

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



GAAP Calculation										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	3,160,000
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
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	95,957,071
Restricted	8,568,536	7,964,739	8,368,981	7,250,516	5,973,972	5,100,188	4,260,859	3,534,463	7,844,746	10,360,001
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)
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
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	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	3,160,000
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<i>Proprietary Capital</i>										
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	35,709,247
Capital Paid in Municipality	2,804,466	2,804,466	2,804,466	2,804,466	2,804,466	2,804,466	2,804,466	2,804,466	2,804,466	2,641,227
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
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	99,571,939
Capital structure % =	77.41%	78.16%	79.04%	74.37%	74.86%	71.55%	70.22%	67.92%	66.50%	63.99%

MWU'S CAPITAL STRUCTURE



- ▶ GAAP Estimate 2018 = Approx. 62%
- ▶ PSC Estimate 2108 = Approx. 81%