

City of Ottawa - Water Infrastructure
STATEMENT OF FINANCIAL POSITION

As at December 31
[dollars in thousands]

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial assets: | | | | | | | | | | |
| Cash and cash equivalents | 163,283 | 155,193 | 137,432 | 143,651 | 155,231 | 151,109 | 139,690 | 113,817 | 101,474 | 102,117 |
| Accounts receivable | 43,243 | 44,815 | 46,155 | 47,536 | 48,958 | 49,976 | 51,016 | 52,078 | 53,162 | 54,269 |
| | 206,526 | 200,008 | 183,587 | 191,187 | 204,189 | 201,085 | 190,706 | 165,895 | 154,635 | 156,386 |
| Financial liabilities: | | | | | | | | | | |
| Accounts payable and accrued liabilities | 9,524 | 9,714 | 9,909 | 10,107 | 10,309 | 10,515 | 10,725 | 10,940 | 11,159 | 11,382 |
| Deferred revenue | 11,806 | 9,901 | 934 | - | - | - | - | - | - | - |
| Employee future benefits | 19,600 | 19,992 | 20,392 | 20,800 | 21,216 | 21,640 | 22,073 | 22,514 | 22,965 | 23,424 |
| Accrued interest | 4,342 | 4,223 | 4,157 | 4,418 | 4,709 | 5,042 | 5,361 | 5,679 | 5,987 | 6,172 |
| Net long-term debt | 269,513 | 261,386 | 271,438 | 280,728 | 293,241 | 305,090 | 327,519 | 347,634 | 374,830 | 398,051 |
| | 314,784 | 305,217 | 306,830 | 316,052 | 329,475 | 342,287 | 365,679 | 386,767 | 414,940 | 439,029 |
| Net debt | (108,259) | (105,209) | (123,243) | (124,865) | (125,286) | (141,202) | (174,973) | (220,873) | (260,305) | (282,643) |
| Non-financial assets: | | | | | | | | | | |
| Tangible capital assets | 2,082,819 | 2,173,859 | 2,290,044 | 2,383,973 | 2,480,344 | 2,590,714 | 2,717,727 | 2,855,769 | 2,987,594 | 3,104,648 |
| Inventories | 1,872 | 1,909 | 1,947 | 1,986 | 2,026 | 2,066 | 2,108 | 2,150 | 2,193 | 2,237 |
| Total non financial assets | 2,084,690 | 2,175,768 | 2,291,992 | 2,385,959 | 2,482,370 | 2,592,780 | 2,719,834 | 2,857,918 | 2,989,787 | 3,106,884 |
| Accumulated surplus (deficit) | 1,981,520 | 2,075,647 | 2,173,837 | 2,266,182 | 2,362,173 | 2,456,668 | 2,549,951 | 2,642,135 | 2,734,573 | 2,829,334 |
| Debt as a % of Net Book Value | 13% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 13% | 13% |

City of Ottawa - Water Infrastructure
STATEMENT OF OPERATIONS

For the year ended December 31

[dollars in thousands]

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenues: | | | | | | | | | | |
| Water rates | 170,256 | 176,438 | 181,731 | 187,183 | 192,799 | 196,798 | 200,882 | 205,052 | 209,309 | 213,657 |
| Fees | 2,714 | 2,820 | 2,889 | 2,960 | 3,032 | 3,106 | 3,181 | 3,258 | 3,337 | 3,418 |
| Investment income | 950 | 956 | 963 | 969 | 975 | 982 | 988 | 994 | 1,001 | 1,007 |
| Contributed Assets | 51,699 | 52,733 | 53,788 | 54,864 | 55,961 | 57,080 | 58,222 | 59,386 | 60,574 | 61,786 |
| Development charges | 6,527 | 11,102 | 18,165 | 9,198 | 9,198 | 9,198 | 9,198 | 9,198 | 9,198 | 9,198 |
| Other revenue | 254 | 259 | 264 | 270 | 275 | 281 | 286 | 292 | 298 | 304 |
| Total revenues | 232,401 | 244,310 | 257,801 | 255,444 | 262,241 | 267,445 | 272,758 | 278,181 | 283,717 | 289,369 |
| Expenses: | | | | | | | | | | |
| Operating expenditures | 97,038 | 103,528 | 112,174 | 112,461 | 113,605 | 117,112 | 121,371 | 124,876 | 126,472 | 125,774 |
| Interest | 10,854 | 10,557 | 10,394 | 11,044 | 11,772 | 12,604 | 13,403 | 14,711 | 15,921 | 17,196 |
| Amortization | 34,755 | 36,097 | 37,043 | 39,594 | 40,872 | 43,235 | 44,700 | 46,410 | 48,888 | 51,639 |
| Total Expenses | 142,647 | 150,183 | 159,610 | 163,099 | 166,249 | 172,951 | 179,475 | 185,996 | 191,280 | 194,609 |
| Annual surplus | 89,755 | 94,127 | 98,191 | 92,345 | 95,991 | 94,494 | 93,283 | 92,185 | 92,437 | 94,760 |
| Accumulated surplus beginning of the year | 1,891,765 | 1,981,520 | 2,075,647 | 2,173,837 | 2,266,182 | 2,362,173 | 2,456,668 | 2,549,951 | 2,642,135 | 2,734,573 |
| Accumulated surplus , end of the year | 1,981,520 | 2,075,647 | 2,173,837 | 2,266,182 | 2,362,173 | 2,456,668 | 2,549,951 | 2,642,135 | 2,734,573 | 2,829,334 |

City of Ottawa - Water Infrastructure
STATEMENT OF CASH FLOWS

For the year ended December 31
[dollars in thousands]

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| OPERATING ACTIVITIES | | | | | | | | | | |
| Annual surplus (deficit) | 89,755 | 94,127 | 98,191 | 92,345 | 95,991 | 94,494 | 93,283 | 92,185 | 92,437 | 94,760 |
| Adjustment for non-cash items: | | | | | | | | | | |
| Amortization of tangible capital assets | 34,755 | 36,097 | 37,043 | 39,594 | 40,872 | 43,235 | 44,700 | 46,410 | 48,888 | 51,639 |
| Contributed Assets | (51,699) | (52,733) | (53,788) | (54,864) | (55,961) | (57,080) | (58,222) | (59,386) | (60,574) | (61,786) |
| (Increase) / Decrease in accounts receivable | (1,613) | (1,572) | (1,341) | (1,381) | (1,422) | (1,018) | (1,040) | (1,062) | (1,084) | (1,107) |
| (Increase) / Decrease in inventories | (37) | (37) | (38) | (39) | (40) | (41) | (41) | (42) | (43) | (44) |
| Increase / (Decrease) in accounts payable and accrued liabilities | 187 | 190 | 194 | 198 | 202 | 206 | 210 | 215 | 219 | 223 |
| Increase / (Decrease) in deferred revenue | 2,671 | (1,904) | (8,967) | (934) | - | - | - | - | - | - |
| Increase / (Decrease) in accrued interest | 86 | (119) | (66) | 260 | 291 | 333 | 320 | 318 | 308 | 185 |
| Increase / (Decrease) in employee future benefits | 384 | 392 | 400 | 408 | 416 | 424 | 433 | 441 | 450 | 459 |
| | 74,489 | 74,441 | 71,628 | 75,587 | 80,350 | 80,553 | 79,643 | 79,078 | 80,601 | 84,331 |
| Cash provided by (used in) operating activities | 74,489 | 74,441 | 71,628 | 75,587 | 80,350 | 80,553 | 79,643 | 79,078 | 80,601 | 84,331 |
| CAPITAL ACTIVITIES | | | | | | | | | | |
| Acquisition of tangible capital assets | (55,879) | (74,404) | (99,440) | (78,659) | (81,282) | (96,525) | (113,491) | (125,065) | (120,140) | (106,908) |
| Net change in cash from capital activities | (55,879) | (74,404) | (99,440) | (78,659) | (81,282) | (96,525) | (113,491) | (125,065) | (120,140) | (106,908) |
| FINANCING ACTIVITIES | | | | | | | | | | |
| New debt issued | - | 3,402 | 21,000 | 23,286 | 24,670 | 24,656 | 36,050 | 34,610 | 43,011 | 37,772 |
| Debt principal repayments | (11,254) | (11,529) | (10,948) | (13,996) | (12,157) | (12,807) | (13,621) | (14,495) | (15,815) | (14,552) |
| Cash provided by financing activities | (11,254) | (8,127) | 10,052 | 9,290 | 12,512 | 11,849 | 22,429 | 20,115 | 27,196 | 23,220 |
| Net increase (decrease) in cash and cash equivalents during the year | 7,355 | (8,090) | (17,761) | 6,219 | 11,580 | (4,122) | (11,419) | (25,873) | (12,343) | 643 |
| Cash and cash equivalents, beginning of the year | 155,928 | 163,283 | 155,193 | 137,432 | 143,651 | 155,231 | 151,109 | 139,690 | 113,817 | 101,474 |
| Cash and cash equivalents, end of the year | 163,283 | 155,193 | 137,432 | 143,651 | 155,231 | 151,109 | 139,690 | 113,817 | 101,474 | 102,117 |

City of Ottawa - Water Infrastructure
TANGIBLE ASSET CONTINUITY SCHEDULE

For the year ended December 31

[dollars in thousands]

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Land | | | | | | | | | | |
| Cost | | | | | | | | | | |
| Balance, Beginning of the Year | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at year end | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 |
| Accumulated depreciation | | | | | | | | | | |
| Balance, Beginning of the Year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at year end | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Book Value, end of year | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 | 39,121 |

Infrastructure /Linear Water

| | | | | | | | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cost | | | | | | | | | | |
| Balance, Beginning of the Year | 2,446,719 | 2,516,161 | 2,570,418 | 2,645,843 | 2,727,083 | 2,862,295 | 2,962,033 | 3,072,117 | 3,158,268 | 3,281,113 |
| Additions | 69,442 | 54,257 | 75,425 | 81,240 | 135,212 | 99,738 | 110,084 | 86,152 | 122,845 | 136,915 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at year end | 2,516,161 | 2,570,418 | 2,645,843 | 2,727,083 | 2,862,295 | 2,962,033 | 3,072,117 | 3,158,268 | 3,281,113 | 3,418,028 |
| Accumulated depreciation | | | | | | | | | | |
| Balance, Beginning of the Year | 641,573 | 672,273 | 704,107 | 735,960 | 768,057 | 800,504 | 833,926 | 867,913 | 902,547 | 937,516 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization expense | 30,700 | 31,835 | 31,852 | 32,098 | 32,446 | 33,422 | 33,987 | 34,634 | 34,968 | 35,802 |
| Balance at year end | 672,273 | 704,107 | 735,960 | 768,057 | 800,504 | 833,926 | 867,913 | 902,547 | 937,516 | 973,317 |
| Net Book Value, end of year | 1,843,888 | 1,866,311 | 1,909,883 | 1,959,025 | 2,061,791 | 2,128,107 | 2,204,203 | 2,255,721 | 2,343,597 | 2,444,711 |

Plant, Machinery and Equipment

| | | | | | | | | | | |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cost | | | | | | | | | | |
| Balance, Beginning of the Year | 171,962 | 178,550 | 200,672 | 257,302 | 280,279 | 312,883 | 336,861 | 366,653 | 435,771 | 485,899 |
| Additions | 6,588 | 22,123 | 56,630 | 22,977 | 32,604 | 23,978 | 29,793 | 69,118 | 50,127 | 54,859 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at year end | 178,550 | 200,672 | 257,302 | 280,279 | 312,883 | 336,861 | 366,653 | 435,771 | 485,899 | 540,757 |
| Accumulated depreciation | | | | | | | | | | |
| Balance, Beginning of the Year | 62,425 | 65,379 | 68,646 | 72,982 | 79,701 | 87,428 | 96,613 | 106,755 | 118,010 | 131,450 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization expense | 2,954 | 3,267 | 4,336 | 6,719 | 7,727 | 9,184 | 10,142 | 11,255 | 13,440 | 15,393 |
| Balance at year end | 65,379 | 68,646 | 72,982 | 79,701 | 87,428 | 96,613 | 106,755 | 118,010 | 131,450 | 146,842 |
| Net Book Value, end of year | 113,171 | 132,026 | 184,320 | 200,578 | 225,454 | 240,248 | 259,899 | 317,762 | 354,449 | 393,915 |

City of Ottawa - Water Infrastructure
TANGIBLE ASSET CONTINUITY SCHEDULE

For the year ended December 31

[dollars in thousands]

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Vehicles | | | | | | | | | | |
| Cost | | | | | | | | | | |
| Balance, Beginning of the Year | 14,754 | 14,811 | 15,030 | 15,572 | 15,817 | 16,036 | 16,255 | 16,475 | 16,694 | 16,913 |
| Additions | 57 | 219 | 542 | 244 | 219 | 219 | 219 | 219 | 219 | 219 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at year end | 14,811 | 15,030 | 15,572 | 15,817 | 16,036 | 16,255 | 16,475 | 16,694 | 16,913 | 17,133 |
| Accumulated depreciation | | | | | | | | | | |
| Balance, Beginning of the Year | 8,145 | 9,246 | 10,242 | 11,096 | 11,874 | 12,572 | 13,200 | 13,770 | 14,291 | 14,771 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization expense | 1,101 | 996 | 854 | 778 | 698 | 629 | 570 | 521 | 480 | 445 |
| Balance at year end | 9,246 | 10,242 | 11,096 | 11,874 | 12,572 | 13,200 | 13,770 | 14,291 | 14,771 | 15,216 |
| Net Book Value, end of year | 5,565 | 4,788 | 4,476 | 3,943 | 3,464 | 3,055 | 2,704 | 2,403 | 2,143 | 1,917 |
| Work in Progress | | | | | | | | | | |
| Balance, Beginning of the Year | 49,583 | 81,074 | 131,613 | 152,244 | 181,305 | 150,513 | 180,183 | 211,799 | 240,762 | 248,284 |
| Additions | 55,879 | 74,404 | 99,440 | 78,659 | 81,282 | 96,525 | 113,491 | 125,065 | 120,140 | 106,908 |
| Transfer to completed assets | 24,388 | 23,866 | 78,809 | 49,598 | 112,074 | 66,855 | 81,874 | 96,103 | 112,617 | 130,208 |
| Balance at year end | 81,074 | 131,613 | 152,244 | 181,305 | 150,513 | 180,183 | 211,799 | 240,762 | 248,284 | 224,984 |
| Total Tangible Capital Assets | | | | | | | | | | |
| Cost | | | | | | | | | | |
| Balance, Beginning of the Year | 2,722,138 | 2,829,716 | 2,956,854 | 3,110,082 | 3,243,605 | 3,380,848 | 3,534,452 | 3,706,165 | 3,890,617 | 4,071,330 |
| Additions | 131,966 | 151,003 | 232,037 | 183,120 | 249,317 | 220,460 | 253,586 | 280,554 | 293,331 | 298,901 |
| Transfer to completed assets | 24,388 | 23,866 | 78,809 | 49,598 | 112,074 | 66,855 | 81,874 | 96,103 | 112,617 | 130,208 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at year end | 2,829,716 | 2,956,854 | 3,110,082 | 3,243,605 | 3,380,848 | 3,534,452 | 3,706,165 | 3,890,617 | 4,071,330 | 4,240,023 |
| Accumulated depreciation | | | | | | | | | | |
| Balance, Beginning of the Year | 712,143 | 746,898 | 782,995 | 820,038 | 859,632 | 900,504 | 943,739 | 988,438 | 1,034,848 | 1,083,736 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization expense | 34,755 | 36,097 | 37,043 | 39,594 | 40,872 | 43,235 | 44,700 | 46,410 | 48,888 | 51,639 |
| Balance at year end | 746,898 | 782,995 | 820,038 | 859,632 | 900,504 | 943,739 | 988,438 | 1,034,848 | 1,083,736 | 1,135,376 |
| Net Book Value, end of year | 2,082,819 | 2,173,859 | 2,290,044 | 2,383,973 | 2,480,344 | 2,590,714 | 2,717,727 | 2,855,769 | 2,987,594 | 3,104,648 |