

# UMBAUGH

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August 25, 2014

Board of Directors  
Damon Run Conservancy District  
Post Office Box 472  
Valparaiso, Indiana 46384

RE: Analysis of the District's Financial Plan

Dear Board Members:

In conjunction with the preparation of the District's 2015 budget, we have revisited the District's financial plan and have updated it. We worked with District in formulating the assumptions used in the updated plan. Please refer to pages 5 through 9 for a detailed description of the assumptions.

If there are any questions regarding the enclosed, please let us know.

Very truly yours,

UMBAUGH



Eric J. Walsh

EJW/tvb

Enclosure: Report Dated August 25, 2014

cc: Mr. William A. Ferngren, Ferngren Law Offices, LLC

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August 25, 2014

Board of Directors  
Damon Run Conservancy District  
Post Office Box 472  
Valparaiso, Indiana 46384

RE: Damon Run Conservancy District – 2015 Financial Plan

The attached schedules (listed below) present unaudited and limited financial information for the purpose of discussion and consideration by appropriate officers and officials of the Damon Run Conservancy District. The use of these schedules should be restricted to this purpose as the information is subject to future revision and further reports.


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2	Schedule of Amortization of \$11,320,000 Principal Amount of Conservancy District Ad Valorem Special Benefits Property Tax Bonds of 2010, Series A
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***SUPPLEMENTAL DATA***

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We would appreciate your questions or comments on this information, and would provide additional information upon request.



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**DAMON RUN CONSERVANCY DISTRICT**  
**Porter County, Indiana**

**SCHEDULE OF AMORTIZATION OF \$11,320,000 PRINCIPAL AMOUNT OF CONSERVANCY**  
**DISTRICT AD VALOREM SPECIAL BENEFITS PROPERTY TAX BONDS OF 2010, SERIES A**

Principal Payable Semiannually, January 1st and July 1st

Interest Payable Semiannually, January 1st and July 1st

Interest Rates as Shown

Dated Date - December 14, 2010

(Unaudited)

Date	Principal Balance (---In Thousands---)	Debt Service			Total (-----In Dollars-----)	Bond Year Total
		Principal	%	Interest		
1/1/2015	\$11,320	\$235	3.750	\$327,305.00	\$562,305.00	\$562,305.00
7/1/2015	11,085	240	3.750	322,898.75	562,898.75	
1/1/2016	10,845	240	4.000	318,398.75	558,398.75	1,121,297.50
7/1/2016	10,605	245	4.000	313,598.75	558,598.75	
1/1/2017	10,360	255	4.250	308,698.75	563,698.75	1,122,297.50
7/1/2017	10,105	255	4.250	303,280.00	558,280.00	
1/1/2018	9,850	265	4.500	297,861.25	562,861.25	1,121,141.25
7/1/2018	9,585	270	4.500	291,898.75	561,898.75	
1/1/2019	9,315	275	4.750	285,823.75	560,823.75	1,122,722.50
7/1/2019	9,040	280	4.750	279,292.50	559,292.50	
1/1/2020	8,760	285	5.000	272,642.50	557,642.50	1,116,935.00
7/1/2020	8,475	295	5.000	265,517.50	560,517.50	
1/1/2021	8,180	300	6.100	258,142.50	558,142.50	1,118,660.00
7/1/2021	7,880	310	6.100	248,992.50	558,992.50	
1/1/2022	7,570	320	6.100	239,537.50	559,537.50	1,118,530.00
7/1/2022	7,250	330	6.100	229,777.50	559,777.50	
1/1/2023	6,920	340	6.100	219,712.50	559,712.50	1,119,490.00
7/1/2023	6,580	350	6.100	209,342.50	559,342.50	
1/1/2024	6,230	360	6.100	198,667.50	558,667.50	1,118,010.00
7/1/2024	5,870	370	6.100	187,687.50	557,687.50	
1/1/2025	5,500	385	6.100	176,402.50	561,402.50	1,119,090.00
7/1/2025	5,115	395	6.100	164,660.00	559,660.00	
1/1/2026	4,720	405	6.375	152,612.50	557,612.50	1,117,272.50
7/1/2026	4,315	420	6.375	139,703.13	559,703.13	
1/1/2027	3,895	435	6.375	126,315.63	561,315.63	1,121,018.76
7/1/2027	3,460	450	6.500	112,450.00	562,450.00	
1/1/2028	3,010	460	6.500	97,825.00	557,825.00	1,120,275.00
7/1/2028	2,550	475	6.500	82,875.00	557,875.00	
1/1/2029	2,075	495	6.500	67,437.50	562,437.50	1,120,312.50
7/1/2029	1,580	510	6.500	51,350.00	561,350.00	
1/1/2030	1,070	525	6.500	34,775.00	559,775.00	1,121,125.00
7/1/2030	545	545	6.500	17,712.50	562,712.50	562,712.50
<b>Totals</b>		<u>\$11,320</u>		<u>\$6,603,195.01</u>	<u>\$17,923,195.01</u>	<u>\$17,923,195.01</u>

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
**Porter County, Indiana**

**SCHEDULE OF AMORTIZATION OF \$1,885,000 PRINCIPAL AMOUNT OF CONSERVANCY DISTRICT AD VALOREM SPECIAL BENEFITS PROPERTY TAX BONDS OF 2010, SERIES B**

Principal Payable Semiannually, January 1st and July 1st

Interest Payable Semiannually, January 1st and July 1st

Interest Rates as Shown

Dated Date - December 14, 2010

(Unaudited)

Date	Principal Balance (---In Thousands---)	Debt Service			Total (-----In Dollars-----)	Bond Year Total
		Principal	%	Interest		
1/1/2015	\$1,885	\$40	5.000	\$54,803.13	\$94,803.13	\$94,803.13
7/1/2015	1,845	40	5.000	53,803.13	93,803.13	
1/1/2016	1,805	40	5.000	52,803.13	92,803.13	186,606.26
7/1/2016	1,765	40	5.000	51,803.13	91,803.13	
1/1/2017	1,725	40	5.000	50,803.13	90,803.13	182,606.26
7/1/2017	1,685	40	5.000	49,803.13	89,803.13	
1/1/2018	1,645	45	5.000	48,803.13	93,803.13	183,606.26
7/1/2018	1,600	45	5.000	47,678.13	92,678.13	
1/1/2019	1,555	45	5.000	46,553.13	91,553.13	184,231.26
7/1/2019	1,510	45	5.000	45,428.13	90,428.13	
1/1/2020	1,465	50	5.000	44,303.13	94,303.13	184,731.26
7/1/2020	1,415	50	5.000	43,053.13	93,053.13	
1/1/2021	1,365	50	6.125	41,803.13	91,803.13	184,856.26
7/1/2021	1,315	50	6.125	40,271.88	90,271.88	
1/1/2022	1,265	55	6.125	38,740.63	93,740.63	184,012.51
7/1/2022	1,210	55	6.125	37,056.25	92,056.25	
1/1/2023	1,155	55	6.125	35,371.88	90,371.88	182,428.13
7/1/2023	1,100	60	6.125	33,687.50	93,687.50	
1/1/2024	1,040	60	6.125	31,850.00	91,850.00	185,537.50
7/1/2024	980	60	6.125	30,012.50	90,012.50	
1/1/2025	920	70	6.125	28,175.00	98,175.00	188,187.50
7/1/2025	850	65	6.125	26,031.25	91,031.25	
1/1/2026	785	70	6.125	24,040.63	94,040.63	185,071.88
7/1/2026	715	70	6.125	21,896.88	91,896.88	
1/1/2027	645	75	6.125	19,753.13	94,753.13	186,650.01
7/1/2027	570	75	6.125	17,456.25	92,456.25	
1/1/2028	495	75	6.125	15,159.38	90,159.38	182,615.63
7/1/2028	420	80	6.125	12,862.50	92,862.50	
1/1/2029	340	80	6.125	10,412.50	90,412.50	183,275.00
7/1/2029	260	85	6.125	7,962.50	92,962.50	
1/1/2030	175	85	6.125	5,359.38	90,359.38	183,321.88
7/1/2030	90	90	6.125	2,756.25	92,756.25	92,756.25
Totals		<u>\$1,885</u>		<u>\$1,070,296.98</u>	<u>\$2,955,296.98</u>	<u>\$2,955,296.98</u>

(Subject to the attached letter dated August 25, 2014)

(Preliminary - Subject to Change)

(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT  
Porter County, Indiana**

**SCHEDULE OF COMBINED DEBT SERVICE**

<u>Date</u>	<u>2010 Series A</u>	<u>2010 Series B</u>	<u>Bond Year Totals</u>
1/1/2015	\$562,305.00	\$94,803.13	\$657,108.13
7/1/2015	562,898.75	93,803.13	
1/1/2016	558,398.75	92,803.13	1,307,903.76
7/1/2016	558,598.75	91,803.13	
1/1/2017	563,698.75	90,803.13	1,304,903.76
7/1/2017	558,280.00	89,803.13	
1/1/2018	562,861.25	93,803.13	1,304,747.51
7/1/2018	561,898.75	92,678.13	
1/1/2019	560,823.75	91,553.13	1,306,953.76
7/1/2019	559,292.50	90,428.13	
1/1/2020	557,642.50	94,303.13	1,301,666.26
7/1/2020	560,517.50	93,053.13	
1/1/2021	558,142.50	91,803.13	1,303,516.26
7/1/2021	558,992.50	90,271.88	
1/1/2022	559,537.50	93,740.63	1,302,542.51
7/1/2022	559,777.50	92,056.25	
1/1/2023	559,712.50	90,371.88	1,301,918.13
7/1/2023	559,342.50	93,687.50	
1/1/2024	558,667.50	91,850.00	1,303,547.50
7/1/2024	557,687.50	90,012.50	
1/1/2025	561,402.50	98,175.00	1,307,277.50
7/1/2025	559,660.00	91,031.25	
1/1/2026	557,612.50	94,040.63	1,302,344.38
7/1/2026	559,703.13	91,896.88	
1/1/2027	561,315.63	94,753.13	1,307,668.77
7/1/2027	562,450.00	92,456.25	
1/1/2028	557,825.00	90,159.38	1,302,890.63
7/1/2028	557,875.00	92,862.50	
1/1/2029	562,437.50	90,412.50	1,303,587.50
7/1/2029	561,350.00	92,962.50	
1/1/2030	559,775.00	90,359.38	1,304,446.88
7/1/2030	562,712.50	92,756.25	655,468.75
<b>Totals</b>	<u><u>\$17,923,195.01</u></u>	<u><u>\$2,955,296.98</u></u>	<u><u>\$20,878,491.99</u></u>

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
**Porter County, Indiana**

**SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS**

- (1) Estimated Cash Flows for Debt Service Fund – This schedule shows estimated tax revenues and transfers from the District’s Water Fund and Sewer Fund. The beginning fund balances, along with tax revenues and transfers from the Water Fund and Sewer Fund, will be sufficient to pay debt service over the long-term.
- (2) Special benefits property taxes will be used to pay debt service on the Bonds. To the extent funding from user fees and In-District connection fees are available, they will be used to reduce the amount of property taxes needed.
- (3) Based on anticipated cash balances available within the Water Fund.
- (4) Based on anticipated cash balances available within the Sewage Works Fund.
- (5) Interest Income – The District currently is not generating interest on its funds. For this reason, interest income is assumed at zero.
- (6) Based on the repayment of the District’s outstanding debt. Principal and interest on the long-term bonds is due semiannually on January 1 and July 1, with payments made in the month prior to the date due (see pages 2 through 4).
- (7) Estimated Cash Flows from Water Operations – The District currently assesses water user fees to In-District customers (see Note 8), Liberty Intermediate School (see Note 9), Porter County Hospital (see Note 10), and the medical office building (“MOB”) (part of Hospital) (see Note 11).
- (8) Based on District EDUs and the In-District monthly user fee per EDU as detailed below:

	<u>Current</u>
Water	\$12.00

Note: Mallard’s Pointe has been paying property tax bills to the District since 2008, but has not yet connected to the water and sewer system. Because there is uncertainty regarding when and if Mallard’s Pointe will connect, this study assumes Mallard’s Pointe does not connect to the system prior to December 31, 2019. Once connected, Mallard’s Pointe will add approximately \$7,344 of annual water revenue.

(Continued on next page)

(Subject to the attached letter dated August 25, 2014)  
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**DAMON RUN CONSERVANCY DISTRICT  
Porter County, Indiana**

(Cont.)

**SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS**

- (9) Based on Liberty Intermediate School's current monthly water user fee as follows:

Monthly water user fee per EDU (page 17)	\$ 157.69
Times: Liberty Intermediate School EDUs	<u>x 12.59</u>
Total monthly water user fee	<u>\$1,985.32</u>

- (10) Based on Porter County Hospital's current monthly water user fee as follows:

Estimated water user fee per EDU (page 17)	\$ 157.69
Times: Porter County Hospital EDUs	<u>x 193.52</u>
Total monthly water user fee	<u>\$30,516.17</u>

- (11) Based on MOB's current monthly water user fee as follows:

Estimated water user fee per EDU (page 17)	\$ 157.69
Times: MOB estimated EDUs	<u>x 3.00</u>
Total monthly water user fee	<u>\$473.07</u>

- (12) Annual Water Fund operating, maintenance, and replacement costs beyond those expenses funded directly by Indiana American Water (as the District's cost for water purchased is billed directly to the District's customers by Indiana American Water and therefore not shown in this report) are based on the 2014 budget provided by District management. The expenses are assumed to increase 3% annually. July 1 through December 31, 2014 expenses are based on one-half of the 2014 budget as adopted. The budget amount includes an allowance for catching-up accounting and legal payables over a three-year period.

- (13) It is assumed that in 2018 the District begins paying past due invoices owed to Timberland, Indiana Utilities Management and Nardo Builders. For illustrative purposes, we have assumed the District makes payments of \$20,000 annually beginning in 2018. Increases in these payments will result in increases in the estimated tax rate. It is assumed the accounts payable due to Timberland, Indiana Utilities Management and Nardo Builders are paid entirely from water funds. Outstanding accounts payable owed to these three companies as of July 25, 2014 was \$327,542. Please note, included in the operating budget is some allowance for repaying part of the accounts payable balance.

(Continued on next page)

(Subject to the attached letter dated August 25, 2014)  
(Preliminary – Subject to Change)  
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**DAMON RUN CONSERVANCY DISTRICT  
Porter County, Indiana**

(Cont.)

**SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS**

- (14) Estimated Cash Flows from Sewer Operations – The District currently assesses sewer user fees to In-District customers (see Note 15), Liberty Intermediate School (see Note 18), Porter County Hospital (see Note 19), and the MOB (part of Hospital) (see Note 20).
- (15) Based on District EDUs and the In-District monthly user fee per EDU as detailed below:

Sewer	<u>Current</u> \$12.00
-------	---------------------------

Note: Mallard’s Pointe has been paying property tax bills to the District since 2008, but has not yet connected to the water and sewer system. Because there is uncertainty regarding when and if Mallard’s Pointe will connect, this study assumes Mallard’s Pointe does not connect to the system prior to December 31, 2019. Once connected, Mallard’s Pointe will add approximately \$7,344 of annual sewer revenue.

- (16) Sewer treatment is provided by the City of Portage Municipal Sewage Works at a treatment rate of \$26.14 per 4,500 gallons (or \$5.81 per 1,000 gallons) as effective January 1, 2014. The treatment rate will increase by 3% annually in 2015 and 2016, per the most recent Portage rate ordinance. It is assumed the flow per EDU will be 6,000 gallons per month (plus I/I of 10%) multiplied by the District’s flow rate of \$5.81 per 1,000 gallons in 2014, \$5.98 per 1,000 gallons in 2015 and \$6.16 per 1,000 gallons for 2016 and beyond.
- (17) Sewer Connection Fees – The District is currently collecting a connection charge from each property connecting to the District’s sewer system of \$4,700. Of the \$4,700 collected, the District is passing \$2,200 on to the City of Portage as part of the Sewer Treatment Agreement and \$2,500 stays with the District. On June 30, 2014, the District’s Sewer Permit Account balance of \$53,096 included \$6,600 of Sewer Connection Fees owed to the City of Portage. Per the recent IURC Order, the District portion of the connection fee (\$2,500) cannot be charged to any benefitted property. Due to the uncertainty of Mallard’s Pointe, no connection fee revenue is included.
- (18) Per the IURC Order approved June 19, 2013 per Cause No. 44146, the Damon Run Conservancy District may no longer charge benefitted properties a PILT related to sewer charges. Instead, this revenue will be recovered via the benefitted properties sewer user fee. Based on current EDUs, Liberty Intermediate School will be billed the monthly sewer user fee detailed below.

Monthly sewer user fee per EDU (page 17)	\$ 76.13
Times: Liberty Intermediate School EDUs	<u>x 12.59</u>
Total monthly sewer user fee	<u>\$ 958.48</u>

(Continued on next page)

(Subject to the attached letter dated August 25, 2014)  
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**DAMON RUN CONSERVANCY DISTRICT  
Porter County, Indiana**

(Cont.)

**SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS**

- (19) Per the IURC Order approved June 19, 2013 per Cause No. 44146, the Damon Run Conservancy District may no longer charge benefitted properties a PILT related to sewer charges. Instead, this revenue will be recovered via the benefitted properties sewer user fee. Based on current EDUs, Porter County Hospital will be billed the monthly sewer user fee detailed below.

Estimated sewer user fee per EDU (page 17)	\$ 76.13
Times: Porter County Hospital EDUs	<u>x 193.52</u>
Total monthly sewer user fee	<u>\$14,732.68</u>

- (20) Per the IURC Order approved June 19, 2013 per Cause No. 44146, the Damon Run Conservancy District may no longer charge benefitted properties a PILT related to sewer charges. Instead, this revenue will be recovered via the benefitted properties sewer user fee. Based on current EDUs the MOB will be billed the monthly sewer user fee detailed below.

Monthly sewer user fee per EDU (page 17)	\$ 76.13
Times: MOB estimated EDUs	<u>x 3.00</u>
Total monthly sewer user fee	<u>\$228.39</u>

- (21) Annual sewer fund operating, maintenance and replacement costs other than Portage treatment charges (see Note 16) are based on the 2015 budget provided by District management. The expenses are assumed to increase 3% annually. July 1 through December 31, 2014 expenses are based on one-half of the 2014 budget as adopted.

- (22) Properties served by the District are either in the District's existing boundaries or will be in the District's expanded boundaries based upon build-out estimates provided by the District and the District's engineer; with the exception of Liberty Intermediate School, Porter Hospital LLC, the Porter County Parks and Recreation Foundation, and the MOB (part of Hospital) which will not be annexed into the District. Construction completed by February 28 is assumed to be included in the District's assessed value and is used to calculate tax bills in June and December of the following year. The assessment assumptions are as follows:

A. Estimated Residential Growth per District:

2015 – 27 homes  
2016 – 27 homes  
2017 – 27 homes  
2018 – 27 homes

(Continued on next page)

(Subject to the attached letter dated August 25, 2014)

(Preliminary – Subject to Change)

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**DAMON RUN CONSERVANCY DISTRICT  
Porter County, Indiana**

(Cont.)

**SCHEDULE OF FINANCIAL PLAN ASSUMPTIONS**

B. Non-Residential Property Assessed Values:

Mallard's Pointe	\$5,112,500 (per the District)
Keithley Residence	\$ 119,500 (per the District)
Pet Haven	\$ 199,900 (per the District)
Luke Oil #1 & #2	\$ 763,100 (per the District)
Mishawaka One Stop	\$ 169,200 (per the District)
Hospital Campus	\$ 155,800 (per the District)
Family Express	\$ 117,800 (per the District)
Liberty Intermediate School	(Not annexed into District)
Porter County Hospital & MOB	(Not annexed into District)
Porter County Parks and Recreation Foundation	(Not annexed into District)

The estimated Net Assessed Valuations for the District are as follows (see Supplemental Data section for detail):

2014 pay 2015	\$ 87,295,400 (per est. AV at 3/1/2014 provided by District mgt.)
2015 pay 2016	\$ 89,995,400
2016 pay 2017	\$ 96,070,400
2017 pay 2018	\$102,145,400
2018 pay 2019	\$108,220,400

Note: This growth does not include potential developments like the Hospital Community.

(Continued on next page)

(Subject to the attached letter dated August 25, 2014)  
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**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**ESTIMATED CASH FLOWS FOR THE DEBT SERVICE FUND**

Note 1

Ref.	Jul. 1 - Dec. 31, '14	Jan. 1 - Jun. 30, '15	Jul. 1 - Dec. 31, '15	Jan. 1 - Jun. 30, '16	Jul. 1 - Dec. 31, '16	Jan. 1 - Jun. 30, '17
Estimated Receipts:						
Special Benefits Property Taxes	\$ 418,252	\$ 425,000	\$ 425,000	\$ 435,000	\$ 435,000	\$ 450,000
Transfers from Water Fund	210,000	205,000	200,000	200,000	205,000	205,000
Transfers from Sewer Fund	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Total estimated receipts	<u>628,252</u>	<u>630,000</u>	<u>625,000</u>	<u>635,000</u>	<u>640,000</u>	<u>655,000</u>
Estimated Disbursements:						
Bond Principal	275,000	280,000	280,000	285,000	295,000	295,000
Bond Interest	382,108	376,702	371,202	365,402	359,502	353,083
Total estimated disbursements	<u>657,108</u>	<u>656,702</u>	<u>651,202</u>	<u>650,402</u>	<u>654,502</u>	<u>648,083</u>
Estimated Increase (Decrease) in Cash	(28,856)	(26,702)	(26,202)	(15,402)	(14,502)	6,917
Beginning Cash Balances	253,522 *	224,666	197,964	171,762	156,360	141,858
Estimated Ending Cash Balances	<u>\$ 224,666</u>	<u>\$ 197,964</u>	<u>\$ 171,762</u>	<u>\$ 156,360</u>	<u>\$ 141,858</u>	<u>\$ 148,775</u>
Maximum Reserve Allowed (1/2 of next year's debt payments)	\$ 656,702		\$ 652,452		\$ 652,374	
Positive (negative) variance	<u>\$ (432,036)</u>		<u>\$ (480,690)</u>		<u>\$ (310,516)</u>	
Debt Service Reserve Fund Balance	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>

\* Per the Damon Run Simplified Cash Journal as of June 30, 2014.

Note: Beginning in Budget Year 2015, the maximum ending operating balance in the Debt Service Fund is equal to 50% of the budget estimate for the ensuing year for debt originally incurred before July 1, 2014.  
Note: District growth assumptions = 27 homes each year in 2015 through 2019.

(Continued on next page)

(Subject to the attached letter dated August 25, 2014)  
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(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**ESTIMATED CASH FLOWS FOR THE DEBT SERVICE FUND (Cont'd)**

Note 1

Ref.	Jul. 1 - Dec. 31, '17	Jan. 1 - Jun. 30, '18	Jul. 1 - Dec. 31, '18	Jan. 1 - Jun. 30, '19	Jul. 1 - Dec. 31, '19
Estimated Receipts:					
(2)(22) Special Benefits Property Taxes	\$ 460,000	\$ 475,000	\$ 475,000	\$ 480,000	\$ 480,000
(3) Transfers from Water Fund	200,000	200,000	200,000	200,000	200,000
(4) Transfers from Sewer Fund	-	-	-	-	-
(5) Interest Income	-	-	-	-	-
Total estimated receipts	<u>660,000</u>	<u>675,000</u>	<u>675,000</u>	<u>680,000</u>	<u>680,000</u>
Estimated Disbursements:					
(6) Bond Principal	310,000	315,000	320,000	325,000	335,000
(6) Bond Interest	346,664	339,577	332,377	324,721	316,946
Total estimated disbursements	<u>656,664</u>	<u>654,577</u>	<u>652,377</u>	<u>649,721</u>	<u>651,946</u>
Estimated Increase (Decrease) in Cash	3,336	20,423	22,623	30,279	28,054
Beginning Cash Balances	148,775	152,111	172,534	193,157	225,436
Estimated Ending Cash Balances	<u>\$ 152,111</u>	<u>\$ 172,534</u>	<u>\$ 195,157</u>	<u>\$ 225,436</u>	<u>\$ 253,490</u>
Maximum Reserve Allowed (1/2 of next year's debt payments)	<u>\$ 653,477</u>	<u>\$ 650,834</u>	<u>\$ 650,834</u>	<u>\$ 651,758</u>	<u>\$ 651,758</u>
Positive/(negative) variance	<u><u>\$ (501,366)</u></u>	<u><u>\$ (455,677)</u></u>	<u><u>\$ (455,677)</u></u>	<u><u>\$ (398,268)</u></u>	<u><u>\$ (398,268)</u></u>
Debt Service Reserve Fund Balance	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>	<u>\$ 1,233,266</u>

Note: Beginning in Budget Year 2015, the maximum ending operating balance in the Debt Service Fund is equal to 50% of the budget estimate for the ensuing year for debt originally incurred before July 1, 2014

Note: District growth assumptions = 27 homes each year in 2015 through 2019.

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**ESTIMATED CASH FLOWS FROM WATER OPERATIONS**

Note 7

Ref.	Jul. 1 - Dec. 31, '14	Jan. 1 - Jun. 30, '15	Jul. 1 - Dec. 31, '15	Jan. 1 - Jun. 30, '16	Jul. 1 - Dec. 31, '16	Jan. 1 - Jun. 30, '17
Estimated Receipts:						
(8)	\$ 25,915	\$ 26,707	\$ 27,679	\$ 28,651	\$ 29,623	\$ 30,595
(9)	11,912	11,912	11,912	11,912	11,912	11,912
(10)	183,097	183,097	183,097	183,097	183,097	183,097
(11)	2,838	2,838	2,838	2,838	2,838	2,838
(5)	-	-	-	-	-	-
	<u>223,762</u>	<u>224,554</u>	<u>225,526</u>	<u>226,498</u>	<u>227,470</u>	<u>228,442</u>
Estimated Disbursements						
(12)	22,858	24,100	24,100	24,800	24,800	25,500
(13)	-	-	-	-	-	-
	<u>22,858</u>	<u>24,100</u>	<u>24,100</u>	<u>24,100</u>	<u>24,800</u>	<u>25,500</u>
Net Operating Receipts	200,904	200,454	201,426	202,398	202,670	202,942
Beginning Cash Balances	24,330 **	15,234	10,688	12,114	14,512	12,182
Subtotal	225,234	215,688	212,114	214,512	217,182	215,124
Less: Transfers to the Debt Service Fund	210,000	205,000	200,000	200,000	205,000	205,000
Estimated Ending Cash Balances	<u>\$ 15,234</u>	<u>\$ 10,688</u>	<u>\$ 12,114</u>	<u>\$ 14,512</u>	<u>\$ 12,182</u>	<u>\$ 10,124</u>
Required reserve amount (2 months O&M)	<u>\$ 7,619</u>	<u>\$ 8,033</u>	<u>\$ 8,033</u>	<u>\$ 8,267</u>	<u>\$ 8,267</u>	<u>\$ 8,500</u>
Positive/(negative) variance	<u>\$ 7,615</u>	<u>\$ 2,655</u>	<u>\$ 4,081</u>	<u>\$ 6,245</u>	<u>\$ 3,915</u>	<u>\$ 1,624</u>

\* Only attributable to In-District customers.

\*\* Per the Damon Run Simplified Cash Journal as of June 30, 2014.  
Operating - \$20,330  
Permits Account- \$4,000

**Note: District growth assumptions = 27 homes each year in 2015 through 2019.**

(Continued on next page)

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**ESTIMATED CASH FLOWS FROM WATER OPERATIONS**

Note 7

<u>Ref.</u>	<u>Jul. 1 - Dec. 31, '17</u>	<u>Jan. 1 - Jun. 30, '18</u>	<u>Jul. 1 - Dec. 31, '18</u>	<u>Jan. 1 - Jun. 30, '19</u>	<u>Jul. 1 - Dec. 31, '19</u>
Estimated Receipts:					
Water user fees - inside District*	\$ 31,567	\$ 32,539	\$ 33,511	\$ 34,483	\$ 35,455
Liberty School - water user fee	11,912	11,912	11,912	11,912	11,912
Porter Co. Hospital - water user fee	183,097	183,097	183,097	183,097	183,097
Medical Office Building - water user fee	2,838	2,838	2,838	2,838	2,838
Interest income	-	-	-	-	-
Total estimated receipts	<u>229,414</u>	<u>230,386</u>	<u>231,358</u>	<u>232,330</u>	<u>233,302</u>
Estimated Disbursements					
Water operations expense	25,500	21,800	21,800	22,500	22,500
Accounts payable	-	10,000	10,000	10,000	10,000
Total estimated disbursements	<u>25,500</u>	<u>31,800</u>	<u>31,800</u>	<u>32,500</u>	<u>32,500</u>
Net Operating Receipts	203,914	198,586	199,558	199,830	200,802
Beginning Cash Balances	10,124	14,038	12,624	12,182	12,012
Subtotal	214,038	212,624	212,182	212,012	212,814
Less: Transfers to the Debt Service Fund	200,000	200,000	200,000	200,000	200,000
Estimated Ending Cash Balances	<u>\$ 14,038</u>	<u>\$ 12,624</u>	<u>\$ 12,182</u>	<u>\$ 12,012</u>	<u>\$ 12,814</u>
Required reserve amount (2 months O&M)	\$ 8,500	\$ 7,267	\$ 7,267	\$ 7,500	\$ 7,500
Positive/(negative) variance	<u>\$ 5,538</u>	<u>\$ 5,357</u>	<u>\$ 4,915</u>	<u>\$ 4,512</u>	<u>\$ 5,314</u>

\* Only attributable to In-District customers

**Note: District growth assumptions = 27 homes each year in 2015 through 2019.**

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**ESTIMATED CASH FLOWS FROM SEWER OPERATIONS**

Note 14

Ref.	Jul. 1 - Dec. 31, '14	Jan. 1 - Jun. 30, '15	Jul. 1 - Dec. 31, '15	Jan. 1 - Jun. 30, '16	Jul. 1 - Dec. 31, '16	Jan. 1 - Jun. 30, '17
Estimated Receipts:						
Sewer user fees - inside District*	\$ 25,915	\$ 26,707	\$ 27,679	\$ 28,651	\$ 29,623	\$ 30,595
Sewer treatment charges (less 10% I/I)	117,808	123,688	126,566	133,329	136,293	139,259
District sewer connection fees (\$2,500)*	20,000	32,500	35,000	32,500	35,000	32,500
Portage Sewer connection fees (\$2,200)	17,600	28,600	30,800	28,600	30,800	28,600
Liberty School - sewer user fee	5,751	5,751	5,751	5,751	5,751	5,751
Porter Co. Hospital - sewer user fee	88,396	88,396	88,396	88,396	88,396	88,396
Medical Office Building - sewer user fee	1,370	1,370	1,370	1,370	1,370	1,370
Interest income	-	-	-	-	-	-
Total estimated receipts	<u>276,840</u>	<u>307,012</u>	<u>315,562</u>	<u>318,597</u>	<u>327,233</u>	<u>326,471</u>
Estimated Disbursements						
Sewer operations expense	123,400	139,000	139,000	143,200	143,200	147,500
Portage sewer connection fees	24,200	28,600	30,800	28,600	30,800	28,600
Sewer treatment charges	130,897	137,431	140,629	148,143	151,437	154,732
Total estimated disbursements	<u>278,497</u>	<u>305,031</u>	<u>310,429</u>	<u>319,943</u>	<u>325,437</u>	<u>330,832</u>
Net Operating Receipts	(1,657)	1,981	5,133	(1,346)	1,796	(4,361)
Beginning Cash Balances	65,904 **	64,247	66,228	71,361	70,015	71,811
Subtotal	64,247	66,228	71,361	70,015	71,811	67,450
Less: Transfers to the Debt Service Fund	-	-	-	-	-	-
Estimated Ending Cash Balances	<u>\$ 64,247</u>	<u>\$ 66,228</u>	<u>\$ 71,361</u>	<u>\$ 70,015</u>	<u>\$ 71,811</u>	<u>\$ 67,450</u>
Required reserve amount (2 months O&M)	<u>\$ 84,766</u>	<u>\$ 92,144</u>	<u>\$ 93,210</u>	<u>\$ 97,114</u>	<u>\$ 98,212</u>	<u>\$ 100,744</u>
Positive/(negative) variance	<u>\$ (20,519)</u>	<u>\$ (25,916)</u>	<u>\$ (21,849)</u>	<u>\$ (27,099)</u>	<u>\$ (26,401)</u>	<u>\$ (33,294)</u>

\* Only attributable to In-District customers.

\*\* Per the Damon Run Simplified Cash Journal as of June 30, 2014.  
Operating - \$12,808  
Permis Account- \$53,096

**Note: District growth assumptions = 27 homes each year in 2015 through 2019.**

(Continued on next page)

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**ESTIMATED CASH FLOWS FROM SEWER OPERATIONS**

Note 14

Ref.	Jul. 1 - Dec. 31, '17	Jan. 1 - Jun. 30, '18	Jul. 1 - Dec. 31, '18	Jan. 1 - Jun. 30, '19	Jul. 1 - Dec. 31, '19
Estimated Receipts:					
Sewer user fees - inside District*	\$ 31,567	\$ 32,539	\$ 33,511	\$ 34,483	\$ 35,455
Sewer treatment charges (less 10% I/I)	142,223	145,189	148,154	151,119	154,084
District sewer connection fees (\$2,500)*	35,000	32,500	35,000	32,500	35,000
Portage Sewer connection fees (\$2,200)	30,800	28,600	30,800	28,600	30,800
Liberty School - sewer user fee	5,751	5,751	5,751	5,751	5,751
Porter Co. Hospital - sewer user fee	88,396	88,396	88,396	88,396	88,396
Medical Office Building - sewer user fee	1,370	1,370	1,370	1,370	1,370
Interest income	-	-	-	-	-
Total estimated receipts	<u>335,107</u>	<u>334,345</u>	<u>342,982</u>	<u>342,219</u>	<u>350,856</u>
Estimated Disbursements					
Sewer operations expense	147,500	147,400	147,400	151,800	151,800
Portage sewer connection fees	30,800	28,600	30,800	28,600	30,800
Sewer treatment charges	158,026	161,321	164,615	167,910	171,204
Total estimated disbursements	<u>336,326</u>	<u>337,321</u>	<u>342,815</u>	<u>348,310</u>	<u>353,804</u>
Net Operating Receipts	(1,219)	(2,976)	167	(6,091)	(2,948)
Beginning Cash Balances	67,450	66,231	63,255	63,422	57,331
Subtotal	66,231	63,255	63,422	57,331	54,383
Less: Transfers to the Debt Service Fund	-	-	-	-	-
Estimated Ending Cash Balances	<u>\$ 66,231</u>	<u>\$ 63,255</u>	<u>\$ 63,422</u>	<u>\$ 57,331</u>	<u>\$ 54,383</u>
Required reserve amount (2 months O&M)	<u>\$ 101,842</u>	<u>\$ 102,907</u>	<u>\$ 104,005</u>	<u>\$ 106,570</u>	<u>\$ 107,668</u>
Positive/(negative) variance	<u>\$ (35,611)</u>	<u>\$ (39,652)</u>	<u>\$ (40,583)</u>	<u>\$ (49,239)</u>	<u>\$ (53,285)</u>

\* Only attributable to In-District customers.

**Note: District growth assumptions = 27 homes each year in 2015 through 2019.**

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)



**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**SCHEDULE OF ESTIMATED DEBT SERVICE TAX RATES**

	PAY					
	2014	2015	2016	2017	2018	2019
Tax Dollars Generated						
June	\$ 428,299	\$ 425,000	\$ 435,000	\$ 450,000	\$ 475,000	\$ 480,000
Dec	418,252	425,000	435,000	460,000	475,000	480,000
Totals	<u>\$ 846,551</u>	<u>\$ 850,000</u>	<u>\$ 870,000</u>	<u>\$ 910,000</u>	<u>\$ 950,000</u>	<u>\$ 960,000</u>
District's Projected NAV	<u>\$ 84,655,100 *</u>	<u>\$ 87,295,400 **</u>	<u>\$ 89,995,400</u>	<u>\$ 96,070,400</u>	<u>\$ 102,145,400</u>	<u>\$ 108,220,400</u>
Estimated Tax Rate (per \$100)	<u>\$ 1.0000</u>	<u>\$ 0.9737</u>	<u>\$ 0.9667</u>	<u>\$ 0.9472</u>	<u>\$ 0.9300</u>	<u>\$ 0.8871</u>
Estimated Residential Tax Bill (1)	<u>\$ 2,500</u>	<u>\$ 2,434</u>	<u>\$ 2,417</u>	<u>\$ 2,368</u>	<u>\$ 2,325</u>	<u>\$ 2,218</u>
Estimated \$200,000 home tax bill	<u>\$ 2,000</u>	<u>\$ 1,947</u>	<u>\$ 1,933</u>	<u>\$ 1,894</u>	<u>\$ 1,860</u>	<u>\$ 1,774</u>
District AV with Hospital Community (2)	<u>\$ 84,655,100</u>	<u>\$ 87,295,400</u>	<u>\$ 89,995,400</u>	<u>\$ 96,070,400</u>	<u>\$ 154,145,400</u>	<u>\$ 160,220,400</u>
Resulting Average Residential Tax Bill (1)	<u>\$ 2,500</u>	<u>\$ 2,434</u>	<u>\$ 2,417</u>	<u>\$ 2,368</u>	<u>\$ 1,541</u>	<u>\$ 1,498</u>

\* Per the certified Pay 2014 1782 notice.

\*\* Based on estimated AV at March 1, 2014 (pay 2015 assessment deadline) provided by the District.

(1) Assumed assessed valuation for a single family home is approximately \$250,000 per the District.

(2) Based on estimated additional assessed value to be provided by Hospital Community build-out. Includes assisted living, residential, mixed medical and commercial real estate. Current estimated total AV for this build-out is \$85,650,000. For conservative purposes we have used 60% of this estimate (\$52,000,000) for the calculation. The calculation above assumes the \$52,000,000 is complete for Pay 2018 taxes (this estimate does not include estimated Hospital Community user fees).

**Note: District growth assumptions = 27 homes each year in 2015 through 2019.**

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT  
Porter County, Indiana**

**SUMMARY OF RATES AND CHARGES**

	<u>Water</u>	<u>Sewer</u>
Benefitted Properties:		
Monthly User Fee per EDU	\$157.69 (1)	\$76.13 (2)
Sewage Treatment Charge (per 1,000 gallons)	N/A	5.22 (2)*
In- District Properties:		
Monthly User Fee per EDU	\$12.00 (1)	\$12.00 (2)
Sewage Treatment Charge (per 1,000 gallons)	N/A	5.22 (2)
Sewage Tracker		0.59 (2)
Special Benefits Property Tax	(-----See page 16-----)	

(1) Per Ordinance No. 2013-2 adopted September 30, 2013.

(2) Per Ordinance No. 2014-1 adopted February 6, 2014. The tracking factor is in place to adjust proportionately with changes in Portage rates.

\* A tracking factor adjustment is being proposed with the IURC to bring the rate of the Benefitted Properties in line with Portage rates.

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**

**SUPPLEMENTAL DATA**

**DAMON RUI CONSERVANCY DISTRICT**  
Porter County, Indiana

**SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2014**

	Estimated EDU's Per Month*											
	Jan 14 (1)	Feb	Mar	Apr	May	Jun	Jul (1)	Aug	Sept	Oct	Nov	Dec
Eagle Ridge (x)	101.00	101.00	101.00	101.00	101.00	101.00	101.00	101.00	101.00	102.00	102.00	102.00
Timberland (x)	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00
Mallards Pointe (x)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Keithley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pet Haven (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Luke Oil Car Wash (x)	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11
Luke Oil Gas (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Mishawaka One Stop (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Timberland Farms (West) (x)	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00
Timberland Farms (East) (x)	21.00	21.00	21.00	21.00	21.00	21.00	22.00	23.00	24.00	25.00	26.00	27.00
St. Andrews (x)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Bromley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Campus (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fritz (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Morthland (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wallace (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Liberty Intermediate School	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59
Porter Co. Hospital	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52
Medical Office Building	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total</b>	<u>564.54</u>	<u>564.54</u>	<u>564.54</u>	<u>564.54</u>	<u>564.54</u>	<u>564.54</u>	<u>565.54</u>	<u>566.54</u>	<u>567.54</u>	<u>570.54</u>	<u>571.54</u>	<u>572.54</u>
In-District Only (x)	<u>355.43</u>	<u>355.43</u>	<u>355.43</u>	<u>355.43</u>	<u>355.43</u>	<u>355.43</u>	<u>356.43</u>	<u>357.43</u>	<u>358.43</u>	<u>361.43</u>	<u>362.43</u>	<u>363.43</u>

(1) EDU's completed as of July 24, 2013.

(2) Current EDU count provided by District Management via email dated 8/01/14.

\* Built-out based on estimates provided by District Management via email dated 7/24/14. Assumes EDU's added evenly through the year.

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2015**

	Estimated EDU's Per Month*											
	Jan 15	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge (x)	102.00	102.00	102.00	102.00	102.00	102.00	102.00	102.00	102.00	103.00	103.00	103.00
Timberland (x)	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00
Mallards Pointe (x)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kethley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pet Haven (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lake Oil Car Wash (x)	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11
Luke Oil Gas (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Mishawaka One Stop (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Timberland Farms (West) (x)	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00
Timberland Farms (East) (x)	29.00	31.00	33.00	35.00	37.00	39.00	41.00	43.00	45.00	47.00	49.00	51.00
St. Andrews (x)	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Bromley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Campus (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fritz (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Morthland (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wallace (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Liberty Intermediate School	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59
Porter Co. Hospital	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52
Medical Office Building	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total</b>	<b>574.54</b>	<b>576.54</b>	<b>578.54</b>	<b>581.54</b>	<b>583.54</b>	<b>585.54</b>	<b>587.54</b>	<b>589.54</b>	<b>591.54</b>	<b>595.54</b>	<b>597.54</b>	<b>599.54</b>
In-District Only (x)	365.43	367.43	369.43	372.43	374.43	376.43	378.43	380.43	382.43	386.43	388.43	390.43

\* Built-out based on estimates provided by District Management via email dated 7/24/14. Assumes EDU's added evenly through the year.

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2016**

	Estimated EDU's Per Month*											
	Jan 16	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge (x)	103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00	104.00	104.00	104.00
Timberland (x)	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00
Mallards Pointe (x)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Keithley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pet Haven (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Luke Oil Car Wash (x)	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11
Luke Oil Gas (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Mishawaka One Stop (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Timberland Farms (West) (x)	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00
Timberland Farms (East) (x)	53.00	55.00	57.00	59.00	61.00	63.00	65.00	67.00	69.00	71.00	73.00	75.00
St. Andrews (x)	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00
Bronley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Campus (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fritz (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Morthland (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wallace (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Liberty Intermediate School	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59
Porter Co. Hospital	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52
Medical Office Building	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total</b>	<b>601.54</b>	<b>603.54</b>	<b>605.54</b>	<b>608.54</b>	<b>610.54</b>	<b>612.54</b>	<b>614.54</b>	<b>616.54</b>	<b>618.54</b>	<b>622.54</b>	<b>624.54</b>	<b>626.54</b>
In-District Only (x)	392.43	394.43	396.43	399.43	401.43	403.43	405.43	407.43	409.43	413.43	415.43	417.43

\* Build-out based on estimates provided by District Management via email dated 7/24/14. Assumes EDU's added evenly through the year.

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2017**

	Estimated EDU's Per Month*											
	Jan 17	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge (x)	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	104.00	105.00	103.00	105.00
Timberland (x)	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00
Mallards Pointe (x)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kethley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pet Haven (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Luke Oil Car Wash (x)	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11
Luke Oil Gas (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Mishawaka One Stop (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Timberland Farms (West) (x)	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00
Timberland Farms (East) (x)	77.00	79.00	81.00	83.00	85.00	87.00	89.00	91.00	93.00	95.00	97.00	99.00
St. Andrews (x)	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	11.00	11.00	11.00
Bromley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Campus (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fritz (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Morthland (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wallace (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Liberty Intermediate School	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59
Porter Co. Hospital	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52
Medical Office Building	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total</b>	<b>628.54</b>	<b>630.54</b>	<b>632.54</b>	<b>635.54</b>	<b>637.54</b>	<b>639.54</b>	<b>641.54</b>	<b>643.54</b>	<b>645.54</b>	<b>649.54</b>	<b>651.54</b>	<b>653.54</b>
In-District Only (x)	419.43	421.43	423.43	426.43	428.43	430.43	432.43	434.43	436.43	440.43	442.43	444.43

\* Build-out based on estimates provided by District Management via email dated 7/24/14. Assumes EDU's added evenly through the year.

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2018**

	Estimated EDU's Per Month*											
	Jan 18	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge (x)	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	106.00	106.00	106.00
Timberland (x)	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00
Mallards Pointe (x)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Keithley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pet Haven (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Luke Oil Car Wash (x)	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11
Luke Oil Gas (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Mishawaka One Stop (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Timberland Farms (West) (x)	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00
Timberland Farms (East) (x)	101.00	103.00	105.00	107.00	109.00	111.00	113.00	115.00	117.00	119.00	121.00	123.00
St. Andrews (x)	11.00	11.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00	13.00	13.00
Bromley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Campus (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fritz (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Morthland (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wallace (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Liberty Intermediate School	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59
Porter Co. Hospital	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52
Medical Office Building	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total</b>	<b>655.54</b>	<b>657.54</b>	<b>659.54</b>	<b>662.54</b>	<b>664.54</b>	<b>666.54</b>	<b>668.54</b>	<b>670.54</b>	<b>672.54</b>	<b>676.54</b>	<b>678.54</b>	<b>680.54</b>
In-District Only (x)	446.43	448.43	450.43	453.43	455.43	457.43	459.43	461.43	463.43	467.43	469.43	471.43

\* Built-out based on estimates provided by District Management via email dated 7/24/14. Assumes EDU's added evenly through the year.  
(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)



**DAMON RUN CONSERVANCY DISTRICT**  
Porter County, Indiana

**SCHEDULE OF ESTIMATED MONTHLY EQUIVALENT UNITS - 2019**

	Estimated EDU's Per Month*											
	Jan 19	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Eagle Ridge (x)	106.00	106.00	106.00	106.00	106.00	106.00	106.00	106.00	106.00	107.00	107.00	107.00
Timberland (x)	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00	152.00
Mallards Pointe (x)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kentley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pet Haven (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Luke Oil Car Wash (x)	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11
Luke Oil Gas (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Mishawaka One Stop (x)	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16
Timberland Farms (West) (x)	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00
Timberland Farms (East) (x)	125.00	127.00	129.00	131.00	133.00	135.00	137.00	139.00	141.00	143.00	145.00	147.00
St. Andrews (x)	13.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00	15.00	15.00
Bromley (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Campus (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fritz (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Monthland (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wallace (x)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Liberty Intermediate School	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59	12.59
Porter Co. Hospital	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52	193.52
Medical Office Building	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total</b>	<b>682.54</b>	<b>684.54</b>	<b>686.54</b>	<b>689.54</b>	<b>691.54</b>	<b>693.54</b>	<b>695.54</b>	<b>697.54</b>	<b>699.54</b>	<b>703.54</b>	<b>705.54</b>	<b>707.54</b>
In-District Only (x)	473.43	475.43	477.43	480.43	482.43	484.43	486.43	488.43	490.43	494.43	496.43	498.43

\* Build-out based on estimates provided by District Management via email dated 7/24/14. Assumes EDU's added evenly through the year.

(Subject to the attached letter dated August 25, 2014)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT  
Porter County, Indiana**

**SUMMARY OF ESTIMATED GROWTH IN NAV - 2014 FOR PAY 2015**

Projected Growth (1)

<u>2014</u>	<u>New NAV</u>	<u>Total NAV</u>
Feb	\$ -	\$ 87,295,400 (2)
Mar	-	87,295,400
Apr	-	87,295,400
May	-	87,295,400
Jun	-	87,295,400
July	225,000	87,520,400
Aug	225,000	87,745,400
Sept	225,000	87,970,400
Oct	675,000	88,645,400
Nov	225,000	88,870,400
Dec	225,000	89,095,400

(1) Based on anticipated growth in ERUs assuming the following assessment values:  
 Single Family Home @ \$225,000 AV per home  
 Vacant land @ \$42,000 per lot

(2) Per NAV at March 1, 2014 (pay 2015 assessment deadline) provided by the District via email dated 7/24/2014.

Note: Assessed values as of February 28th are the basis for establishing taxes for the following year.

(Subject to the attached letter dated August 25, 2014)  
 (Preliminary - Subject to Change)  
 (Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
**Porter County, Indiana**

**SUMMARY OF ESTIMATED GROWTH IN NAV - 2015 FOR PAY 2016**

Current Net Assessed Valuation \$ 89,095,400

Projected Growth (1)

<b>2015</b>	<b>New NAV</b>	<b>Total NAV</b>
Jan	\$ 450,000	\$ 89,545,400
Feb	450,000	<b>89,995,400</b>
Mar	450,000	90,445,400
Apr	675,000	91,120,400
May	450,000	91,570,400
Jun	450,000	92,020,400
July	450,000	92,470,400
Aug	450,000	92,920,400
Sept	450,000	93,370,400
Oct	900,000	94,270,400
Nov	450,000	94,720,400
Dec	450,000	95,170,400

(1) Based on anticipated growth in ERUs assuming the following assessment values:  
 Single Family Home @ \$225,000 AV per home  
 Vacant land @ \$42,000 per lot

Note: Assessed values as of February 28th are the basis for establishing taxes for the following year.

(Subject to the attached letter dated August 25, 2014)  
 (Preliminary - Subject to Change)  
 (Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
**Porter County, Indiana**

**SUMMARY OF ESTIMATED GROWTH IN NAV - 2016 FOR PAY 2017**

Current Net Assessed Valuation		\$	95,170,400
Projected Growth (1)			
<b><u>2016</u></b>	<b><u>New NAV</u></b>		<b><u>Total NAV</u></b>
Jan	\$ 450,000	\$	95,620,400
Feb	450,000		<b>96,070,400</b>
Mar	450,000		96,520,400
Apr	675,000		97,195,400
May	450,000		97,645,400
Jun	450,000		98,095,400
July	450,000		98,545,400
Aug	450,000		98,995,400
Sept	450,000		99,445,400
Oct	900,000		100,345,400
Nov	450,000		100,795,400
Dec	450,000		101,245,400

(1) Based on anticipated growth in ERUs assuming the following assessment values:  
 Single Family Home @ \$225,000 AV per home  
 Vacant land @ \$42,000 per lot

Note: Assessed values as of February 28th are the basis for establishing taxes for the following year.

(Subject to the attached letter dated August 25, 2014)  
 (Preliminary - Subject to Change)  
 (Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
**Porter County, Indiana**

**SUMMARY OF ESTIMATED GROWTH IN NAV - 2017 FOR PAY 2018**

Current Net Assessed Valuation		\$	101,245,400
Projected Growth (1)			
<b><u>2017</u></b>	<b><u>New</u></b>		<b><u>Total</u></b>
	<b><u>NAV</u></b>		<b><u>NAV</u></b>
Jan	\$ 450,000	\$	101,695,400
Feb	450,000		<b>102,145,400</b>
Mar	450,000		102,595,400
Apr	675,000		103,270,400
May	450,000		103,720,400
Jun	450,000		104,170,400
July	450,000		104,620,400
Aug	450,000		105,070,400
Sept	450,000		105,520,400
Oct	900,000		106,420,400
Nov	450,000		106,870,400
Dec	450,000		107,320,400

(1) Based on anticipated growth in ERUs assuming the following assessment values:  
 Single Family Home @ \$225,000 AV per home  
 Vacant land @ \$42,000 per lot

Note: Assessed values as of February 28th are the basis for establishing taxes for the following year.

(Subject to the attached letter dated August 25, 2014)  
 (Preliminary - Subject to Change)  
 (Internal Use Only)

**DAMON RUN CONSERVANCY DISTRICT**  
**Porter County, Indiana**

**SUMMARY OF ESTIMATED GROWTH IN NAV - 2018 FOR PAY 2019**

Current Net Assessed Valuation		\$	107,320,400
Projected Growth (1)			
<b>2018</b>		<b>New NAV</b>	<b>Total NAV</b>
Jan	\$	450,000	\$ 107,770,400
Feb		450,000	<b>108,220,400</b>
Mar		450,000	108,670,400
Apr		675,000	109,345,400
May		450,000	109,795,400
Jun		450,000	110,245,400
July		450,000	110,695,400
Aug		450,000	111,145,400
Sept		450,000	111,595,400
Oct		900,000	112,495,400
Nov		450,000	112,945,400
Dec		450,000	113,395,400

(1) Based on anticipated growth in ERUs assuming the following assessment values:  
 Single Family Home @ \$225,000 AV per home  
 Vacant land @ \$42,000 per lot

Note: Assessed values as of February 28th are the basis for establishing taxes for the following year.

(Subject to the attached letter dated August 25, 2014)  
 (Preliminary - Subject to Change)  
 (Internal Use Only)