

Development Entity
Development Name
SCHEDULE OF CHAPTER 40B MAXIMUM ALLOWABLE PROFIT FROM SALES
Date

This Schedule covers the period from _____ to _____.

Affordable Unit Fraction _____%

SALES REVENUE

	<u>Total Number of Units</u>	<u>Total Dollars</u>
Market Unit Sales	_____	\$ _____
*Market Unit Sales to Related Parties	_____	\$ _____
Affordable Unit Sales	_____	\$ _____
Total Sales Revenue		\$ _____ (A)
Total Project Costs (taken from Schedule of Total Chapter 40B Costs)		\$ _____ (B)
Computed Profit from Sales		\$ _____ (C) = (A) - (B)
**Maximum Allowable Profit – 20% of Total Project Costs		\$ _____ (D) = (B) x 20%
Excess Profit		\$ _____ (C) – (D)
Percent Profit		_____ % (C) / (B)

*Market Unit Sales to Related Parties – use the higher of X or Y:

<u>Unit #</u>	<u>Buyer</u>	<u>Actual Sale Price(X)</u>	<u>Average Sale Price of Highest 3 Arm's Length Sales of Comparable Units (Y)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Maximum Allowable Profit from Sales is limited to the lesser of 20% of Total Project Costs or the amount as directed in the Regulatory Agreement.

Development Entity
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SCHEDULE OF TOTAL CHAPTER 40B COSTS
Date

<u>DEVELOPMENT ITEM</u>	<u>TOTAL COST</u>	<u>PER UNIT COST</u>
SITE ACQUISITION	\$ _____	\$ _____
HARD COSTS		
Site Development Costs	_____	_____
Roads (including utilities in roads)	_____	_____
On-site Septic System	_____	_____
On-site Water System	_____	_____
Blasting	_____	_____
Rough Grading/Site Prep.	_____	_____
Landscaping	_____	_____
Utility Connections	_____	_____
Residential Construction*	_____	_____
Related Party Details**	_____	_____
Builder's Profit	_____	_____
Builder's Overhead	_____	_____
General Requirements	_____	_____
TOTAL HARD COSTS	\$ _____	\$ _____
SOFT COSTS		
Permits/Surveys	_____	_____
Architectural	_____	_____
Engineering	_____	_____
Legal	_____	_____
Insurance	_____	_____
Security	_____	_____
Construction Manager	_____	_____
Property Taxes	_____	_____
Construction Loan Interest	_____	_____
Application/Financing Fees	_____	_____
Appraisal	_____	_____
Utilities	_____	_____
Accounting	_____	_____

Commissions/Advertising	_____	_____
Affordable Units	_____	_____
Market Units	_____	_____
Model Unit	_____	_____
Consultant	_____	_____
Lottery	_____	_____
Developer's Overhead	_____	_____
TOTAL SOFT COSTS	\$_____	\$_____
TOTAL DEVELOPMENT COSTS	\$_____	\$_____

Per Square Foot Hard Costs	
Market Type 1	\$_____ /sq. ft.
Market Type 2	\$_____ /sq. ft.
Affordable Unit	\$_____ /sq. ft.

* To be supported by RS Means data.

** To be completed when General Contractor or Construction Manager is a Related Party. The costs listed here should not also be included in the other cost line items.

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NOTES TO SCHEDULES
Date

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

[Development Entity Name], a Massachusetts limited liability company, was formed on [Date] to acquire, develop and sell [___] units of residential housing, including [___] units for qualifying low income families in [City/Town], Massachusetts. Substantial completion of the project occurred on [Date], when the last of the certificates of occupancy was obtained.

Basis of Presentation

The accompanying Schedules have been prepared utilizing the format prescribed by the Massachusetts Housing Finance Agency, as Project Administrator for the Department of Housing and Community Development. The purpose of these Schedules is to facilitate the review and determination of the project's allowable profit from sales.

Basis of Accounting

The accompanying Schedules have been prepared in conformity with the accounting practices prescribed by the requirements of the Massachusetts Housing Finance Agency ("MassHousing"), MGL Chapter 40B, and the Regulations, 760 CMR 31.00, et seq., *Guidelines for Housing Programs in Which Funding is Provided Through a Non-Governmental Entity*, issued by the Department of Housing and Community Development, and applicable sections of the Massachusetts Housing Partnership's *Local 40B Review and Decision Guidelines Appendix: Standards for Determining Whether Permit Conditions Make a 40B Development Uneconomic* (November 2005) using the accrual basis of accounting.

Estimates

The presentation of the Schedules in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect the reported amounts of sales and costs during the reporting period. Actual results could differ from those estimates.

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NOTES TO SCHEDULES (SAMPLES)
Date

NOTE 2 – CAPITAL CONTRIBUTIONS

The Members have made capital contributes of [\$_____]. As of [Date], a letter of credit for [\$_____] has been established. There have been no draws on the letter of credit.

NOTE 3 – FINANCING

Construction financing, in the amount of [\$_____], has been provided by a mortgage loan by [Name of Lender]. Interest is payable monthly at a rate of [____%] during construction.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Construction Contractor, [_____], is an affiliate of the Managing Member of the LLC. The contract provides for [\$_____] of overhead, profit and services provided directly by this affiliate.

Other related party transactions:

Payments made to Related Parties:

<u>Name of Payee</u>	<u>Nature of Relationship</u>	<u>Amount Paid</u>
_____	_____	_____
_____	_____	_____

Sales of units to Related Parties:

<u>Name of Payee</u>	<u>Nature of Relationship</u>	<u>Sales Price</u>
_____	_____	_____
_____	_____	_____

Purchases of materials/supplies from a Related Party

<u>Name of Payee</u>	<u>Nature of Relationship</u>	<u>Amount Paid</u>
_____	_____	_____
_____	_____	_____

Purchases of services from a Related Party

<u>Name of Payee</u>	<u>Nature of Relationship</u>	<u>Amount Paid</u>
_____	_____	_____
_____	_____	_____

Financing made with a Related Party

<u>Name of Payee</u>	<u>Nature of Relationship</u>	<u>Amount Paid</u>
_____	_____	_____
_____	_____	_____

OTHER