011	Quarter 2 9/30/2011	Quarter 3 12/31/2011	Quarter 4 3/31/2012
Total Revenues	$ 800	$ 2,182	$ 985	$ 3,622
Net (Loss) Income	$ (33,708)	$ 59,329	$ (33,891)	$ 19,420
(Loss) Earnings Per Weighted Average Limited Partnership Unit Outstanding	$ (6.51)	$ 11.46	$ (6.59)	$ 3.78

Series 7 - 11 Year 2012	Quarter 1 6/30/2011	Quarter 2 9/30/2011	Quarter 3 12/31/2011	Quarter 4 3/31/2012
Total Revenues	$ 22,203	$ 12,512	$ 13,918	$ 26,030
Net Income (Loss)	$ 95,905	$ (28,750)	$ (66,699)	$ (9,845)

Series 7 Year 2011	Quarter 1 6/30/2010	Quarter 2 9/30/2010	Quarter 3 12/31/2010	Quarter 4 3/31/2011
Total Revenues	$ 4,532	$ 1,957	$ 8,071	$ 8,913
Net (Loss) Income	$ (14,285)	$ 121,294	$ 189,777	$ 176,653
(Loss) Earnings Per Weighted Average Limited Partnership Unit Outstanding	$ (1.36)	$ 11.55	$ 18.07	$ 16.83

Series 8 Year 2011	Quarter 1 6/30/2010	Quarter 2 9/30/2010	Quarter 3 12/31/2010	Quarter 4 3/31/2011
Total Revenues	$ 2,175	$ 5,271	$ 7,415	$ 9,801
Net Loss	$ (22,226)	$ (38,142)	$ (16,247)	$ (13,603)
Loss Per Weighted Average Limited Partnership Unit Outstanding	$ (2.20)	$ (3.76)	$ (1.61)	$ (1.78)

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

Series 9 Year 2011	Quarter 1 6/30/2010	Quarter 2 9/30/2010	Quarter 3 12/31/2010	Quarter 4 3/31/2011
Total Revenues	$ 2,808	$ 2,844	$ 5,007	$ 5,343
Net (Loss) Income	$ (11,500)	$ (23,747)	$ 34,377	$ (8,767)
Loss Per Weighted Average Limited Partnership Unit Outstanding	$ (1.82)	$ (3.76)	$ (1.37)	$ (1.70)

Series 10 Year 2011	Quarter 1 6/30/2010	Quarter 2 9/30/2010	Quarter 3 12/31/2010	Quarter 4 3/31/2011
Total Revenues	$ 3,739	$ 700	$ 2,146	$ 6,358
Net Loss	$ (5,920)	$ (37,041)	$ (8,986)	$ (8,882)
Loss Per Weighted Average Limited Partnership Unit Outstanding	$ (1.16)	$ (7.27)	$ (1.76)	$ (2.14)

Series 11 Year 2011	Quarter 1 6/30/2010	Quarter 2 9/30/2010	Quarter 3 12/31/2010	Quarter 4 3/31/2011
Total Revenues	$ 800	$ 2,182	$ -	$ 625
Net (Loss) Income	$ (17,778)	$ (137,927)	$ (8,674)	$ 119,319
Loss Per Weighted Average Limited Partnership Unit Outstanding	$ (3.43)	$ (26.63)	$ (1.67)	$ 14.79

Series 7 - 11 Year 2011	Quarter 1 6/30/2010	Quarter 2 9/30/2010	Quarter 3 12/31/2010	Quarter 4 3/31/2011
Total Revenues	$ 14,054	$ 12,954	$ 22,639	$ 31,040
Net (Loss) Income	$ (71,709)	$ (115,563)	$ 190,247	$ 264,720

NOTE 9 - SUBSEQUENT EVENTS:

Series 8

Lovingston Ridge Limited Partnership

Subsequent to the March 31, 2012 year-end, Gateway sold its partnership interest in Lovingston Ridge Limited Partnership. Gateway received approximately $69,688 in net proceeds (approximately $6.99 per beneficial assignee certificate) which also approximates the gain on sale of the Project Partnership. The gain will be recognized in the first quarter of fiscal year 2013 and available proceeds from this sale transaction, less the applicable state tax withholding, will be distributed to the Series 8 Assignees in a subsequent period at such time that state withholding tax liabilities have been settled.

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

None

Item 9A. Controls and Procedures

Not applicable to Gateway’s annual report for fiscal year ended March 31, 2012.

Item 9a(T). Controls and Procedures

Disclosure controls are procedures designed to ensure that information required to be disclosed in Gateway's reports filed under the Exchange Act, such as this report, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls are also designed to ensure that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives, as Gateway's are designed to do, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of the Managing General Partner’s management, including the Chief Executive Officer and Chief Financial Officer, Gateway has evaluated the effectiveness of its disclosure controls and procedures applicable to each of the Series as well as to the total partnership pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures applicable to each of the Series as well as to the total partnership are effective. There were no changes in Gateway’s internal control over financial reporting during the year ended March 31, 2012 that have materially affected, or are reasonably likely to materially affect, Gateway’s internal control over financial reporting.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Gateway’s management is responsible for establishing and maintaining adequate internal control over financial reporting for Gateway. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of Gateway’s financial reporting for external purposes in accordance with accounting principles generally accepted in the United States. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect Gateway’s transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of its financial statements; providing reasonable assurance that receipts and expenditures of Gateway’s assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of Gateway’s assets that could have a material effect on Gateway’s financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of Gateway’s financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of Gateway’s internal control over financial reporting applicable to each of the Series as well as to the total partnership based on the framework in *Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)*. Based on this evaluation, management concluded that Gateway’s internal control over financial reporting applicable to each of the Series as well as to the total partnership was effective as of March 31, 2012.

With respect to the Rule 13a-14(a)/15d-14(a) Certifications of the President and Chief Financial Officer, respectively, of the Managing General Partner of Gateway (see Exhibits 31.1 and 31.2 included herein), such certifications are applicable to each of the Series as well as to the total partnership.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

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

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

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

Ronald M. Diner, age 68, is President and a Director. He is a Senior Vice President of Raymond James & Associates, Inc., with whom he has been employed since June 1983. Mr. Diner received an MBA degree from Columbia University (1968) and a BS degree from Trinity College (1966). Prior to joining Raymond James & Associates, Inc., he managed the broker-dealer activities of Pittway Real Estate, Inc., a real estate development firm. He was previously a loan officer at Marine Midland Realty Credit Corp., and spent three years with Common, Dann & Co., a New York regional investment firm. He has served as a member of the Board of Directors of the Council for Rural Housing and Development, a national organization of developers, managers and syndicators of properties developed under the RECD Section 515 program, and is a member of the Board of Directors of the Florida Council for Rural Housing and Development. Mr. Diner has been a speaker and panel member at state and national seminars relating to the low-income housing credit.

J. Davenport Mosby III, age 56, is a Vice President and a Director. He is a Senior Managing Director of Raymond James & Associates, Inc. which he joined in 1982. Mr. Mosby received an MBA from the Harvard Business School (1982). He graduated magna cum laude with a BA from Vanderbilt University where he was elected to Phi Beta Kappa.

Raymond James Tax Credit Funds, Inc. is a wholly owned subsidiary of Raymond James Financial, Inc. (“RJF”). RJF has adopted a Business Ethics and Corporate Policy that is applicable to the officers and employees of Raymond James Tax Credit Funds, Inc., the Managing General Partner of Gateway. That policy is posted on RJF’s Internet website at http://www.raymondjames.com under “Our Company” --- Investor Relations --- Corporate Governance --- Employee Code of Ethics.

Raymond James Partners, Inc. -

Raymond James Partners, Inc. was formed to act as the general partner, with affiliated corporations, in limited partnerships sponsored by Raymond James Financial, Inc.

The officers and directors of Raymond James Partners, Inc. are as follows:

J. Davenport Mosby III is a Director and President.

Ronald M. Diner is a Director and Vice President.

Mary Jean Kissner is a Vice President.

Sandra Humphries is Secretary and Treasurer. She also serves in the same capacities for the Managing General Partner.

Item 11. Executive Compensation

Gateway has no directors or officers.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Neither of the General Partners own any units of the outstanding securities of Gateway as of March 31, 2012. Ronald M. Diner, President of Raymond James Tax Credit Funds, Inc. owns 5 units of Series 7. None of the other directors and officers own any units of the outstanding securities of Gateway as of March 31, 2012.

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

Item 13. Certain Relationships and Related Transactions and Director Independence

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

The Payable to General Partners primarily represents the asset management fees and general and administrative expenses owed to the General Partners at the end of the period. It is unsecured, due on demand and, in accordance with the Agreement, non-interest bearing. This payable will be paid in a future period to the extent of any funds available for such payment.

For the years ended March 31, 2012, 2011 and 2010 the General Partners and affiliates are entitled to compensation and reimbursement for costs and expenses incurred by Gateway as follows:

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

	2012	2011	2010
Series 7	$ 36,057	$ 57,429	$ 67,188
Series 8	72,492	80,466	85,780
Series 9	36,829	45,797	48,589
Series 10	28,851	31,251	33,424
Series 11	16,916	27,711	28,124
Total	$ 191,145	$ 242,654	$ 263,105

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 Statements of Operations. During fiscal year 2011, the General Partner ceased further allocations of general and administrative expenses to Gateway.

	2012	2011	2010
Series 7	$ -	$ -	$ 82,933
Series 8	-	-	-
Series 9	-	-	62,259
Series 10	-	-	38,620
Series 11	-	20,774	34,766
Total	$ -	$ 20,774	$ 218,578

Item 13. Certain Relationships and Related Transactions and Director Independence (Continued)

Total unpaid asset management fees and administrative expenses payable to the General Partners, which are included on the Balance Sheet as of March 31, 2012 and 2011 are as follows:

	March 31, 2012	March 31, 2011
Series 7	$ 1,056,272	$ 1,071,763
Series 8	1,267,906	1,333,356
Series 9	737,636	745,522
Series 10	257,093	262,567
Series 11	110,503	145,043
Total	$ 3,429,410	$ 3,558,251

Item 14. Principal Accounting Fees & Services

Audit Fees

The aggregate fees billed by Gateway's principal accounting firm, Reznick Group, P.C., for professional services rendered for the audit of the annual financial statements, various matters related to SEC filings, and review of financial statements included in Gateway's quarterly report on Form 10-Q amounted to $78,900 and $77,900 for the years ended March 31, 2012 and 2011, respectively.

Tax Fees

During fiscal 2012 and 2011, Spence, Marston, Bunch, Morris and Co. was engaged to prepare Gateway's federal tax return, for which they billed $9,500 for each of the years ended March 31, 2012 and 2011.

Other Fees

The two members of Raymond James Tax Credit Funds, Inc. Board of Directors, Ronald M. Diner and J. Davenport Mosby III also serve as the members of the Audit Committee on behalf of Gateway. The audit committee charter requires that the committee approve the engagement of the principal accounting firm prior to the rendering of any audit or non-audit services. During fiscal 2012, 100% of the audit related and other services and 100% of the tax services were pre-approved by the Audit Committee.

PART IV

Item 15. Exhibits, Financial Statement Schedules

a. (1) Financial Statements

(2) Financial Statement Schedules -

Schedule III - Real Estate and Accumulated Depreciation of Property Owned by Project Partnerships

Schedule IV - Mortgage loans on real estate

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

(3) Exhibit Listing

Exhibit Number	Description
3.1	Amended Certificate of Limited Partnership of Gateway Tax Credit Fund III, Ltd. (Filed as an Exhibit to Registration Statement on Form S-11, File No. 33-44238, and incorporated herein by reference.)
4.1	The form of Partnership Agreement of the Partnership (included as Exhibit "A" to the Prospectus, File No. 33-44238, and incorporated herein by reference.)
31.1	Certification required by Rule 15d-14(a).(Filed herewith.)
31.2	Certification required by Rule 15d-14(a).(Filed herewith.)
32	Certification required by Rule 15d-14(b).(Filed herewith.)

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2011

SERIES 7
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Washington	Bloomfield, NE	24	$ 758,934
BrookStone	McCaysville, GA	40	1,119,127
N. Irvine	Irvine, KY	24	748,826
Manchester	Manchester, GA	42	1,127,037
Waynesboro	Waynesboro, GA	24	628,849
Warm Springs	Warm Springs, GA	22	637,099
Dilley	Dilley, TX	28	688,369
Elsa	Elsa, TX	40	979,660
Leander	Leander, TX	36	865,864
Louisa Sr.	Louisa, KY	36	1,117,316
Orchard Commons	Crab Orchard, KY	12	281,958
Heritage Park	Paze, AZ	32	1,177,069
BrooksHollow	Jasper, GA	40	1,105,420
Carson City	Carson City, KS	24	743,815
Matteson	Capa, KS	24	719,175
Pembroke	Pembroke, KY	16	475,621
Robynwood	Cynthiana, KY	24	715,474
Hill Creek	West Blocton, AL	24	726,663
Total Series 7		512	$ 14,616,276

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2011

SERIES 7
Apartment Properties

	Cost at Acquisition Date		
Partnership	Land	Buildings Improvements & Equipment	Net Improvements Capitalized Subsequent to Acquisition
Washington	$ 30,000	$ 401,435	$ 568,436
BrookStone	45,000	176,183	1,243,798
N. Irvine	27,600	696,407	325,185
Manchester	40,000	243,179	1,190,874
Waynesboro	45,310	107,860	666,100
Warm Springs	45,000	196,691	580,626
Dilley	30,000	847,755	14,671
Elsa	40,000	1,286,910	16,621
Leander	46,000	1,063,200	78,998
Louisa Sr.	90,000	449,409	912,512
Orchard Commons	28,789	452,556	(30,458)
Heritage Park	199,000	1,243,700	225,047
BrooksHollow	67,155	183,029	1,263,835
Carson City	86,422	354,778	543,540
Matteson	28,438	556,314	393,703
Pembroke	22,000	190,283	376,434
Robynwood	35,000	315,110	612,567
Hill Creek	29,337	622,291	358,002
Total Series 7	$ 935,051	$ 9,387,090	$ 9,340,491

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
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AS OF DECEMBER 31, 2011

SERIES 7
Apartment Properties

	Gross Amount At Which Carried At December 31, 2011		
Partnership	Land	Buildings, Improvements & Equipment	Total
Washington	$ 59,615	$ 940,256	$ 999,871
BrookStone	49,540	1,415,441	1,464,981
N. Irvine	29,750	1,019,442	1,049,192
Manchester	49,455	1,424,598	1,474,053
Waynesboro	37,500	781,770	819,270
Warm Springs	20,000	802,317	822,317
Dilley	30,000	862,426	892,426
Elsa	40,000	1,303,531	1,343,531
Leander	186,794	1,001,404	1,188,198
Louisa Sr.	98,550	1,353,371	1,451,921
Orchard Commons	28,789	422,098	450,887
Heritage Park	199,000	1,468,747	1,667,747
BrooksHollow	76,870	1,437,149	1,514,019
Carson City	40,028	944,712	984,740
Matteson	39,000	939,455	978,455
Pembroke	22,000	566,717	588,717
Robynwood	35,000	927,677	962,677
Hill Creek	29,337	980,293	1,009,630
Total Series 7	$ 1,071,228	$ 18,591,404	$ 19,662,632

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
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SERIES 7
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Washington	$ 640,783	5.0-30.0
BrookStone	934,249	5.0-27.5
N. Irvine	492,401	5.0-40.0
Manchester	878,826	5.0-25.0
Waynesboro	486,103	10.0-30.0
Warm Springs	511,073	5.0-40.0
Dilley	337,459	5.0-50.0
Elsa	574,503	7.0-50.0
Leander	766,255	7.0-30.0
Louisa Sr.	636,691	5.0-40.0
Orchard Commons	199,646	5.0-40.0
Heritage Park	1,034,469	7.0-27.5
BrooksHollow	898,220	5.0-27.5
Carson City	653,890	7.0-27.5
Matteson	660,977	7.0-27.5
Pembroke	262,107	5.0-40.0
Robynwood	427,119	5.0-40.0
Hill Creek	626,667	7.0-27.5
Total Series 7	$ 11,021,438	

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
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SERIES 8
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Purdy	Purdy, MO	16	$ 430,764
Galena	Galena, KS	24	573,727
Antlers 2	Antlers, OK	24	584,627
Holdenville	Holdenville, OK	24	668,909
Wetumka	Wetumka, OK	24	603,589
Mariners Cove	Marine City, MI	32	978,765
Mariners Cove Sr.	Marine City, MI	24	758,048
Antlers	Antlers, OK	36	1,028,215
Bentonville	Bentonville, AR	24	375,863
Deerpoint	Elgin, AL	24	674,019
Aurora	Aurora, MO	28	686,788
Baxter	Baxter Springs, KS	16	396,338
Timber Ridge	Collinsville, AL	24	692,437
Concordia Sr.	Concordia, KS	24	639,727
Mountainburg	Mountainburg, AR	24	663,398
Fox Ridge	Russellville, AL	24	700,925
Meadow View	Bridgeport, NE	16	557,641
Sheridan	Auburn, NE	16	570,198
Grand Isle	Grand Isle, ME	16	942,707
Meadowview	Van Buren, AR	29	670,510
Taylor	Taylor, TX	44	1,166,890
Brookwood	Gainesboro, TN	44	1,370,826
Pleasant Valley	Lynchburg, TN	33	1,037,948
Reelfoot	Ridgely, TN	20	607,603
River Rest	Newport, TN	34	1,086,386
Kirskville	Kirksville, MO	24	648,009
Kenton	Kenton, OH	46	1,353,287
Lovingston	Lovingston, VA	64	2,086,695
Hustonville	Hustonville, KY	16	485,505
Northpoint	Jackson, KY	24	845,619
Brooks Field	Louisville, GA	32	905,399
Brooks Lane	Clayton, GA	36	1,048,768
Brooks Point	Dahlonega, GA	41	1,302,049
Brooks Run	Jasper, GA	24	721,421
Logan Heights	Russellville, KY	24	742,460
Lakeshore 2	Tuskegee, AL	36	1,098,987
Total Series 8		1,011	$ 29,705,047

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
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SERIES 8
Apartment Properties

	Cost at Acquisition Date		
Partnership	Land	Buildings Improvements & Equipment	Net Improvements Capitalized Subsequent to Acquisition
Purdy	$ 64,823	$ 493,596	$ 124,731
Galena	19,200	362,505	516,270
Antlers 2	26,000	761,859	-
Holdenville	15,000	877,598	-
Wetumka	19,977	792,876	-
Mariners Cove	117,192	1,134,974	96,331
Mariners Cove Sr.	72,252	901,745	72,115
Antlers	50,529	1,270,510	-
Bentonville	15,220	743,269	-
Deerpoint	33,250	912,974	2,600
Aurora	164,350	716,471	117,232
Baxter	13,800	418,296	204,560
Timber Ridge	15,145	879,334	72,361
Concordia Sr.	65,000	776,131	(14,742)
Mountainburg	20,000	863,990	-
Fox Ridge	35,000	867,785	6,325
Meadow View	29,000	686,959	39,809
Sheridan	20,100	373,018	444,778
Grand Isle	20,000	1,180,210	(43,385)
Meadowview	40,000	954,717	-
Taylor	105,335	1,185,923	239,205
Brookwood	28,148	1,780,090	72,932
Pleasant Valley	56,269	1,288,452	113,025
Reelfoot	13,000	118,127	710,568
River Rest	50,750	431,259	983,410
Kirskville	50,000	188,140	593,352
Kenton	61,699	785,703	934,357
Lovingston	178,985	2,215,782	446,501
Hustonville	20,000	672,270	35,008
Northpoint	140,000	942,599	64,193
Brooks Field	45,762	113,295	1,085,988
Brooks Lane	57,500	123,401	1,196,984
Brooks Point	108,000	135,053	1,473,837
Brooks Run	50,000	158,025	754,912
Logan Heights	24,600	422,778	524,323
Lakeshore 2	45,000	273,501	1,187,988
Total Series 8	$ 1,890,886	$ 26,803,215	$ 12,055,568

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
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SERIES 8
Apartment Properties

	Gross Amount At Which Carried At December 31, 2011		
Partnership	Land	Buildings, Improvements & Equipment	Total
Purdy	$ 78,966	$ 604,184	$ 683,150
Galena	89,582	808,393	897,975
Antlers 2	26,000	761,859	787,859
Holdenville	15,000	877,598	892,598
Wetumka	19,977	792,876	812,853
Mariners Cove	64,000	1,284,497	1,348,497
Mariners Cove Sr.	82,852	963,260	1,046,112
Antlers	50,529	1,270,510	1,321,039
Bentonville	15,220	743,269	758,489
Deerpoint	19,500	929,324	948,824
Aurora	177,690	820,363	998,053
Baxter	53,218	583,438	636,656
Timber Ridge	16,745	950,095	966,840
Concordia Sr.	65,000	761,389	826,389
Mountainburg	20,000	863,990	883,990
Fox Ridge	35,000	874,110	909,110
Meadow View	29,000	726,768	755,768
Sheridan	36,276	801,620	837,896
Grand Isle	20,000	1,136,825	1,156,825
Meadowview	40,000	954,717	994,717
Taylor	105,334	1,425,129	1,530,463
Brookwood	28,148	1,853,022	1,881,170
Pleasant Valley	56,269	1,401,477	1,457,746
Reelfoot	13,827	827,868	841,695
River Rest	52,062	1,413,357	1,465,419
Kirskville	50,000	781,492	831,492
Kenton	61,699	1,720,060	1,781,759
Lovingston	171,772	2,669,496	2,841,268
Hustonville	30,134	697,144	727,278
Northpoint	143,545	1,003,247	1,146,792
Brooks Field	45,761	1,199,284	1,245,045
Brooks Lane	80,108	1,297,777	1,377,885
Brooks Point	145,480	1,571,410	1,716,890
Brooks Run	50,366	912,571	962,937
Logan Heights	24,600	947,101	971,701
Lakeshore 2	46,014	1,460,475	1,506,489
Total Series 8	$ 2,059,674	$ 38,689,995	$ 40,749,669

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SERIES 8
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Purdy	$ 480,251	7.0-27.5
Galena	592,189	7.0-27.5
Antlers 2	570,716	5.0-25.0
Holdenville	643,463	5.0-25.0
Wetumka	583,640	5.0-25.0
Mariners Cove	883,913	7.0-27.5
Mariners Cove Sr.	690,307	7.0-27.5
Antlers	939,829	10.0-25.0
Bentonville	568,886	5.0-25.0
Deerpoint	371,866	5.0-50.0
Aurora	693,973	7.0-27.5
Baxter	421,009	7.0-27.5
Timber Ridge	456,161	5.0-40.0
Concordia Sr.	555,154	5.0-25.0
Mountainburg	633,161	5.0-25.0
Fox Ridge	336,753	5.0-50.0
Meadow View	411,319	5.0-30.0
Sheridan	405,562	5.0-50.0
Grand Isle	737,918	7.0-27.5
Meadowview	706,491	5.0-25.0
Taylor	528,790	5.0-50.0
Brookwood	1,067,224	5.0-50.0
Pleasant Valley	802,565	5.0-50.0
Reelfoot	475,503	7.0-27.5
River Rest	806,691	7.0-50.0
Kirskville	549,390	5.0-27.5
Kenton	946,979	5.0-33.0
Lovingston	1,755,488	7.0-27.5
Hustonville	326,942	5.0-40.0
Northpoint	466,997	5.0-40.0
Brooks Field	698,997	5.0-40.0
Brooks Lane	803,227	5.0-40.0
Brooks Point	952,453	5.0-40.0
Brooks Run	545,368	5.0-40.0
Logan Heights	613,401	5.0-40.0
Lakeshore 2	619,975	5.0-40.0
Total Series 8	$ 23,642,551	

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SERIES 9
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Jay	Jay, OK	24	$ 613,613
Boxwood	Lexington, TX	24	569,911
Omega	Omega, GA	36	1,075,895
Cornell 2	Watertown, SD	24	871,240
Elm Creek	Pierre, SD	24	901,916
Marionville	Marionville, MO	20	528,904
Lamar	Lamar, AR	24	667,913
Centreville	Centreville, AL	24	748,229
Skyview	Troy, AL	36	1,076,054
Bradford	Cumberland, KY	24	750,310
Cedar Lane	London, KY	24	672,542
Stanton	Stanton, KY	24	755,291
Abernathy	Abernathy, TX	24	576,325
Pembroke	Pembroke, KY	24	755,378
Meadowview	Greenville, AL	24	636,889
Town Branch	Mt. Vernon, KY	24	719,957
Fox Run	Ragland, AL	24	729,940
Maple Street	Emporium, PA	32	1,297,250
Manchester	Manchester, GA	18	560,500
Total Series 9		478	$ 14,508,057

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SERIES 9
Apartment Properties

Partnership	Cost at Acquisition Date: Land	Cost at Acquisition Date: Buildings Improvements & Equipment	Net Improvements Capitalized Subsequent to Acquisition
Jay	$ 30,000	$ 103,524	$ 677,073
Boxwood	22,273	718,529	30,137
Omega	35,000	188,863	1,183,441
Cornell 2	29,155	576,296	677,325
Elm Creek	71,360	233,390	1,056,222
Marionville	24,900	409,497	379,605
Lamar	18,000	202,240	684,085
Centreville	36,000	220,952	757,105
Skyview	120,000	220,161	1,166,001
Bradford	66,000	285,025	675,823
Cedar Lane	49,750	952,314	(38,223)
Stanton	41,584	959,574	(42,009)
Abernathy	30,000	751,898	-
Pembroke	43,000	955,687	(47,860)
Meadowview	46,270	1,086,351	37,826
Town Branch	21,000	942,114	(25,758)
Fox Run	47,467	919,296	6,430
Maple Street	85,000	1,178,856	458,737
Manchester	24,100	711,035	423
Total Series 9	$ 840,859	$ 11,615,602	$ 7,636,383

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
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SERIES 9

Apartment Properties	Gross Amount At Which Carried At December 31, 2011		
Partnership	Land	Buildings, Improvements & Equipment	Total
Jay	$ 25,000	$ 785,597	$ 810,597
Boxwood	22,273	748,666	770,939
Omega	35,000	1,372,304	1,407,304
Cornell 2	105,569	1,177,207	1,282,776
Elm Creek	185,069	1,175,903	1,360,972
Marionville	93,361	720,640	814,002
Lamar	18,000	886,325	904,325
Centreville	36,000	978,057	1,014,057
Skyview	120,000	1,386,162	1,506,162
Bradford	66,000	960,848	1,026,848
Cedar Lane	49,750	914,091	963,841
Stanton	41,584	917,565	959,149
Abernathy	30,000	751,898	781,898
Pembroke	43,000	907,827	950,827
Meadowview	46,270	1,124,177	1,170,447
Town Branch	21,000	916,356	937,356
Fox Run	47,467	925,726	973,193
Maple Street	85,000	1,637,593	1,722,593
Manchester	27,200	708,358	735,558
Total Series 9	$ 1,097,544	$ 18,995,300	$ 20,092,844

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SERIES 9
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Jay	$ 555,997	5.0-25.0
Boxwood	546,672	5.0-25.0
Omega	804,670	5.0-50.0
Cornell 2	782,689	5.0-30.0
Elm Creek	758,701	5.0-27.5
Marionville	534,960	7.0-27.5
Lamar	635,100	5.0-25.0
Centreville	681,635	5.0-40.0
Skyview	595,376	5.0-40.0
Bradford	406,427	5.0-40.0
Cedar Lane	423,661	5.0-40.0
Stanton	422,462	5.0-40.0
Abernathy	543,070	5.0-25.0
Pembroke	398,123	7.0-40.0
Meadowview	482,835	5.0-40.0
Town Branch	385,635	7.0-40.0
Fox Run	584,841	7.0-27.5
Maple Street	725,326	7.0-40.0
Manchester	415,426	5.0-27.5
Total Series 9	$ 10,683,606	

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OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
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SERIES 10
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Albany	Albany, KY	24	$ 718,824
Oak Terrace	Bonifay, FL	18	508,815
Wellshill	West Liberty, KY	32	1,027,547
Applegate	Florence, AL	36	1,114,105
Heatherwood	Alexander City, AL	36	852,604
Donna	Donna, TX	50	1,335,132
Wellsville	Wellsville, NY	24	959,562
Tecumseh	Tecumseh, NE	24	832,714
Clay City	Clay City, KY	24	767,568
Irvine West	Irvine, KY	24	768,286
New Castle	New Castle, KY	24	759,179
Stigler	Stigler, OK	20	560,930
Total Series 10		336	$ 10,205,266

SERIES 10
Apartment Properties

Partnership	Cost at Acquisition Date: Land	Cost at Acquisition Date: Buildings Improvements & Equipment	Net Improvements Capitalized Subsequent to Acquisition
Albany	$ 39,500	$ 990,162	$ (15,856)
Oak Terrace	27,200	633,284	2,878
Wellshill	75,000	1,270,844	(48,725)
Applegate	125,000	1,467,675	282,233
Heatherwood	55,000	1,551,679	55,207
Donna	112,000	1,661,889	5,893
Wellsville	38,000	1,286,389	166,407
Tecumseh	20,000	1,038,151	135,673
Clay City	22,750	998,334	97,417
Irvine West	25,000	1,060,585	72,386
New Castle	40,575	971,520	48,790
Stigler	24,000	730,056	-
Total Series 10	$ 604,025	$ 13,660,568	$ 802,303

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SERIES 10
Apartment Properties

	Gross Amount At Which Carried At December 31, 2011		
Partnership	Land	Buildings, Improvements & Equipment	Total
Albany	$ 39,500	$ 974,306	$ 1,013,806
Oak Terrace	27,200	636,162	663,362
Wellshill	75,000	1,222,119	1,297,119
Applegate	126,385	1,748,523	1,874,908
Heatherwood	55,000	1,606,886	1,661,886
Donna	112,000	1,667,782	1,779,782
Wellsville	38,000	1,452,796	1,490,796
Tecumseh	50,741	1,140,583	1,193,824
Clay City	52,009	1,066,492	1,118,501
Irvine West	59,508	1,098,463	1,157,971
New Castle	43,375	1,017,510	1,060,885
Stigler	24,000	730,056	754,056
Total Series 10	$ 705,218	$ 14,361,678	$ 15,066,896

SERIES 10
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Albany	$ 431,240	5.0-40.0
Oak Terrace	408,923	5.0-27.5
Wellshill	519,494	5.0-40.0
Applegate	757,487	5.0-40.0
Heatherwood	697,623	5.0-40.0
Donna	595,132	7.0-50.0
Wellsville	946,191	7.0-27.5
Tecumseh	478,653	5.0-50.0
Clay City	479,925	5.0-40.0
Irvine West	497,528	5.0-40.0
New Castle	447,952	5.0-40.0
Stigler	327,508	5.0-25.0
Total Series 10	$ 6,587,656	

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SERIES 11
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Homestead	Pinetop, AZ	32	$ 1,204,126
Eloy	Eloy, AZ	24	619,775
Gila Bend	Gila Bend, AZ	36	1,587,472
Creekstone	Dallas, GA	40	435,716
Tifton	Tifton, GA	36	655,195
Cass Towne	Cartersville, GA	10	-
Royston	Royston, GA	25	704,572
Red Bud	Mokane, MO	8	227,354
Total Series 11		211	$ 5,434,210

SERIES 11
Apartment Properties

Partnership	Cost at Acquisition Date: Land	Cost at Acquisition Date: Buildings Improvements & Equipment	Net Improvements Capitalized Subsequent to Acquisition
Homestead	$ 126,000	$ 1,628,502	$ 91,893
Eloy	12,000	882,913	254,487
Gila Bend	18,000	945,233	648,519
Creekstone	130,625	170,655	1,707,324
Tifton	17,600	192,853	1,496,433
Cass Towne	22,690	301,458	35,892
Royston	36,000	785,602	112,946
Red Bud	5,500	295,617	4,081
Total Series 11	$ 368,415	$ 5,202,833	$ 4,351,575

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SERIES 11
Apartment Properties

	Gross Amount At Which Carried At December 31, 2011		
Partnership	Land	Buildings, Improvements & Equipment	Total
Homestead	$ 144,163	$ 1,702,232	$ 1,846,395
Eloy	12,000	1,137,400	1,149,400
Gila Bend	18,000	1,593,752	1,611,752
Creekstone	130,650	1,877,954	2,008,604
Tifton	17,327	1,689,559	1,706,886
Cass Towne	22,690	337,350	360,040
Royston	36,000	898,548	934,548
Red Bud	5,500	299,698	305,198
Total Series 11	$ 386,330	$ 9,536,493	$ 9,922,823

SERIES 11
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Homestead	$ 780,686	5.0-40.0
Eloy	704,641	5.0-27.5
Gila Bend	776,689	5.0-40.0
Creekstone	1,106,849	7.0-27.5
Tifton	682,672	5.0-25.0
Cass Towne	146,856	7.0-27.5
Royston	491,189	7.0-40.0
Red Bud	123,729	7.0-40.0
Total Series 11	$ 4,813,311	

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2011
NOTES TO SCHEDULE III

SERIES 7

Reconciliation of Land, Building & Improvements current year changes:		
Balance at beginning of period - December 31, 2010		$ 28,251,969
Additions during period:		
Acquisitions through foreclosure	-	
Other acquisitions	42,353	
Improvements, etc.	-	
Other	-	
		42,353
Deductions during period:		
Cost of real estate sold	(8,628,481)	
Other	(3,209)	
		(8,631,690)
Balance at end of period - December 31, 2011		$ 19,662,632
Reconciliation of Accumulated Depreciation current year changes:		
Balance at beginning of period - December 31, 2010		$ 15,080,769
Current year expense		579,826
Sale of assets		(4,635,948)
Prior year adjustments		(3,209)
Balance at end of period - December 31, 2011		$ 11,021,438

SERIES 8

Reconciliation of Land, Building & Improvements current year changes:		
Balance at beginning of period - December 31, 2010		$ 45,187,516
Additions during period:		
Acquisitions through foreclosure	-	
Other acquisitions	198,671	
Improvements, etc.	-	
Other	-	
		198,671
Deductions during period:		
Cost of real estate sold	(4,563,909)	
Other	(72,609)	
		(4,636,518)
Balance at end of period - December 31, 2011		$ 40,749,669
Reconciliation of Accumulated Depreciation current year changes:		
Balance at beginning of period - December 31, 2010		$ 24,615,247
Current year expense		1,277,936
Sale of assets		(2,178,023)
Prior year adjustments		(72,609)
Balance at end of period - December 31, 2011		$ 23,642,551

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2011
NOTES TO SCHEDULE III

SERIES 9

Reconciliation of Land, Building & Improvements current year changes:		
Balance at beginning of period - December 31, 2010		$ 24,659,768
Additions during period:		
Acquisitions through foreclosure	-	
Other acquisitions	27,093	
Improvements, etc.	-	
Other	-	
		27,903
Deductions during period:		
Cost of real estate sold	(4,589,016)	
Other	(5,001)	
		(4,594,017)
Balance at end of period - December 31, 2011		$ 20,092,844

Reconciliation of Accumulated Depreciation current year changes:	
Balance at beginning of period - December 31, 2010	$ 12,235,111
Current year expense	603,449
Sale of assets	(2,149,953)
Prior year adjustments	(5,001)
Balance at end of period - December 31, 2011	$ 10,683,606

SERIES 10

Reconciliation of Land, Building & Improvements current year changes:		
Balance at beginning of period - December 31, 2010		$ 17,071,065
Additions during period:		
Acquisitions through foreclosure	-	
Other acquisitions	39,522	
Improvements, etc.	-	
Other	-	
		39,522
Deductions during period:		
Cost of real estate sold	(2,042,345)	
Other	(1,346)	
		(2,043,691)
Balance at end of period - December 31, 2011		$ 15,066,896

Reconciliation of Accumulated Depreciation current year changes:	
Balance at beginning of period - December 31, 2010	$ 7,062,374
Current year expense	390,641
Sale of assets	(864,013)
Prior year adjustments	(1,346)
Balance at end of period - December 31, 2011	$ 6,587,656

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2011
NOTES TO SCHEDULE III

SERIES 11

Reconciliation of Land, Building & Improvements current year changes:			
Balance at beginning of period - December 31, 2010		$	15,759,988
Additions during period:			
Acquisitions through foreclosure	-		
Other acquisitions	13,660		
Improvements, etc.	-		
Other	-		
			13,660
Deductions during period:			
Cost of real estate sold	(5,850,824)		
Other	(1)		
			(5,850,825)
Balance at end of period - December 31, 2011		$	9,922,823

Reconciliation of Accumulated Depreciation current year changes:		
Balance at beginning of period - December 31, 2010	$	7,441,864
Current year expense		326,802
Sale of assets		(2,955,354)
Prior year adjustments		(1)
Balance at end of period - December 31, 2011	$	4,813,311

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2011

SERIES 7

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Washington	24	$ 758,934	8.25%	2,923	50
BrookStone	40	1,119,127	6.50%	6,491	50
N. Irvine	24	748,826	7.75%	3,164	50
Manchester	42	1,127,037	6.50%	6,417	50
Waynesboro	24	628,849	6.50%	3,398	50
Warm Springs	22	637,099	7.25%	2,775	50
Dilley	28	688,369	8.25%	2,650	50
Elsa	40	979,660	7.75%	4,347	50
Leander	36	865,864	7.75%	3,506	50
Louisa Sr.	36	1,117,316	7.25%	6,061	50
Orchard Commons	12	281,958	7.75%	5,732	50
Heritage Park	32	1,177,069	7.75%	5,077	50
BrooksHollow	40	1,105,420	6.50%	6,294	50
Carson City	24	743,815	7.25%	3,500	50
Matteson	24	719,175	7.25%	3,500	50
Pembroke	16	475,621	7.25%	2,951	50
Robynwood	24	715,474	7.25%	5,251	50
Hill Creek	24	726,663	6.50%	3,830	50
TOTAL SERIES 7	512	$ 14,616,276			

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2011

SERIES 8

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Purdy	16	$ 430,764	7.75%	2,285	50
Galena	24	573,727	7.25%	2,776	50
Antlers 2	24	584,627	7.25%	4,085	50
Holdenville	24	668,909	6.50%	4,330	50
Wetumka	24	603,589	6.50%	4,314	50
Mariners Cove	32	978,765	7.25%	4,600	50
Mariners Cove Sr.	24	758,048	7.25%	3,500	50
Antlers	36	1,028,215	7.25%	4,619	50
Bentonville	24	375,863	7.75%	14,430	45
Deerpoint	24	674,019	7.75%	6,238	50
Aurora	28	686,788	7.25%	3,236	50
Baxter	16	396,338	6.50%	2,720	50
Timber Ridge	24	692,437	7.25%	3,446	50
Concordia Sr.	24	639,727	6.50%	3,350	50
Mountainburg	24	663,398	6.50%	3,824	50
Fox Ridge	24	700,925	7.25%	3,398	50
Meadow View	16	557,641	7.25%	2,683	50
Sheridan	16	570,198	8.25%	3,211	50
Grand Isle	16	942,707	8.25%	8,875	50
Meadowview	29	670,510	7.25%	7,575	39
Taylor	44	1,166,890	7.50%	6,644	50
Brookwood	44	1,370,826	6.50%	7,860	50
Pleasant Valley	33	1,037,948	7.25%	4,893	50
Reelfoot	20	607,603	7.25%	3,892	50
River Rest	34	1,086,386	7.25%	4,791	50
Kirskville	24	648,009	7.25%	2,591	50
Kenton	46	1,353,287	7.25%	6,044	50
Lovingston	64	2,086,695	7.00%	10,920	50
Hustonville	16	485,505	6.50%	3,187	50
Northpoint	24	845,619	7.25%	4,112	50
Brooks Field	32	905,399	7.25%	4,004	50
Brooks Lane	36	1,048,768	7.25%	4,297	50
Brooks Point	41	1,302,049	7.25%	4,833	50
Brooks Run	24	721,421	7.25%	2,975	50
Logan Heights	24	742,460	7.25%	3,072	50
Lakeshore 2	36	1,098,987	7.75%	4,147	50
TOTAL SERIES 8	1,011	$ 29,705,047			

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2011

SERIES 9

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Jay	24	$ 613,613	7.25%	2,851	50
Boxwood	24	569,911	6.50%	3,894	50
Omega	36	1,075,895	7.25%	4,679	50
Cornell 2	24	871,240	7.25%	4,135	50
Elm Creek	24	901,916	7.25%	4,223	50
Marionville	20	528,904	6.50%	2,974	50
Lamar	24	667,913	7.25%	11,480	50
Centreville	24	748,229	7.25%	3,340	50
Skyview	36	1,076,054	7.25%	4,771	50
Bradford	24	750,310	7.03%	3,205	50
Cedar Lane	24	672,542	6.50%	5,465	50
Stanton	24	755,291	7.25%	3,892	50
Abernathy	24	576,325	6.50%	3,737	50
Pembroke	24	755,378	7.25%	3,495	50
Meadowview	24	636,889	0.50%	2,162	20
Town Branch	24	719,957	7.25%	4,347	50
Fox Run	24	729,940	6.50%	3,685	50
Maple Street	32	1,297,250	7.25%	5,421	50
Manchester	18	560,500	7.25%	2,438	50
TOTAL SERIES 9	478	$ 14,508,057			

GATEWAY TAX CREDIT FUND III LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2011

SERIES 10

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Albany	24	$ 718,824	6.50%	4,992	50
Oak Terrace	18	508,815	6.50%	2,861	50
Wellshill	32	1,027,547	7.25%	4,437	50
Applegate	36	1,114,105	0.50%	0	20
Heatherwood	36	852,604	0.50%	0	20
Donna	50	1,335,132	6.50%	7,509	50
Wellsville	24	959,562	6.50%	8,231	50
Tecumseh	24	832,714	7.25%	3,531	50
Clay City	24	767,568	7.25%	3,619	50
Irvine West	24	768,286	7.25%	3,361	50
New Castle	24	759,179	7.25%	5,131	50
Stigler	20	560,930	7.25%	3,813	50
TOTAL SERIES 10	336	$ 10,205,266			

SERIES 11

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Homestead	32	$ 1,204,126	6.50%	6,408	50
Eloy	24	619,775	6.00%	2,109	50
Gila Bend	36	1,587,472	8.00%	3,070	50
Creekstone	40	435,716	11.00%	56,427	30
Tifton	36	655,195	0.00%	24,929	42
Cass Towne	10	-	3.00%	17,000	10
Royston	25	704,572	6.75%	3,009	50
Red Bud	8	227,354	7.25%	863	50
TOTAL SERIES 11	211	$ 5,434,210			

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.
(the Managing General Partner)

Date: June 25, 2012	By:/s/ Ronald M. Diner Ronald M. Diner President and Director
Date: June 25, 2012	By:/s/ J. Davenport Mosby III J. Davenport Mosby III Director
Date: June 25, 2012	By:/s/ Toni S. Matthews Toni S. Matthews Vice President and Chief Financial Officer
Date: June 25, 2012	By:/s/ Sandra C. Humphreys Sandra C. Humphreys Secretary and Treasurer

EXHIBIT 31.1

Rule 13a-14(a)/15d-14(a) Certification

I, Ron Diner, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 25, 2012

By:/s/ Ronald M. Diner
President
Raymond James Tax Credit Funds, Inc.
(the Managing General Partner)

EXHIBIT 31.2

Rule 13a-14(a)/15d-14(a) Certification

I, Toni S. Matthews, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 25, 2012

By:/s/ Toni S. Matthews
Vice President and Chief Financial Officer
Raymond James Tax Credit Funds, Inc.
(the Managing General Partner)

EXHIBIT 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

We, each hereby certify to the best of our knowledge that the Annual Report of Form 10-K of Gateway Tax Credit Fund III, Ltd. for the year ended March 31, 2012 containing the financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o (d)) and that information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of Gateway.

/s/ Ronald M. Diner
Ronald M. Diner
President
Raymond James Tax Credit Funds, Inc.
(the Managing General Partner)
June 25, 2012

/s/ Toni S. Matthews
Toni S. Matthews
Vice President and Chief Financial Officer
Raymond James Tax Credit Funds, Inc.
(the Managing General Partner)
June 25, 2012