WHAT IS CAPITAL STRUCTURE?



- ▶ What we owe vs. what we own (debt vs. equity)
- ► Measured through investment in capital assets
- ▶Industry standard = 50% / 50%

GAAP VS. PSC CAPITAL STRUCTURE



► GAAP Calculation = Total Debt / Net investment in capital assets (includes contributed property)

► PSC Calculation = Total Debt / Equity from Earnings (excluding contributions)

MWU'S CAPITAL STRUCTURE



Revenue bonds Total Debt 171,785,000 180,840,000 166,490,000 131,000,000 136,935,000 117,535,000 100,415,000 84,240,000 73,670,000 64,990,000	GAAP Calculation										
Revenue bonds Total Debt 178,675,000 180,840,000 166,490,000 131,000,000 136,935,000 117,535,000 100,415,000 84,240,000 73,670,000 64,990,000		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net Position Net investment in capital assets 115,880,264 106,282,192 98,847,032 99,646,259 100,766,354 106,527,399 105,249,049 105,984,452 100,446,344 95,957,07	Current portion of revenue bonds	6,890,000	6,660,000	6,120,000		4,935,000	3,975,000	3,195,000	2,680,000	1,115,000	3,160,000
Net Position Net investment in capital assets Net investing 106,490,000 Net investment in capital assets Net investing 106,490,000 N	Revenue bonds	171,785,000	180,840,000	166,490,000	131,000,000	136,935,000	117,535,000	100,415,000	84,240,000	73,670,000	64,990,000
Net investment in capital assets 115,880,264 106,282,192 98,847,032 99,646,259 100,766,354 106,527,399 105,249,049 105,984,452 100,446,344 95,957,07 10,360,00 1,360,00 10	Total Debt	178,675,000	187,500,000	172,610,000	136,935,000	141,870,000	121,510,000	103,610,000	86,920,000	74,785,000	68,150,000
Restricted Unrestricted Unrestricted Unrestricted Unrestricted Unrestricted Unrestricted Unrestricted Sec. 93,534,632 (6,651,806 (5,403,363 (3,167,485 (5,662,403 (3,931,471 (2,360,396 (3,99,205) (2,147,418) (735,02 (3,97,204) (2,147,418) (735,02 (3,97,204) (2,147,418) (735,02 (3,97,204) (2,147,418) (1,360,00 (3,97,204) (2,147,418) (2,360,394) (3,991,19 (3,991,19) (2,360,394) (3,991,19) (3,991,	Net Position										
Unrestricted 826,082 6,651,806 5,403,363 3,167,485 5,662,403 3,931,471 2,360,396 (399,205) (2,147,418) (735,024) (7	Net investment in capital assets	115,880,264	106,282,192	98,847,032	99,646,259	100,766,354	106,527,399	105,249,049	105,984,452	100,446,344	95,957,071
Total Equity 125,274,882 120,898,737 112,619,376 110,064,260 112,402,729 115,559,058 111,870,304 109,119,710 106,143,672 105,582,04 Capital structure % = 60.66% 63.82% 63.59% 57.88% 58.47% 53.29% 49.61% 45.06% 42.68% 41.53 PSC Calculation 2017 2016 2015 2014 2013 2012 2011 2010 2009 2008 Current portion of revenue bonds Revenue bonds Total Debt 171,785,000 180,840,000 166,490,000 131,000,000 136,935,000 117,535,000 100,415,000 84,240,000 73,670,000 64,990,000 Proprietary Capital Earnings Capital Paid in Municipality Contributions 71,104,529 66,339,350 62,073,599 61,225,842 61,809,119 62,592,103 62,944,308 62,621,909 62,778,446 61,221,466	Restricted				7,250,516	5,973,972	5,100,188		3,534,463	7,844,746	10,360,001
Capital structure % = 60.66% 63.82% 63.59% 57.88% 58.47% 53.29% 49.61% 45.06% 42.68% 41.538	Unrestricted	826,082	6,651,806	5,403,363	3,167,485	5,662,403	3,931,471	2,360,396	(399,205)	(2,147,418)	(735,024)
PSC Calculation 2017 2016 2015 2014 2013 2012 2011 2010 2009 2008	Total Equity	125,274,882	120,898,737	112,619,376	110,064,260	112,402,729	115,559,058	111,870,304	109,119,710	106,143,672	105,582,048
PSC Calculation 2017 2016 2015 2014 2013 2012 2011 2010 2009 2008	Consider Associations 9/	en een/	62.000/	62 500/	E7 000/	EQ 470/	F2 000/	40.640/	4F 000/	40.000/	44 5207
Current portion of revenue bonds Current portion of	Capital structure % =	00.00%	03.82%	03.59%	57.88%	58.47%	53.29%	49.01%	45.00%	42.08%	41.53%
Current portion of revenue bonds Current portion of											
Revenue bonds 171,785,000 180,840,000 166,490,000 131,000,000 136,935,000 117,535,000 100,415,000 84,240,000 73,670,000 64,990,000 Total Debt 178,675,000 187,500,000 172,610,000 136,935,000 141,870,000 121,510,000 103,610,000 86,920,000 74,785,000 68,150,000 Proprietary Capital Earnings A9,324,166 49,586,126 42,969,092 44,387,809 44,835,666 45,501,314 41,138,120 38,252,856 34,862,882 35,709,240 Capital Paid in Municipality Contributions 71,104,529 66,339,350 62,073,599 61,225,842 61,809,119 62,592,103 62,944,308 62,621,909 62,778,446 61,221,465	PSC Calculation										
Total Debt 178,675,000 187,500,000 172,610,000 136,935,000 141,870,000 121,510,000 103,610,000 86,920,000 74,785,000 68,150,000 Proprietary Capital Earnings 49,324,166 49,586,126 42,969,092 44,387,809 44,835,666 45,501,314 41,138,120 38,252,856 34,862,882 35,709,24 Capital Paid in Municipality Contributions 71,104,529 66,339,350 62,073,599 61,225,842 61,809,119 62,592,103 62,944,308 62,621,909 62,778,446 61,221,465	PSC Calculation	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Proprietary Capital Earnings 49,324,166 49,586,126 42,969,092 44,387,809 44,835,666 45,501,314 41,138,120 38,252,856 34,862,882 35,709,24 Capital Paid in Municipality 2,804,466											2008 3,160,000
Earnings 49,324,166 49,586,126 42,969,092 44,387,809 44,835,666 45,501,314 41,138,120 38,252,856 34,862,882 35,709,24 Capital Paid in Municipality 2,804,466 2,804,4	Current portion of revenue bonds	6,890,000	6,660,000	6,120,000	5,935,000	4,935,000	3,975,000	3,195,000	2,680,000	1,115,000	
Capital Paid in Municipality 2,804,466 2,804,4	Current portion of revenue bonds Revenue bonds	6,890,000 171,785,000	6,660,000 180,840,000	6,120,000 166,490,000	5,935,000 131,000,000	4,935,000 136,935,000	3,975,000 117,535,000	3,195,000 100,415,000	2,680,000 84,240,000	1,115,000 73,670,000	3,160,000
Contributions 71,104,529 66,339,350 62,073,599 61,225,842 61,809,119 62,592,103 62,944,308 62,621,909 62,778,446 61,221,462	Current portion of revenue bonds Revenue bonds Total Debt	6,890,000 171,785,000	6,660,000 180,840,000	6,120,000 166,490,000	5,935,000 131,000,000	4,935,000 136,935,000	3,975,000 117,535,000	3,195,000 100,415,000	2,680,000 84,240,000	1,115,000 73,670,000	3,160,000 64,990,000
	Current portion of revenue bonds Revenue bonds Total Debt Proprietary Capital	6,890,000 171,785,000 178,675,000	6,660,000 180,840,000 187,500,000	6,120,000 166,490,000 172,610,000	5,935,000 131,000,000 136,935,000	4,935,000 136,935,000 141,870,000	3,975,000 117,535,000 121,510,000	3,195,000 100,415,000 103,610,000	2,680,000 84,240,000 86,920,000	1,115,000 73,670,000 74,785,000	3,160,000 64,990,000
	Current portion of revenue bonds Revenue bonds Total Debt Proprietary Capital Earnings Capital Paid in Municipality	6,890,000 171,785,000 178,675,000 49,324,166 2,804,466	6,660,000 180,840,000 187,500,000 49,586,126 2,804,466	6,120,000 166,490,000 172,610,000 42,969,092 2,804,466	5,935,000 131,000,000 136,935,000 44,387,809 2,804,466	4,935,000 136,935,000 141,870,000 44,835,666 2,804,466	3,975,000 117,535,000 121,510,000 45,501,314 2,804,466	3,195,000 100,415,000 103,610,000 41,138,120 2,804,466	2,680,000 84,240,000 86,920,000 38,252,856 2,804,466	1,115,000 73,670,000 74,785,000 34,862,882 2,804,466	3,160,000 64,990,000 68,150,000 35,709,247 2,641,227
Total Proprietary Capital 123,233,161 118,729,942 107,847,157 108,418,117 109,449,251 110,897,883 106,886,894 103,679,231 100,445,794 99,571,93	Current portion of revenue bonds Revenue bonds Total Debt Proprietary Capital Earnings Capital Paid in Municipality	6,890,000 171,785,000 178,675,000 49,324,166 2,804,466 71,104,529	6,660,000 180,840,000 187,500,000 49,586,126 2,804,466 66,339,350	6,120,000 166,490,000 172,610,000 42,969,092 2,804,466 62,073,599	5,935,000 131,000,000 136,935,000 44,387,809 2,804,466 61,225,842	4,935,000 136,935,000 141,870,000 44,835,666 2,804,466 61,809,119	3,975,000 117,535,000 121,510,000 45,501,314 2,804,466 62,592,103	3,195,000 100,415,000 103,610,000 41,138,120 2,804,466 62,944,308	2,680,000 84,240,000 86,920,000 38,252,856 2,804,466 62,621,909	1,115,000 73,670,000 74,785,000 34,862,882 2,804,466	3,160,000 64,990,000 68,150,000 35,709,247 2,641,227 61,221,465
Capital structure % = 77.41% 78.16% 79.04% 74.37% 74.86% 71.55% 70.22% 67.92% 66.50% 63.99%	Current portion of revenue bonds Revenue bonds Total Debt Proprietary Capital Earnings Capital Paid in Municipality	6,890,000 171,785,000 178,675,000 49,324,166 2,804,466	6,660,000 180,840,000 187,500,000 49,586,126 2,804,466	6,120,000 166,490,000 172,610,000 42,969,092 2,804,466	5,935,000 131,000,000 136,935,000 44,387,809 2,804,466	4,935,000 136,935,000 141,870,000 44,835,666 2,804,466	3,975,000 117,535,000 121,510,000 45,501,314 2,804,466	3,195,000 100,415,000 103,610,000 41,138,120 2,804,466	2,680,000 84,240,000 86,920,000 38,252,856 2,804,466	1,115,000 73,670,000 74,785,000 34,862,882 2,804,466	3,160,000 64,990,000 68,150,000 35,709,247 2,641,227

MWU'S CAPITAL STRUCTURE



►GAAP Estimate 2018 = Approx. 62%

▶PSC Estimate 2108 = Approx. 81%