

2010 financial statement discussion and analysis

INTRODUCTION

The City of Ottawa 2010 Annual Financial Report contains the audited consolidated financial statements prepared in accordance with principles and standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, as required by the Ontario Municipal Act.

The City of Ottawa Administration is responsible for preparing the following financial statement discussion and analysis (FSD&A). It should be read in conjunction with the audited consolidated financial statements and the financial and statistical schedules.

The FSD&A reports to stakeholders on how the financial resources entrusted to the City are being managed to provide municipal infrastructure and services, and presents significant issues that affected 2010 results or that may have an impact on future results.

ECONOMIC ENVIRONMENT

As indicated in the statistics provided below, the City of Ottawa has experienced an improvement in the local economy in 2010.

	2010	2009	% Change
Population	917,570	908,389	1.01%
Residential Housing starts ^[2]	6,046	5,522	9.49%
Value of building permits issued (in millions)	1,922	1,796	7.02%
Inflation, CPI annual increases (%) ^[1]	2.6	0.5	420.00%
Unemployment rate (%) ^[1]	6.5	6.1	6.56%

^[1] *Statistics Canada*

^[2] *Canada Mortgage and Housing Corporation (CMHC)*

The City of Ottawa had an estimated population of 917,570 at the end of 2010, which represents an increase of 13.4% since 2001. This growth rate is faster than both Canada's rate (8.6%) and Ontario's (11.1%). Ottawa accounts for approximately three-quarters of the population of the greater Ottawa-Gatineau area, which has a combined total population of close to 1.4 million.

Population growth is expected to continue. The City's most recent growth projection adopted by Council in November 2007 predicts growth of 12.4% between 2010 and 2021 to 1,031,000. Immigration is a major reason Ottawa's population will continue to grow.

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THE OUTLOOK

Relative to the province and the country as a whole, the global economic downturn has had less of an impact on demographic and economic indicators for the city. Ottawa's economy continues to strengthen due to several factors including low interest rates, a relatively steady local employment rate, and population growth and rebounding housing starts in 2010 after the 2009 decline.

The City has developed constructive relationships with other levels of government and the private sector in order to obtain sustainable funding to provide the municipal infrastructure necessary to support healthy local, provincial and national economies. Spending and associated funding received under the federal and provincial economic stimulus program was key to mitigating the effects of the economic crisis. Continued gas tax funding combined with federal and provincial commitments to assist with funding the City's planned light rail transit program, will ensure the required infrastructure is in place to support the transit needs of our residents. Similarly, proposed partnership agreements with local partners will allow for the redevelopment of Lansdowne Park raising the City's national profile by providing a venue for large sports and entertainment events.

FINANCIAL HIGHLIGHTS

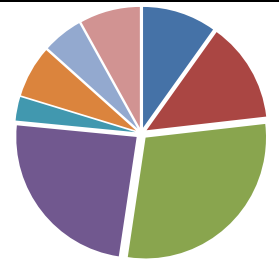
Tangible capital assets represent a significant investment for the City and the related information is vital for stewardship, accountability, costing, and the development of asset management plans. Assets are valued at their historical cost on the date of purchase or construction and are amortized over their useful lives. The residual net book value of these assets represents the value of assets available to serve future generations.

The City's tangible capital assets consist primarily of water and wastewater infrastructure, land, roads, buildings, and machinery, plant and equipment

Tangible Capital Assets

(DOLLARS IN THOUSANDS)

	\$		
Buildings and improvements	1,075,273	10%	■ 1
Roads	1,446,083	13%	■ 2
Water/wastewater	3,173,914	29%	■ 3
Land	2,628,570	24%	■ 4
Land improvements	345,266	3%	■ 5
Machinery, plant and equipment	750,134	7%	■ 6
Vehicles	578,829	6%	■ 7
Assets under construction	877,168	8%	■ 8
	10,875,237	100%	



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CONSOLIDATED FINANCIAL POSITION

As at December 31 [DOLLARS IN THOUSANDS]	2010 \$	2009 \$
A. Financial assets	1,615,252	1,549,261
B. Financial liabilities	2,666,907	2,449,516
C. Net debt	(1,051,655)	(900,255)
D. Non-financial assets	10,924,309	10,115,047
E. Accumulated surplus (C + D)	9,872,654	9,214,792

Financial assets increased by approximately \$66 million. Part of this is an increase in accounts receivable associated with claims under the Federal/ Provincial Stimulus Program.

The growth in financial liabilities includes increases of \$236 million in net long term debt and \$86 million in accounts payable and accrued liabilities offset by a \$120 million reduction in deferred revenue. Net long term debt was increased to support the increased spending associated with the Federal/Provincial Stimulus program. Similarly the decrease in deferred revenues reflects increased spending for tangible capital assets funded by gas tax and development charges.

The City's accumulated surplus has increased by \$658 million, as reflected by the \$809 million increase in non-financial assets, net of the \$151 million increase in the net debt position.

ACCUMULATED SURPLUS AND RESERVES AND RESERVE FUNDS

Reserves and reserve funds are a component of accumulated surplus. In 2010, reserves and reserve funds increased by approximately \$98 million. This increase is partly due to operating program surpluses in transportation, environmental, social housing, and child care services which were contributed to their respective reserves and reserve funds. In addition, the Ottawa Community Housing Corporation reserve funds increased by approximately \$20 million as a result of increased government grant contributions for renovations and retrofitting programs.

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ACCUMULATED SURPLUS

	2010 \$	2009 \$
<i>(DOLLARS IN THOUSANDS)</i>		
Surplus		
Invested in tangible capital assets ^[1]	9,598,520	9,050,512
Unfunded		
Employee benefits	(375,772)	(371,691)
Landfill closure costs	(11,108)	(9,691)
Other	(51,948)	(56,606)
Total surplus	9,159,692	8,612,524
Reserves set aside by council	8,903	2,422
Reserve funds set aside by council		
Endowment	195,105	202,380
Transportation and environmental services	82,817	10,670
Social Housing and child care	50,833	24,604
Debt retirement	7,631	11,879
Equipment replacement	5,902	1,717
Insurance	2,138	4,236
Employment benefits	5,997	5,878
Other	11,130	8,898
Total reserve funds	361,553	270,262
Equity in government enterprises	342,506	329,584
Accumulated surplus	9,872,654	9,214,792

^[1] The net investment in capital assets is equal to the net carrying value of capital assets minus the debt portion related to these assets

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FINANCIAL ANALYSIS REVIEW

Revenues – Budget to Actual Comparison

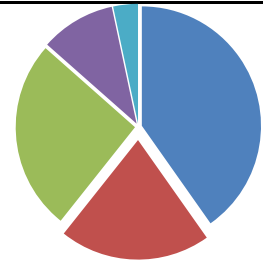
FOR THE YEAR ENDED DECEMBER 31 (DOLLARS IN THOUSANDS)	Budget 2010 \$	Actual 2010 \$	Favourable/ (Unfavourable) \$
Taxes available for municipal purposes	1,353,183	1,358,107	4,924
Fees and user charges	680,612	691,768	11,156
Government grants	857,090	871,536	14,446
Contributed tangible capital assets	206,350	206,350	0
Development charges	136,031	136,031	0
Investment income	36,415	30,285	(6,130)
Fines and penalties	26,937	25,709	(1,228)
Other revenue	26,374	26,630	256
Equity in earnings of government business enterprises	30,522	30,522	0
Total revenues	3,353,514	3,376,938	23,424

Fees and user charges was higher than budget mainly due to higher water consumption than anticipated, which resulted in a favourable variance for both water and sewer surcharge revenues.

Government Grants exceeded budget due to increased funding to match higher expenses for social services and social housing programs.

Sources of Revenue

(DOLLARS IN THOUSANDS)	\$	%	
Taxes available for municipal purposes	1,358,107	40%	■ 1
Fees and user charges	691,768	21%	■ 2
Government grants	871,536	26%	■ 3
Development charges and contributed tangible capital assets	342,381	10%	■ 4
Other	113,146	3%	■ 5
	3,376,938	100%	



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Expenses – Budget to Actual Comparison

FOR THE YEAR ENDED DECEMBER 31 <i>(DOLLARS IN THOUSANDS)</i>	Budget 2010 \$	Actual 2010 \$	Favourable/ (Unfavourable) \$
General government	108,442	107,933	509
Protection to persons and property	455,142	460,265	(5,123)
Transportation	787,099	774,221	12,878
Environmental services	280,824	271,240	9,584
Health services	126,099	132,804	(6,705)
Social and family services	408,095	411,803	(3,708)
Social housing	233,523	235,399	(1,876)
Recreation and cultural services	265,910	271,469	(5,559)
Planning and development	56,970	53,942	3,028
Total expenses	2,722,104	2,719,076	3,028

Transportation costs were lower than budgeted due to lower winter maintenance costs associated with a mild winter. In addition, transit efficiencies in maintenance and parts consumption together with savings in heat and hydro contributed to the variances.

Health Services variance relates to increased compensation and self insurance costs for paramedic services.

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Revenues – Comparison to Prior Year

FOR THE YEAR ENDED DECEMBER 31 <i>(DOLLARS IN THOUSANDS)</i>	Actual 2010 \$	Actual 2009 \$	Increase/ (Decrease) \$
Taxes available for municipal purposes	1,358,107	1,286,044	72,063
Fees and user charges	691,768	623,350	68,418
Government grants	871,536	471,419	400,117
Contributed tangible capital assets	206,350	145,296	61,054
Development charges	136,031	81,392	54,639
Investment income	30,285	26,071	4,214
Fines and penalties	25,709	23,567	2,142
Other revenue	26,630	14,810	11,820
Equity in earnings of government business enterprises	30,522	29,414	1,108
Total revenues	3,376,938	2,701,363	675,575

Taxes available for municipal purposes increased due to a combination of a 3.77% property tax increase for all City services and the effect of growth in the property tax base.

Fees and user charges was higher due in part to higher revenues on the public transit system. Transit recorded an increase in ridership in 2010, whereas 2009 revenues were lower due to the effect of the transit strike in the first quarter of the year. The bulk of the remaining increase is due to a combined 9% water and sewer surcharge rate increase.

Government Grants increases were associated with the City's increased investment in tangible capital assets. This included increased revenue recognized under the Federal/Provincial stimulus program for renewal and growth initiatives (\$158.3million); increased revenue recognized under the Federal/Provincial Gas tax Program to acquire new buses (\$123.5 million); approximately \$44.3 million additional revenue to finance renovation and retrofitting programs for social and affordable housing; additional one time funding for buses under the Ontario Bus Replacement Program (\$25.2 million); and revenue recognized under other federal/provincial programs to finance the Archive Building, the Ottawa River Action Plan, and other infrastructure (\$36.2million).

The remaining \$12.6 million increase in government grants related to increases in base and one time funding associated with social and family service programs.

Development Charges recorded as income during 2010 is reflective of the increase in growth related project spending during the year. Development charge receipts are recorded as deferred revenues until the fiscal year when the related expenditures are incurred, at which point they are recorded as income.

Investment income was higher than 2009 due to higher cash balances and investment returns on bonds and money market investments associated with improvements in the economy.

Other revenue was higher mainly a result of an increase in the number of tangible capital assets funded through cash in lieu of parkland and an increase in proportional spending.

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Expenses – Comparison to prior year

FOR THE YEAR ENDED DECEMBER 31 <i>(DOLLARS IN THOUSANDS)</i>	Total 2010 Actual \$	Total 2009 Actual \$	Total Increase/ (Decrease) \$
General government	107,933	104,799	3,134
Protection to persons and property	460,265	440,858	19,407
Transportation	774,221	681,511	92,710
Environmental services	271,240	254,787	16,453
Health services	132,804	130,898	1,906
Social and family services	411,803	417,554	(5,751)
Social housing	235,399	239,302	(3,903)
Recreation and cultural services	271,469	278,456	(6,987)
Planning and development	53,942	51,063	2,879
Total expenses	2,719,076	2,599,228	119,848

Transportation expenditures increased in 2010 primarily as a result of adjustments to the amortization expenses recorded for transit vehicles associated with the disposal of a fleet of vehicles and a change in the estimated useful life of the transit fleet.

Protection to persons and property: During the year, spending increased to provide for a new police facility, a new fire station and growth related costs associated with paramedic services.

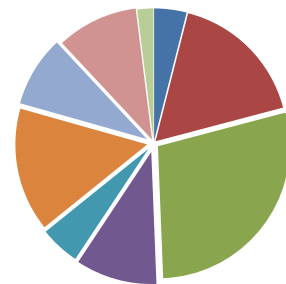
Environmental services expenditures increased mainly due to the new green bin organics collection program and growth in wastewater services.

Planning and development: Lower development application revenues were received in 2010 and expenses were managed to substantially offset the revenue shortfall.

Expenses

(DOLLARS IN THOUSANDS)

	\$	%
General Government	107,933	4%
Protection to persons and property	460,265	17%
Transportation	774,221	28%
Environmental services	271,240	10%
Health Services	132,804	5%
Social and family services	411,803	15%
Social housing	235,399	9%
Recreation and cultural services	271,469	10%
Planning and development	53,942	2%
	2,719,076	100%



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NET LONG TERM DEBT

The City of Ottawa is rated by two international agencies: Moody's Investors Service and Standard & Poor's. Moody's has given the City an Aaa rating - the highest possible ranking and one the City has maintained since 1975. Standard & Poor's (S&P) has assigned an AA+ stable rating to the City.

The capital financing policy approved by Council requires that capital assets financed by debt have a useful life at least as long as the term of the debt. This policy allows the City to provide additional capital assets such as roads, water and sewer systems, buildings, and transit infrastructure that will be funded over the long term by taxpayers benefiting from the use of these capital assets.

During 2010 the City issued debentures totalling \$297 million on various terms up to twenty years at interest rates ranging from 1.370% to 5.315%. The proceeds were used to finance various City capital works including the City Archives, the Ottawa Congress Centre, road works, a new Police facility in west Ottawa, Lemieux Island transmission mains, various waste water capital works and a transit maintenance facility. In addition to issuing debentures in the financial markets the City entered into a financing agreement with Ontario Infrastructure Projects Corporation to provide financing of up to \$142 million for the purchase of transit vehicles. Under this facility, \$92 million was advanced to the City in December. Full details of these debenture issues were reported to Council in accordance with Council's policy on Debt and Financing.

Debt loads are carefully monitored to ensure the ongoing financial well being of the City in accordance with the fiscal framework principles as approved by Council in 2007. Two of the key targets established by Council which are to be reported on annually by the Treasurer were as follows.

- 1) "Principal and interest payments for tax and rate supported debt not to exceed 7.5% of the City's own source revenues":
- 2) "The increase in debt servicing for non-legacy projects in any year will not be greater than one-quarter of 1 per cent of taxes from property taxes":

With respect to the first key target, the total debt interest and principal payments in 2010 for long-term debt were \$102.7 million which represents 4.5% of the City's own source revenues. These revenues include all revenues shown on the Consolidated Statement of Operations, except for government grants and contributed tangible capital assets.

Regarding the second key target, non-legacy projects are defined as capital works associated with the rehabilitation and renewal of existing City infrastructure along with the construction of new infrastructure to address growth pressures. There was no increase in tax-supported debt servicing for non-legacy projects in 2010.

Responsibility for financial reporting

MANAGEMENT'S REPORT

The integrity, relevance and comparability of the data in the accompanying consolidated financial statements are the responsibility of management.

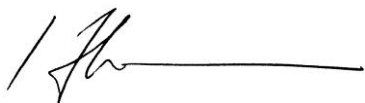
The consolidated financial statements are prepared by management, in accordance with generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. They necessarily include some amounts that are based on the best estimates and judgements of management. Financial data elsewhere in the report is consistent with that in the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

The Auditor General's office reports directly to Council, and on an ongoing basis, carries out its audit program to ensure internal controls and their application are reviewed and financial information are tested and independently verified.

City Council fulfils its responsibility for financial reporting through its Audit Sub-Committee and Finance and Economic Development Committee.

Ernst & Young LLP, Chartered Accountants, have been appointed by City Council to express an opinion on the City's consolidated financial statements. Their report follows.



Kent Kirkpatrick
City Manager



Marian Simulik
City Treasurer

Ottawa, Canada
June 8, 2011

Financial and statistical schedules

- unaudited -

Revenues by Source (unaudited)

<i>(DOLLARS IN THOUSANDS)</i>	2006	2007	2008	2009	2010
	\$	\$	\$	\$	\$
Taxes available for municipal purposes	1,131,536	1,143,891	1,229,794	1,286,044	1,358,107
Fees and user charges					
General administration	13,345	13,904	17,770	18,181	18,422
Paramedic services	297	517	681	901	1,007
Other protective services	46,668	54,383	58,897	59,732	60,759
Roads, traffic and parking	21,468	21,968	24,836	22,456	22,122
Public transit	124,574	129,916	131,273	121,710	159,539
Water and sewer	168,122	183,719	190,760	206,969	226,377
Waste and recycling services	32,235	39,666	43,226	37,630	40,576
Fire supply charges	7,878	8,078	8,064	8,236	8,413
Social housing	60,459	61,486	62,037	62,401	63,097
Parks and recreation	39,866	41,012	50,566	52,803	55,670
Planning and development	6,260	8,203	8,006	8,567	11,248
Long term care	14,316	14,908	15,229	15,605	15,738
Other	8,608	9,666	6,652	8,159	8,800
	544,096	587,426	617,997	623,350	691,768
Government grants	516,438	505,763	470,948	471,419	871,536
Contributed tangible capital assets ^[1]	-	-	-	145,296	206,350
Development charges	50,889	76,461	71,840	81,392	136,031
Investment income	54,777	51,949	50,108	26,071	30,285
Fines and penalties	21,621	23,062	23,797	23,567	25,709
Other revenue	15,080	10,883	14,078	14,810	26,630
Equity in earnings of government business enterprises	40,122	27,298	48,756	29,414	30,522
	698,927	695,416	679,527	791,969	1,327,063
Total revenues	2,374,559	2,426,733	2,527,318	2,701,363	3,376,938

Expenses by Function (unaudited)

<i>(DOLLARS IN THOUSANDS)</i>	2006 ^[2]	2007 ^[2]	2008 ^[2]	2009 ^[3]	2010
	\$	\$	\$	\$	\$
General government ^[1]	129,710	135,322	132,191	104,799	107,933
Protection to persons and property	345,748	408,461	427,651	440,858	460,265
Transportation	610,642	627,621	741,170	681,511	774,221
Environmental services	318,713	284,340	319,650	254,787	271,240
Health services	94,657	104,991	117,083	130,898	132,804
Social and family services	425,546	425,490	409,081	417,554	411,803
Social housing	168,597	172,803	184,521	239,302	235,399
Recreation and cultural services	203,710	222,497	237,283	278,456	271,469
Planning and development	45,586	52,374	44,374	51,063	53,942
Total expenses	2,342,909	2,433,899	2,613,004	2,599,228	2,719,076

^[1] Program support costs for operating expenses have been allocated to other functions using guidelines and methodologies reflected in the Ontario Financial Information Return.

^[2] The years 2006 to 2008 includes the total amount of capital expenditures previously expensed on the Consolidated Statement of Financial Activities.

^[3] Beginning in 2009, certain capital expenditures are reflected as tangible capital assets on the Statement of Financial Position, and are not included on this statement.

Consolidated Reserves & Reserve Funds (unaudited)

<i>(DOLLARS IN THOUSANDS)</i>	2006	2007	2008	2009	2010
	\$	\$	\$	\$	\$
Reserves	35,193	25,934	14,721	2,422	8,903
Reserve funds					
Endowment ^[1]	200,000	203,827	211,337	202,380	195,105
Transportation and environmental services	64,089	89,821	56,685	10,670	82,817
Social housing and child care	56,044	63,664	58,091	24,604	50,833
Debt retirement	23,484	19,904	16,043	11,879	7,631
Equipment replacement	21,061	18,862	14,405	1,717	5,902
Insurance	3,766	3,951	3,632	4,236	2,138
Employment benefits	5,673	6,054	5,762	5,878	5,997
Other	5,297	5,882	6,483	8,898	11,130
Reserve funds	379,414	411,965	372,438	270,262	361,553
Total reserves and reserve funds	414,607	437,899	387,159	272,684	370,456

^[1] A distribution of \$13,643 in 2010 and \$10,800 in 2009 was made from the Endowment Fund to the City's Capital program.

Taxation and Assessments (unaudited)

<i>(DOLLARS IN THOUSANDS)</i>	2006	2007	2008	2009	2010
Residential (Urban)					
Municipal city-wide	0.54037%	0.529338%	0.523131%	0.558213%	0.569744%
Municipal capital tax levy			0.018359%	0.010285%	0.000000%
Municipal fire	0.07218%	0.072411%	0.088906%	0.093602%	0.091666%
Municipal police	0.14637%	0.148423%	0.162492%	0.162402%	0.165692%
Municipal transit	0.16331%	0.174257%	0.182093%	0.172878%	0.178898%
Municipal conservation area	0.00583%	0.006298%	0.006850%	0.007092%	0.007326%
Municipal hydrant	0.00000%	0.000000%	0.000000%	0.000000%	0.000000%
Education	0.26400%	0.264000%	0.264000%	0.252000%	0.241000%
Total residential tax rates	1.19206%	1.194727%	1.245831%	1.256472%	1.254326%
Non-residential (Commercial Urban)					
Municipal city-wide	1.15969%	1.136022%	1.102941%	1.110431%	1.085344%
Municipal capital tax levy			0.038706%	0.020459%	0.000000%
Municipal fire	0.15702%	0.155403%	0.190803%	0.192516%	0.178021%
Municipal police	0.31414%	0.318533%	0.342589%	0.323060%	0.315637%
Municipal transit	0.35527%	0.373978%	0.390793%	0.355566%	0.347431%
Municipal conservation area	0.01251%	0.013516%	0.014441%	0.014108%	0.013956%
Municipal hydrant	0.00000%	0.000000%	0.000000%	0.000000%	0.000000%
Education	1.74402%	1.747985%	1.744678%	1.650981%	1.557604%
Total non-residential tax rates	3.74265%	3.745437%	3.824951%	3.667121%	3.497993%
Assessed Values [Dollars in millions]					
Residential (\$)	64,814	66,471	67,757	79,191	80,867
Percentage of total	76.4%	76.5%	76.6%	75.3%	75.4%
Non-residential (\$)	20,040	20,401	20,702	25,995	26,337
Percentage of total	23.6%	23.5%	23.4%	24.7%	24.6%
Total assessment (\$)	84,854	86,872	88,459	105,186	107,204

Taxation and Assessments (unaudited)

	2006	2007	2008	2009	2010
<i>(DOLLARS IN THOUSANDS)</i>	\$	\$	\$	\$	\$
Taxes receivable at the beginning of the year	53,005	50,426	56,188	57,514	70,024
Property taxes	1,437,094	1,463,316	1,561,391	1,633,214	1,728,256
Non-tax items for collection	25,792	30,887	32,621	35,294	39,326
Penalties	9,526	9,795	10,874	10,734	11,146
Cancellation of tax arrears	(35,840)	(32,383)	(32,721)	(38,212)	(52,684)
Write-off of taxes	6,127	3,878	2,519	2,774	1,353
Subtotal	1,495,704	1,525,919	1,630,872	1,701,318	1,797,421
Collections					
Current	(1,375,261)	(1,393,156)	(1,495,099)	(1,549,293)	(1,658,207)
Arrears	(70,017)	(76,575)	(78,259)	(82,001)	(77,537)
Total collections	(1,445,278)	(1,469,731)	(1,573,358)	(1,631,294)	(1,735,744)
Taxes receivable at the end of the year	50,426	56,188	57,514	70,024	61,677
Allowance for doubtful accounts	(1,249)	(1,690)	(2,200)	(2,250)	(2,650)
Net Taxes receivable at the end of the year	49,177	54,498	55,314	67,774	59,027
Percentage of current taxes collected (%)	95.7	95.2	95.8	94.9	95.9
Taxes outstanding as a percentage of the current year levy (%)	3.4	3.7	3.5	4.2	3.4

Investments – at amortized cost (unaudited)

<i>(DOLLARS IN THOUSANDS)</i>	2006	2007	2008	2009	2010
	\$	\$	\$	\$	\$
City of Ottawa debentures	37,873	38,265	42,710	42,741	35,478
Federal government	180,227	133,792	255,325	177,848	125,225
Provincial government	88,280	81,756	111,729	193,316	124,906
Municipal government	129,660	116,698	117,786	135,217	117,740
Banks	58,914	128,544	129,482	78,580	86,028
Endowment	-	202,831	210,750	202,299	195,224
OCHC securities ^[1]	32,735	36,875	37,820	19,459	10,864
Other	90,180	54,526	34,395	42,894	42,446
Totals	617,869	793,287	939,997	892,354	737,911

^[1] Corporate bonds, common and foreign stock held for Ottawa Community Housing Corporation

Net Long-Term Debt (unaudited)

<i>(DOLLARS IN THOUSANDS)</i>	2006	2007	2008	2009	2010
	\$	\$	\$	\$	\$
Instalment and sinking fund debenture debt	666,566	634,023	735,338	748,212	998,659
Sinking funds accumulated to the end of the year to retire sinking fund debentures above	(157,835)	(177,145)	(193,826)	(160,497)	(174,375)
	508,731	456,878	541,512	587,715	824,284
Public private partnership debt	12,527	12,150	11,719	11,327	10,876
Total net long-term debt	521,258	469,028	553,231	599,042	835,160

Net Long-Term Debt by Function (unaudited)

<i>(DOLLARS IN THOUSANDS)</i>	2006	2007	2008	2009	2010
	\$	\$	\$	\$	\$
General government ^[1]	41,002	32,002	24,794	21,720	19,025
Fire	124	64	3,078	3,416	3,312
Police	18,493	16,404	16,601	19,450	30,756
Protective Inspection	-	-	-	1,800	7,345
Roads	246,460	228,562	248,590	252,408	287,085
Public transit	64,498	57,165	80,298	121,154	225,400
Parking	2,976	2,152	1,395	638	245
Wastewater treatment	27,536	21,036	20,246	22,142	47,205
Water supply and distribution	25,246	24,388	73,065	77,606	102,633
Waste and recycling services	2,667	2,281	1,873	1,442	992
Social housing	-	-	-	-	143
Parks and recreation	25,638	23,887	27,748	27,279	42,988
Libraries	6,520	6,324	6,118	5,902	5,751
Planning and development	10,146	9,120	8,025	7,156	30,060
Social and family services	49,952	45,643	41,400	36,929	32,220
Total net long-term debt	521,258	469,028	553,231	599,042	835,160

^[1] Consists primarily of debt outstanding related to former corporate administrative accommodation

Demographics and Other Information (unaudited)

	2006	2007	2008	2009	2010
Population	877,280	888,882	898,000	908,389	917,570
Households	354,535	360,580	365,800	371,973	377,098
Municipal full time equivalents					
FTE	13,479	13,788	14,320	14,559	14,774
FTE per 1000 population	15.4	15.5	15.9	16.0	16.1
Inflation, CPI annual increases (%)^[1]					
Ottawa	1.7	1.9	2.2	0.5	2.6
Ontario	2.0	1.8	2.3	0.4	2.5
Canada	2.0	2.2	2.3	0.3	1.8
Unemployment rate (%)^[1]					
Ottawa	5.6	5.1	4.9	6.1	6.5
Ontario	6.3	6.4	6.5	9.0	8.7
Canada	6.3	6.0	6.1	8.3	8.0
Housing starts^[2]					
	5,627	6,218	6,679	5,522	6,046
Change (%)	19.7	10.5	7.4	-17.3	9.5
Single family	2,252	2,722	2,715	2,228	2,035
Change (%)	6.2	20.9	(0.3)	(17.9)	8.7%
Housing prices^[3]					
Housing prices (000)	256	273	290	305	329
Change (%)	2.8	6.6	6.2	5.2	7.9
New housing price inflation ^[1] (%)	3.1	1.7	3.8	1.4	4.0
Value of building permits issued (in millions)					
	\$1,670	\$1,892	\$1,733	\$1,796	\$1,922
Change (%)	(6.5)	13.3	(8.4)	3.7	7.0

^[1] Statistics Canada

^[2] Central Mortgage and Housing Corporation (CMHC)

^[3] Ottawa Multiple Listing Service (MLS)