
FINANCIAL REPORT



**20
14**

YEAR

2014

JUNE **2015**

SUMMARY

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FOREWORD

In a context of weak economic growth, the excellent performance of the management ratios of the Paris authority demonstrates its serious management of 2014 performance, although Paris was faced with a first decrease in State grants as part of the recovery of public finances and a fall in its tax revenues, for an unchanged tax rate, linked to the reduction in the value-added contribution of businesses.

The next financial years will become increasingly difficult with a significant reduction in grants as part of the contribution of local authorities to steps to turn around public finances, decided for the period from 2014 to 2017, the growing importance of equalisation systems and the uncertainty of the environment in which the Paris authority is conducting its affairs, particularly due to the introduction of the Greater Paris Metropolitan Area and reform of the general operating grant.

« PARIS IS INVESTING, PARIS IS PREPARING FOR THE FUTURE, WHILE
REMAINING ONE OF THE LEAST INDEBTED AUTHORITIES IN FRANCE. »

In this context where the exogenous constraints will weigh increasingly on Paris finances, I would like to emphasise that the sound financial health of the authority in 2014 can only be maintained at the cost of an unprecedented effort to control spending and the continued optimisation of its operations. Thus in 2014, costs of a general nature and subsidies paid by the Paris authority have fallen slightly (-0.2%), while our contributions to the equalisation fund which had already increased by €67M between 2012 and 2013, also rose by €81M to reach €383M in 2014. These good management endeavours must continue.

Despite a traditional decline in election years, investment spending remained buoyant at €1,529M, enabling us inter alia to deliver 7,166 housing units and 796 new crèche places under our own management, while remaining attentive to the proper maintenance of Parisian heritage. These investments have been 83% self-financed (€1,266M). The net outstanding amount of bond and bank debt therefore only rose by €313M to stand at €3,905M.

Paris is investing, Paris is preparing for the future, while remaining one of the least indebted authorities in France.

Julien BARGETON

*Deputy Mayor of Paris responsible for finance-related questions,
monitoring of semi-public companies, public procurement,
concessions and procurement policy.*

CONSOLIDATED FINANCIAL ANALYSIS OF THE CITY AND DEPARTMENT

| | AA 2009 | AA 2010 | AA 2011 | AA 2012 | AA 2013 | AA 2014 | Evolution 2014-2013 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|------------------------|
| Direct contributions | 2 122 | 2 292 | 3 103 | 3 207 | 3 456 | 3 293 | -4,7% |
| Household waste removal tax | 377 | 414 | 426 | 434 | 446 | 451 | 1,1% |
| Street cleaning tax | 70 | 71 | 70 | 104 | 104 | 104 | 0,2% |
| Parking fees | 44 | 47 | 63 | 59 | 63 | 64 | 1,8% |
| Electricity tax (City + Department) | 70 | 78 | 72 | 69 | 74 | 70 | -5,5% |
| Property taxes (transfer & additional duties) | 647 | 928 | 1 078 | 1 177 | 918 | 1 089,3 | 18,7% |
| Other taxes and duties | 65 | 67 | 68 | 71 | 69 | 69 | 1,2% |
| TAXES AND DUTIES | 3 396 | 3 897 | 4 881 | 5 121 | 5 130 | 5 141 | 0,2% |
| <i>Taxes and duties net of payment to FNGIR</i> | <i>3 396</i> | <i>3 897</i> | <i>3 997</i> | <i>4 229</i> | <i>4 232</i> | <i>4 243</i> | <i>0,3%</i> |
| APA (CNSA) compensation | 19 | 9 | 13 | 12 | 12 | 10 | -16,6% |
| RMI / RSA (TIPP + FMDI) compensation | 264 | 260 | 261 | 266 | 260 | 259 | -0,4% |
| Other compensation (including TSCA & APRE) | 73 | 80 | 76 | 74 | 72 | 86 | 19,5% |
| COMPENSATION FOR SKILLS TRANSFERS | 356 | 348 | 350 | 351 | 344 | 355 | 3,2% |
| General operating grant (DGF) | 1 270 | 1 263 | 1 290 | 1 259 | 1 227 | 1 134 | -7,5% |
| Compensation grants (DCTP, DCTH, DCTF) | 60 | 56 | 60 | 54 | 48 | 44 | -9,9% |
| Other grants (DGD, DSI) | 16 | 16 | 16 | 16 | 16 | 16 | -1,1% |
| STATE GRANTS | 1 345 | 1 335 | 1 365 | 1 329 | 1 291 | 1 194 | -7,5% |
| SUBSIDIES AND CONTRIBUTIONS ¹ | 181 | 201 | 201 | 214 | 213 | 238 | 11,6% |
| <i>Of which reimbursement of costs for staff elected by the Department</i> | | | | | | 1 | |
| <i>Of which CAF income</i> | 118 | 138 | 136 | 141 | 141 | 160 | 13,4% |
| Fees paid by tenants and concessionaires | 211 | 185 | 226 | 226 | 213 | 204 | -4,2% |
| <i>Of which DF</i> | 93 | 87 | 93 | 103 | 98 | 111 | 12,3% |
| <i>Of which DVD</i> | 59 | 65 | 79 | 76 | 76 | 76 | 0,7% |
| Fees & income for use of public property ² | 59 | 56 | 60 | 66 | 67 | 74 | 10,1% |
| Contributions from Parisian users | 147 | 156 | 157 | 169 | 168 | 167 | -0,8% |
| OPERATING INCOME | 417 | 397 | 443 | 461 | 449 | 445 | -0,8% |
| ZAC SURPLUS | - | 2 | 132 | - | - | 213 | - |
| Rent income (revenue from buildings) | 216 | 195 | 184 | 171 | 189 | 197 | 4,1% |
| <i>Of which DLH</i> | 200 | 178 | 161 | 148 | 158 | 164 | 3,7% |
| Recovery from beneficiaries | 93 | 84 | 86 | 82 | 86 | 89 | 4,2% |
| Works for third parties | 20 | 27 | 35 | 36 | 45 | 61 | 35,5% |
| ESA repayment | 29 | 28 | 30 | 32 | 36 | 32 | -11,7% |
| Repayment of staff costs ³ | 76 | 69 | 74 | 66 | 67 | 68 | 1,9% |
| TOTAL OTHER CURRENT OPERATING REVENUES | 434 | 403 | 410 | 387 | 422 | 447 | 5,8% |
| <i>Reminder: departmental allowance duplicate cancelled out</i> | 13 | 14 | 15 | 15 | 16 | 13 | -16,9% |
| <i>Reminder: duplicate of costs for staff of elected representatives cancelled out</i> | 3 | 2 | 2 | 2 | 2 | 1 | -7,5% |
| <i>Reminder: City to Department participation cancelled out</i> | 510 | 380 | 522 | 450 | 550 | 700 | 27,3% |
| CURRENT OPERATING INCOME | 6 129 | 6 582 | 7 782 | 7 865 | 7 849 | 8 033 | 2,3% |
| <i>Income net of payment to FNGIR</i> | <i>6 129</i> | <i>6 582</i> | <i>6 898</i> | <i>6 973</i> | <i>6 951</i> | <i>7 135</i> | <i>2,7%</i> |
| PERSONNEL COSTS | 1 982 | 2 026 | 2 059 | 2 109 | 2 111 | 2 209 | 4,7% |
| <i>of which payroll and subsidised contracts</i> | 1 952 | 1 996 | 2 031 | 2 082 | 2 083 | 2 180 | 4,7% |
| <i>of which landfill of classes</i> | 19 | 18 | 18 | 18 | 19 | 19 | 0,0% |
| <i>of which others</i> | 10 | 12 | 11 | 10 | 9 | 10 | 13,0% |
| OVERHEAD COSTS | 798 | 832 | 858 | 833 | 823 | 821 | -0,2% |
| Social welfare including: | 692 | 746 | 812 | 853 | 848 | 845 | -0,3% |
| <i>Social welfare for children</i> | 234 | 257 | 303 | 336 | 324 | 307 | -5,2% |
| <i>Social welfare for the disabled (PCH, ACTP)</i> | 48 | 49 | 54 | 61 | 65 | 70 | 7,3% |
| <i>Accommodation for the disabled</i> | 112 | 120 | 122 | 129 | 142 | 146 | 2,9% |
| <i>Personalised autonomy allowance (APA)</i> | 125 | 136 | 138 | 141 | 133 | 135 | 1,2% |
| <i>Accommodation assistance for the elderly</i> | 146 | 149 | 153 | 149 | 146 | 149 | 2,0% |
| Housing Solidarity Fund (FSL) | 12 | 17 | 22 | 20 | 20 | 20 | 0,0% |
| RSA, RMI, future work contracts and PDI | 348 | 363 | 359 | 366 | 381 | 399 | 4,8% |
| <i>of which RMI/RSA allocations</i> | 285 | 300 | 297 | 301 | 318 | 337 | 5,9% |
| <i>of which Departmental Integration Programme (PDI)</i> | 60 | 55 | 55 | 57 | 54 | 53 | -1,1% |
| Payment to the Centre for Social Action of the City of Paris (CASVP) | 299 | 313 | 315 | 323 | 314,4 | 313 | -0,3% |
| TOTAL FOR SOCIAL AID | 1 339 | 1 421 | 1 486 | 1 541 | 1 543 | 1 558 | 1,0% |
| City operating grants | 218 | 202 | 204 | 207 | 273 | 273 | -0,3% |
| Various subsidies and contributions | 200 | 208 | 223 | 249 | 254 | 253 | 0,0% |
| SUBSIDIES AND CONTRIBUTIONS | 419 | 410 | 428 | 454 | 527 | 526 | -0,2% |
| Police prefecture | 271 | 276 | 280 | 287 | 290 | 292 | 0,5% |
| Contribution to the transport authority (STIF) | 335 | 344 | 353 | 360 | 367 | 374 | 2,0% |
| Contribution to the SYCTOM (waste) | 122 | 127 | 131 | 133 | 119 | 126 | 5,7% |
| CONTRIBUTIONS | 728 | 747 | 764 | 780 | 776 | 791 | 2,0% |

OF ADMINISTRATIVE ACCOUNTS - 2009 TO 2014 in €M

| | CA 2009 | CA 2010 | CA 2011 | CA 2012 | CA 2013 | CA 2014 | Evolution 2014-2013 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|------------------------|
| FSRIF (Ile-de-France solidarity fund) | 101 | 86 | 104 | 121 | 131 | 141 | 7,7% |
| Property transfer duty (DMTO) equalisation fund | - | - | 67 | 80 | 88 | 81 | -7,9% |
| Communal equalisation fund (FPIC) | - | - | - | 22 | 67 | 116 | 73,8% |
| Business Value Added Contribution (CVAE) Equalisation Fund | - | - | - | - | 16 | 18 | 15,6% |
| Solidarity fund for the departments IDF FSDIF | - | - | - | - | - | 27 | - |
| EQUALISATION EXPENSES | 101 | 86 | 170 | 223 | 302,0 | 383 | 26,9% |
| FNGIR | - | - | 884 | 892 | 898 | 898 | 0,0% |
| OTHER CURRENT OPERATING EXPENDITURE | 180 | 179 | 155 | 170 | 167 | 171 | 2,2% |
| OPERATING EXPENDITURE | 5 547 | 5 701 | 6 804 | 7 002 | 7 146 | 7 358 | 3,0% |
| SURPLUS | 582 | 881 | 978 | 863 | 703 | 676 | -3,9% |
| Financial income | 13 | 14 | 24 | 21 | 19 | 31 | 62,9% |
| Financial expenses | 60 | 64 | 91 | 100 | 112 | 128 | 14,9% |
| FINANCIAL BALANCE | -47 | -50 | -66 | -79 | -93 | -97 | 5,0% |
| Exceptional income | 20 | 12 | 10 | 9 | 29 | 43 | 47,0% |
| Exceptional expenses | 66 | 47 | 56 | 36 | 67 | 41 | -39,4% |
| EXCEPTIONAL ITEMS BALANCE | -46 | -34 | -46 | -27 | -38 | 2 | -105,4% |
| TOTAL ACTUAL OPERATING INCOME | 6 163 | 6 609 | 7 816 | 7 895 | 7 897 | 8 107 | 2,7% |
| TOTAL ACTUAL OPERATING EXPENDITURE | 5 673 | 5 812 | 6 950 | 7 138 | 7 325 | 7 527 | 2,8% |
| GROSS SURPLUS | 490 | 797 | 866 | 757 | 573 | 581 | 1,4% |
| Subsidies and grants received | 371 | 245 | 282 | 266 | 352 | 352 | -0,1% |
| - of which investment grants received | 93 | 105 | 116 | 49 | 156 | 143 | -8,1% |
| - of which police fines | 34 | 28 | 35 | 37 | 32 | 33 | 3,5% |
| - of which FCTVA (VAT compensation fund) | 235 | 104 | 125 | 173 | 149 | 168 | 12,4% |
| Income from sales of capital assets | 118 | 59 | 50 | 107 | 122 | 122 | 0,4% |
| Operations for third parties | 9 | 4 | 5 | 18 | 24 | 22 | -9,9% |
| Loan repayments | 260 | 42 | 20 | 32 | 72 | 15 | -78,8% |
| Other financial fixed assets | 30 | 95 | 120 | 134 | 66 | 168 | 154,6% |
| Other actual investment income | 5 | 13 | 17 | 21 | 34 | 6 | -82,6% |
| ACTUAL INVESTMENT INCOME | 793 | 457 | 495 | 577 | 671 | 686 | 2,2% |
| Intangible assets | 25 | 17 | 19 | 18 | 13 | 10 | -20,5% |
| Capital grants | 480 | 441 | 470 | 500 | 507 | 455 | -10,4% |
| Acquisitions | 352 | 330 | 201 | 210 | 206 | 213 | 3,4% |
| - of which Property account | 239 | 237 | 123 | 150 | 131 | - | -100,0% |
| Works | 587 | 655 | 808 | 865 | 949 | 800 | -15,7% |
| Operations for third parties | 5 | 11 | 16 | 24 | 23 | 20 | -13,5% |
| Loans granted | 6 | 15 | - | 6 | - | - | -100,0% |
| Other actual investment expenditure | 8 | 8 | 36 | 39 | 41 | 31 | -25,5% |
| ACTUAL INVESTMENT EXPENDITURE | 1 463 | 1 477 | 1 551 | 1 662 | 1 740 | 1 529 | -12,1% |
| INVESTMENT FINANCING CAPACITY | 1 283 | 1 254 | 1 360 | 1 334 | 1 243 | 1 266 | 1,9% |
| LOAN REPAYMENT | 120 | 125 | 184 | 200 | 200 | 197 | -1,7% |
| FINANCING REQUIREMENT | 300 | 348 | 375 | 528 | 697 | 460 | -34,0% |
| NEW LOANS | 275 | 340 | 381 | 470 | 630 | 510 | -19,1% |
| Working capital at 1st January | 318 | 293 | 285 | 288 | 230 | 163 | -29,1% |
| Change in working capital | -25 | -8 | 6 | -58 | -67 | 50 | -174,6% |
| Working capital at 31st December | 293 | 285 | 291 | 230 | 163 | 213 | 30,7% |
| Debt outstanding at 1st January | 2 326 | 2 481 | 2 696 | 2 892 | 3 219 | 3 655 | 13,5% |
| Debt outstanding at 31st December | 2 481 | 2 696 | 2 893 | 3 219 | 3 655 | 4 120 | 12,7% |
| CHANGE IN DEBT OUTSTANDING | 155 | 215 | 197 | 327 | 436 | 466 | 6,8% |
| FINANCING CAPACITY | 87,7% | 84,9% | 87,7% | 80,3% | 71,4% | 82,8% | 15,9% |

¹ Subsidies and contributions : State, Department, Region, ESF, Social Security, recovery of overpayments, etc.

² Fees & income for use of public property : including duties for roads and terraces

³ Repayment of staff costs (repayment of the costs of staff made available, offsetting of charges and miscellaneous levies).

⁴ Financing requirement (actual investment expenses + loan repayment - financing capacity of investments).

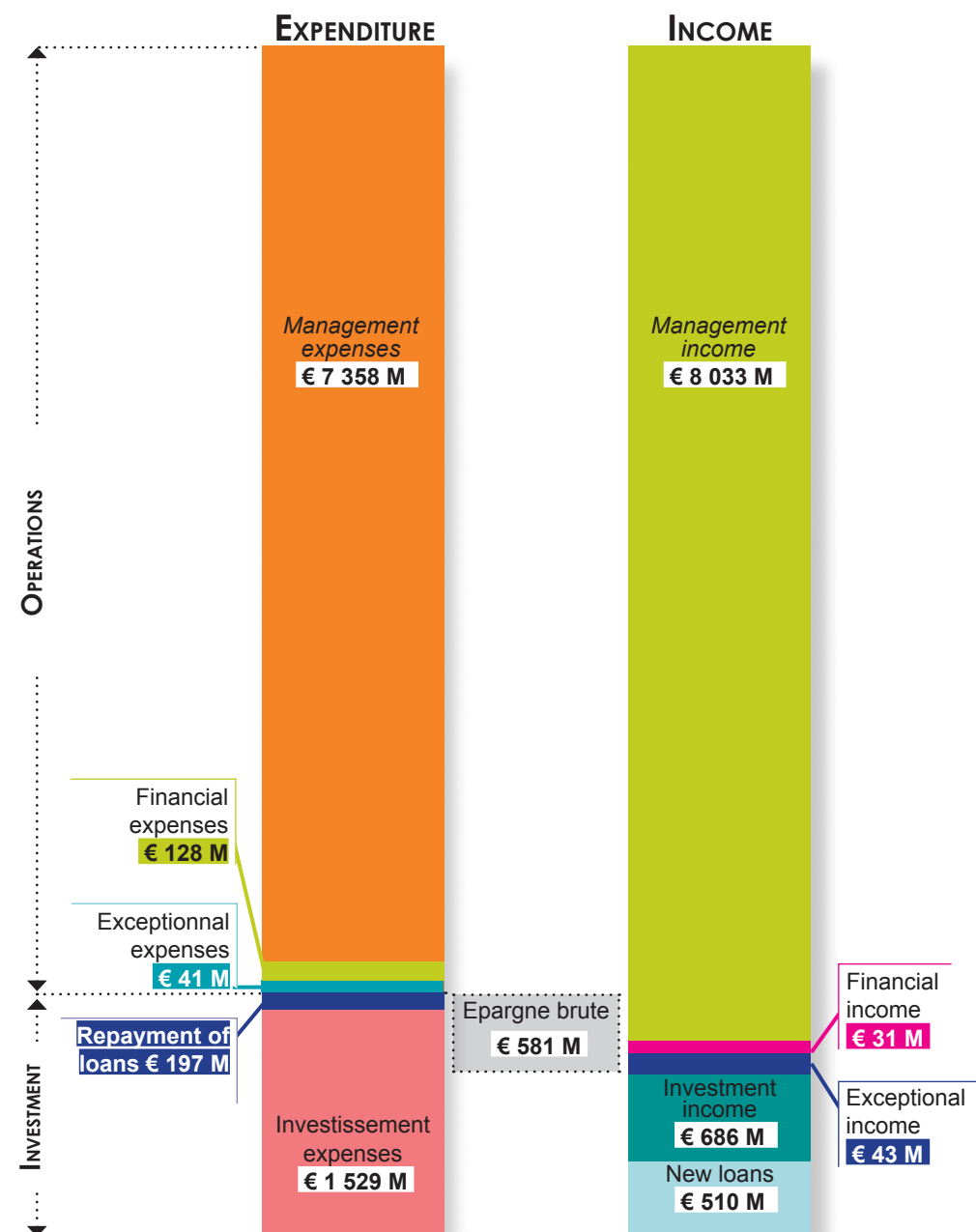
I/ GENERAL PRESENTATION

OF THE BALANCE OF THE 2014 ADMINISTRATIVE ACCOUNT

1 / GENERAL BALANCE OF THE 2014 AA

Investment spending totalled €1,529M compared to €1,740M in 2013, which marked a "peak" linked to the completion of new projects during the previous term of office. €581M of this spending was financed by gross surplus from operations. €686M of investment revenue is added to this gross surplus, making €1,266M of investment financing capacity (up by €23M), i.e. 83% of the investment financing requirement and limiting the need for new loans to €510M (€630M in 2013), before amortisation of debt.

2014 CONSOLIDATED ADMINISTRATIVE ACCOUNT



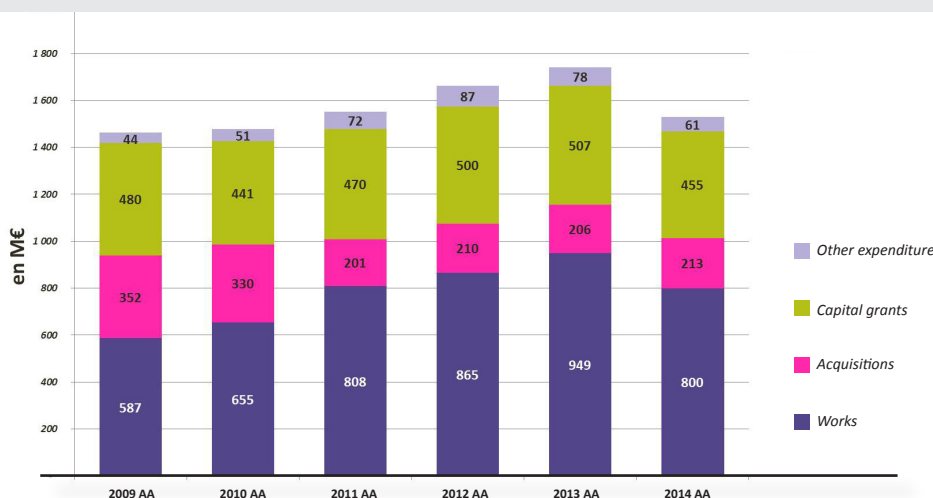
2 / VARIATION IN THE MAIN EXPENDITURE AND REVENUE ITEMS

2.1 INVESTMENT SPENDING WAS €1,529M, INCLUDING €1,332M IN CREDITS FROM THE MUNICIPAL BUDGET AND €197M FROM THE DEPARTMENTAL BUDGET. THE RESULTING FINANCING REQUIREMENT IS LARGELY OFFSET BY DYNAMIC INVESTMENT REVENUES, UP BY €15M ON 2013.

- **Public works expenditure** represented 52% of investment spending, i.e. € 800M (down €149M on the 2013 AA). This slowdown in spending is explained mainly by an end to work on the Ivry - Porte de la Chapelle Tramway (-€46M) and less spending on sports facilities (-€70M), cultural facilities (-€39M) and facilities for young children (-€ 36M).
- **Capital grants** also decreased (-€ 53M) to €455M; subsidies paid for social housing remained high at €303M.
- **Purchasing expenditure** totalled €213M in 2014, including €136M for the property account.
- **Other actual investment expenditure** represented a total amount of €61M and included work on behalf of third parties (€20M for the AA in 2014) and intangible assets (€10M) in particular.

The amount eliminated in expenditure and income for the 2014 financial year was €315M (compared to €274M in 2013). This amount corresponds to the renewal of the concession for the works on the Parc des Expositions de la Porte de Versailles for €111M, the repayment of capital from the loan taken out by the Association Philharmonie as part a financial package involving a payment schedule for €152.5M and city planning operations linked to disposal or acquisition financial packages with payment schedules and property exchanges (excluding operations relating to the Clichy-Batignolles project, the T8 and Jordan operation of the Semavip advance payment, for a total of €51.5M).

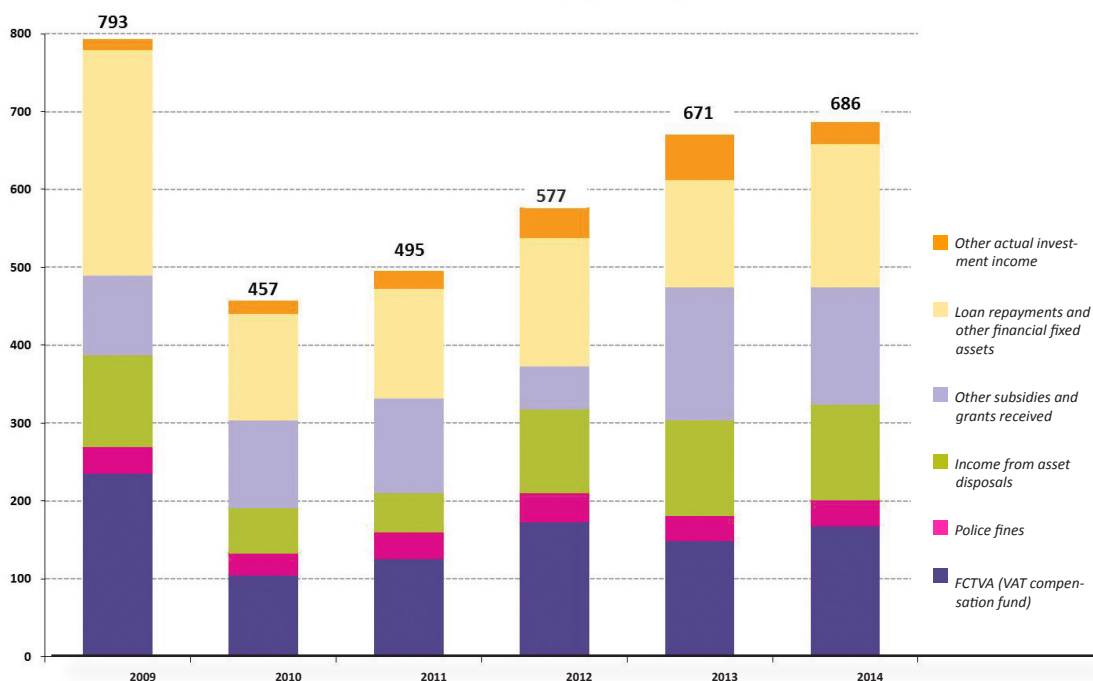
CHANGE IN ACTUAL INVESTMENT EXPENDITURE (EXCLUDING LOAN REPAYMENT) OF THE PARIS AUTHORITY FROM 2009-2013 IN €M



INVESTMENT INCOME INCREASED BY €15M BETWEEN 2013 AND 2014, RISING FROM €671M TO €686M IN 2014.

- Income from **sales of capital assets** was €122M as in 2013. The operational target of reaching €200M in property sales in 2014 was also achieved, reaching €190M (this amount is not shown in full in the budget revenues of the year which cover a different activity scope).
- **Investment subsidies and grants** received declined by €20M to €151M, particularly due to the fall in the credits allocated by the State to the Department for the purposes of property investment allowances.
- Income from **financial assets and loan repayments** was €184M in 2014 compared to €138M in the 2013 AA, mainly due to the increase in revenue associated with work at Les Halles and the Rambuteau carpark (+€44.6M).
- **Revenue collected on the FCTVA** (VAT compensation fund) was €168M compared to €149M in 2013.
- **Income from Police fines** was €33M in 2014, up €1M on 2013.
- **Other actual investment income** amounted to €28M, including €22M from operations on behalf of third parties..

CHANGE IN THE ACTUAL INVESTMENT INCOME OF THE PARIS AUTHORITY SINCE 2009 IN €M



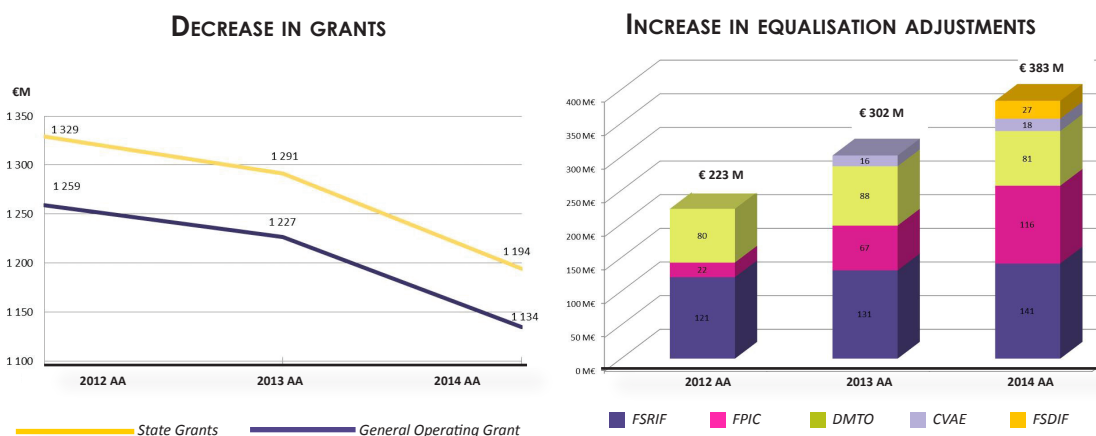
In 2009, as part of the government plan to stimulate the economy, the Paris authority received an early payment of € 100M of VAT Compensation Funds (FCTVA), corresponding to the amount due by the State for investment expenditure in 2008, payment of which was scheduled for 2010. Since 2010, the amount of FCTVA received has corresponded to the expenditure for year n-1.

2.2 DESPITE THE INCREASE IN THE AMOUNT OF EQUALISATION EXPENDITURE AND THE REDUCTION OF STATE GRANTS, THE GROSS SURPLUS IN 2014 (€581M) FINANCED OVER A THIRD OF INVESTMENT EXPENDITURE.

OPERATING EXPENDITURE ROSE TO €7,527M IN 2014, INCREASING BY 2.8 % BETWEEN 2013 AND 2014, PRINCIPALLY DUE TO THE RAMP-UP OF THE EQUALISATION MECHANISM. AFTER TAKING OUT THE GROWTH IN EQUALISATION EXPENDITURE, OPERATING EXPENSES WERE €7,143M IN 2014, WHICH REPRESENTS AN INCREASE OF 1.7% ON 2013.

► Equalisation expenses amounted to €383M, up 27% on 2013 (+€81M).

VARIATION IN EQUALISATION GRANTS AND EXPENDITURE BETWEEN 2012 AND 2014



- The **National Municipal and Inter-Municipal Resources Equalisation Fund (FPIC)** again significantly increased the City's contribution in 2014, amounting to €116M (+ €49M), representing 20% of the total amount of the fund and making Paris the leading contributor.
- The contribution to the **Ile-de-France Solidarity Fund (FSRIF)** increased by 8% compared to 2013, like last year, to stand at €141M, i.e. 57 % of the total amount of the fund.
- The contribution to the **National Property Transfer Duties Equalisation Fund (DMTO)**, set up in 2011, declined by 8% however, falling from €88M in 2013 to €81M in 2012, linked to the decrease in revenues from real estate taxation.
- The contribution of the Paris authority to the **Business Value Added Contribution Equalisation Fund (CVAE)** rose by €2M in 2014, to stand at €18M, i.e. **32 % of the total resources of the fund**.
- The Paris authority also contributed in 2014 to a new **Solidarity Equalisation Fund for the Departments of Ile-de-France (FSDRIF)**, contributing €27M, which represented **44 % of the total amount of the fund**.

- **Personnel expenditure in the overall budget of the Paris municipal authority amounted to €2,209M in 2014**, which represented 33% of expenditure for the overall actual operating expenditure section (excluding FNGIR).

This expenditure was up 4.7% in relation to the 2013 administrative account. This increase particularly reflects the ramp-up and full-year effects of the implementation of school schedule reforms. When this impact is not taken into account, the increase is 3.5%.

This rise mainly resulted from the following factors :

- **A significant rise in wage costs (€45M)** driven by external factors, including government measures for the revaluation of category C (attribution of +7 points on average to more than 30,000 employees from categories B and C), the mechanical effect of the Seniority and Technical Classification (GVT) and the raising of rates of contribution (increase in the rate of the CNRACL (Pension Fund for Local Government Employees) by 1.55 points)).
- **The impact of the employment plan** with the recruitment of 1,041 additional full-time positions on average in 2014, mainly dedicated to school schedule reforms (564 activity and sports assistants, 137 specialised nursery school paraprofessionals (ASEM), 123 support personnel (AREM) and the opening of new facilities, mainly in centres for young children (close to 280 full-time-equivalent positions on average every year). The financial impact of the school schedule reforms in 2014, with regard to spending on personnel is estimated at €38M.
- **The effects of the human resources policy** of the municipal authority should also be taken into account alongside these measures, for example from the progression to the minimum duration of the grade and career progression (opening of new opportunities in category C particularly for technical industries).
- Furthermore, the authority maintained its policy for the integration of people excluded from employment with the development of "Emplois d'Avenir" subsidised contract recruitment (increase in spending of €0.9M in 2014).

- **Welfare expenditure excluding overhead costs was up 1% (+ €15M), reaching €1,558M.**

Expenditure relating to the RSA (Active Solidarity Income) rose to €399M of which €337.2M in RMI/RSA allocations, up by €18M and directly linked to the increase in the number of beneficiaries (67,292 in 2014 compared to 65,063 in 2013, i.e. an increase of 3.4%). Welfare support for disabled people was also up by €9M to stand at €216 M. This change can be explained mainly by the increase in accommodation costs and the ramp-up of the Disability Allowance (PCH) linked both to a rise in the number of beneficiaries (3,870 at end 2014 compared to 3,584 at end 2013) and the average monthly amount (+10% compared to 2013). **Expenditure on the Personalised Autonomy Allowance (APA)** rose by €2M (€135M compared to €133M in 2013) due to an increase in the number of beneficiaries. Conversely, **expenditure on welfare for children**, excluding costs posted in chapter 011, decreased by €17M (€307M versus €324M in 2013). The observed decline in expenditure is explained in part by the circular of 31 May 2013 "on support arrangements for unaccompanied foreign minors" which, through the implementation of an equalisation mechanism between the Departments, resulted in an 8% decrease in the number of unaccompanied foreign minors admitted to the Child Welfare Services (ASE) in Paris. It is explained secondly by the widespread transfer of management of ASE hotel costs (PCH-ASE) to the Paris SAMU Social (association to help the homeless) which reduced the cost of a night stay, allowing savings of €2.5M compared to 2013..

The contribution to the City of Paris Welfare Centre (CASVP) decreased from €314M in 2013 to €313M in 2014, a small reduction of €0.7M. This was partly due to a scope effect resulting from transfer of the reimbursement of personnel costs from the Multipurpose Departmental Social Services (SSDP) of the CASVP to the Department, and secondly to higher spending on operation costs and allowances..

- **The amount of overhead costs was €821M in 2014**, which is a reduction of 0.2% from €823M in the AA for 2013. **Controlling these costs was a highlight of budget implementation in 2014** and was made possible in particular through continued savings in waste collection costs, road and utility maintenance and rental fees.

Among overhead costs, spending relating to service provision contracts rose by 2.4% to stand at € 274.3 M and was broken down as follows :

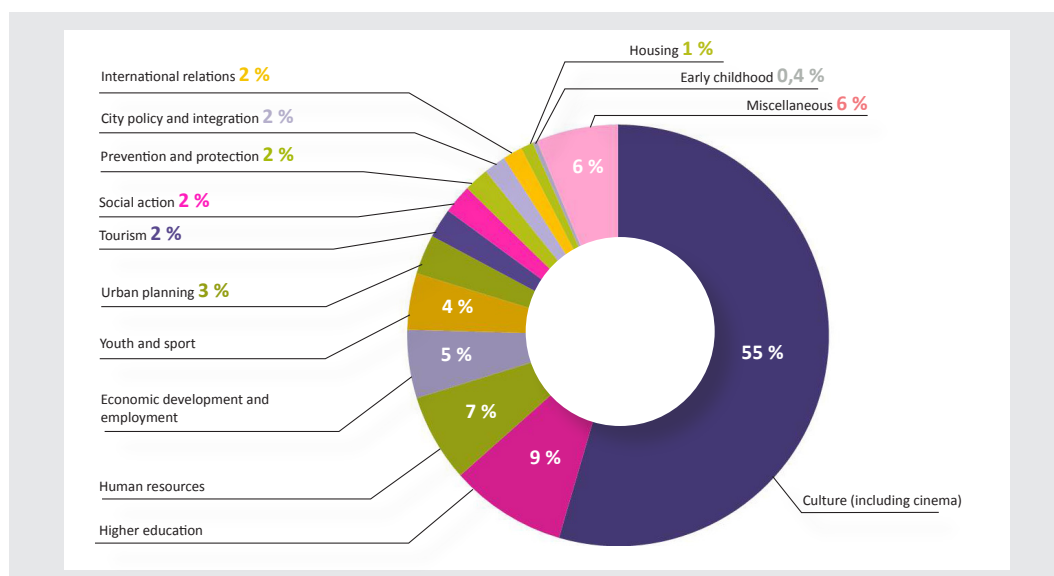
| | AA 2013 | AA 2014 | % / AA 2013 |
|--------------------------------|--------------|--------------|-------------|
| CLEANING | 106,9 | 108,7 | 1,7% |
| ROADS | 53,6 | 55,1 | 2,7% |
| SOCIAL ACTION | 23,2 | 23,7 | 2,3% |
| EARLY CHILDHOOD | 20,4 | 24,2 | 18,3% |
| SPORT AND YOUTH | 17,4 | 16,8 | -3,2% |
| CULTURE | 12,0 | 13,0 | 8,6% |
| SOCIAL ACTION | 2,8 | 2,5 | -13,5% |
| HOUSING | 3,8 | 4,1 | 9,7% |
| GREEN SPACES | 4,1 | 4,4 | 6,9% |
| I.T. AND TELEPHONES | 4,8 | 4,3 | -9,8% |
| COMMUNICATIONS AND INFORMATION | 2,6 | 2,2 | -12,1% |
| ACCESS TO LAW | 1,9 | 1,8 | -3,8% |
| LOGISTICS | 1,7 | 1,3 | -23,9% |
| OTHER AREAS | 12,8 | 12,1 | -5,1% |
| TOTAL | 267,9 | 274,3 | 2,4% |

► **Contributions by the Paris authority** (€791M in 2014 compared to €776M in 2013) increased by 2% :

- **Contributions to the Urban Public Transport Syndicate (STIF)** were €374M (+ €7M compared to the 2013 AA), in pursuit of its goal to improve public transport services;
- **Contributions to the Police Prefecture** increased by €2M to €292M (+0.5%);
- **Contributions to the Household Waste Treatment Syndicate (SYCTOM)** rose by 5.7% to €126M, this increase was mainly explained by the low level of the 2013 AA due to the drop in tonnage collected in 2012.

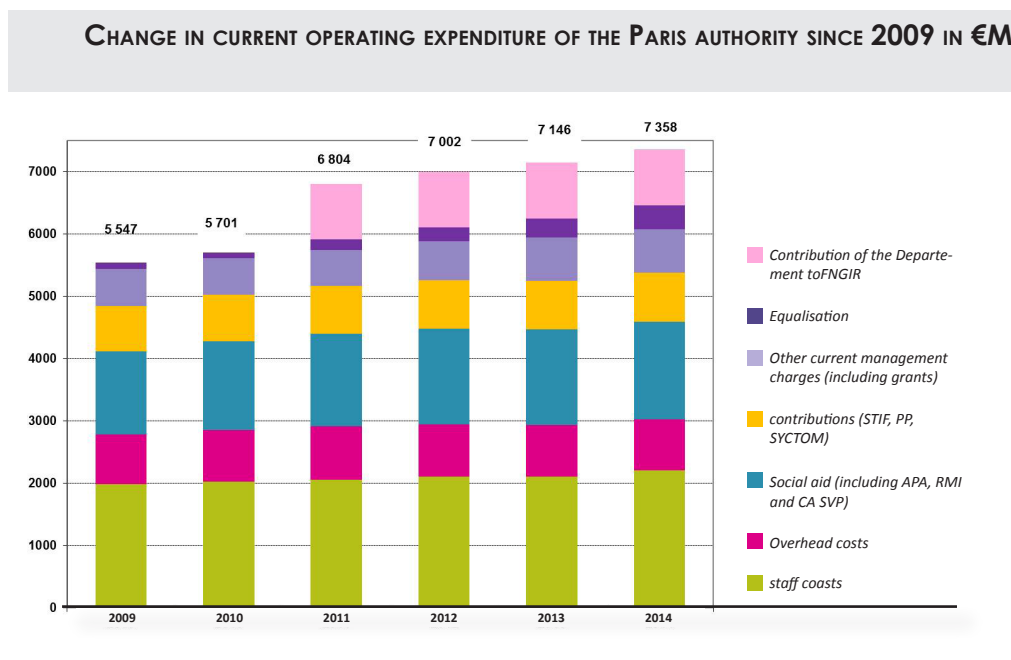
► **The total amount of operating grants excluding grants of a social nature** was €526M in 2014, i.e. down €1M on 2013. This 0.2% decline is explained by the €2M decrease in grants to schools, partly offset by the €2.1M increase in funding for crèche places which was €47.6M compared to €45.5M in 2013. Subsidies to secondary schools for maintenance and school meals increased by €0.7M to a total of €5.4M. The increase in grants for culture and cinema, excluding the Paris Musées Public Establishment grant, was €8.9M, coming to €106.6M. This change was explained by an increase in the grant paid to the Philharmonie. In contrast, spending on education was down €5.5M to €6.7M in 2014, compared to €12.2M at end 2013, due to the replacement of calls for proposals for extracurricular workshops for the school year 2014-2015 by calls for tender.

After the aforementioned deduction of grants to schools and crèches and the contribution to the CASVP, the breakdown of **operating grants paid to public and private third parties** for a total of €302M (including a subsidy to the Paris Musées Public Establishment) in the 2014 AA is as follows :



These grants are explained in detail later on (part II).

- **Exceptional expenditure** rose to €41M in the 2014 AA, down by €26M compared to the 2013 AA. The 2013 AA was particularly high due to compensation payments to the SIEMP for early termination of lease agreements, following a recommendation by the Regional Court of Auditors (€23.7M).
- The pursuit of active debt and cash flow management offered the Authority the benefit of low interest rates over the course of the year, at an average rate of 1.91%. **Financial costs** rose to €128M compared to €112M the year before.



OPERATING INCOME INCREASED BY 2.7%, (€8,107M IN 2014 AGAINST €7,897M IN 2013).

In total and at constant tax rates, taxes and direct contributions decreased by 4.7%, following a fall in revenues from the Business Value Added Contribution (CVAE):

| | CA 2013 | CA 2014 | Variation % |
|---------------------------------------|----------------|----------------|--------------|
| Contributions on business added value | 1 423,8 | 1 228,9 | -13,7% |
| Property taxes | 966,5 | 976,4 | 1,0% |
| Residence tax | 721,5 | 722,8 | 0,2% |
| Business owners property tax | 297,1 | 307,8 | 3,6% |
| Commercial floor area taxes | 15,6 | 15,0 | -3,5% |
| Flat-rate tax on network companies | 10,0 | 11,4 | 13,7% |
| Additional rolls | 21,6 | 30,8 | 42,5% |
| TOTAL | 3 456,1 | 3 293,2 | -4,7% |

This significant decrease in the collection of direct contributions was offset by the increase in income from **property tax**. In addition, in 2014 it was decided to add an extra month to the National Property Transfer Duties Equalisation Fund (DMTO), so thirteen months were collected in the 2014 financial year, compared to twelve in 2013. Total income in 2014 was €1,089M, up by 18.7% or €172M on 2013. At constant scope, the increase was €102.5M. The number of property transactions also increased in relation to end 2013: There were 43,767 transactions recorded over thirteen months in 2014 compared to 41,458 in 2013, an increase of 5.6%.

- Income from the **household waste removal tax** (TEOM) was €451M in 2014, up 1% on 2013, which is explained by the nominal increases in property taxation bases, voted on by Parliament, as well as the real changes in the latter.
- Income from the **street cleaning tax** levelled out at €104M in 2014.

- In addition, income from **parking fees** increased slightly, passing from €63.2M to €64.4M.
- In contrast, revenue from the **tax on electricity** was €70M compared to €74M in the 2013 AA, as 2013 was an exceptional year due to harsh climatic conditions.

- **State grants went down by €97M compared to 2013**, of which €92M for the overall operating grant, representing a sum of €1,134M in the 2014 AA against €1,227M in the 2013 AA. The total amount of grants was €1,194M in the 2014 AA compared to €1,291M in the AA for 2013 (-7.5%).
- Income received from **compensations for transfers of powers** increased by €11M (+3.2%). This is explained mainly by the collection of new revenues generated through the 16 July 2013 agreement. This agreement took note of the growing mismatch between expenditure incurred by departmental councils on personal social security allowances and compensation granted by the State and offered financial solutions to offset this. A compensation fund was therefore established in 2014, through transfer of local tax management fees previously collected by the State. Repayment of these property tax management fees on properties built in the Department amounted to €10.4M. At constant scope, this revenue was stable at €345M, with however a slight reduction in the personalised autonomy allowance (APA) grant, notified by the National Solidarity Fund for Autonomy (CNSA) (-€1.9M). This grant is calculated based on APA expenses incurred by the Department in 2013, this expenditure was lower last year and in 2014, than in 2011 and 2012, corresponding to the introduction of payment from the first hour. Conversely, revenue from the tax on insurance agreements (TSCA) rose by €2.6M compared to 2013.
- In addition, **operating income and fees** decreased by €4M (-0.8 %) on 2013, going from €449M to €445M in 2014, of which €278M corresponded to fees and income from the use of public property and €167M to contributions from Parisian users. Revenues from fees were down by €9M (€204M in 2014 compared to €213M in 2013), mainly due to the combined effect of exceptional income received in 2013 resulting from the balances of conventional accounts with landlords (-€21.7M) and higher fees corresponding to the Eiffel Tower (€15.7M) and Numéricable (+€4.8M).

User payments were also down by €1.4M (€166.8M in 2014 compared to €168.2M in the 2013 AA), partly linked to declining Facil' Familles (extracurricular activity management) revenues, particularly in extracurricular services.

Conversely, income from the use of public property was up €7M, increasing from €67M in 2013 to €74M in 2014, essentially due to a rise in revenue from parking fees and fees for use of public roads.

CHANGE IN CURRENT OPERATING INCOME OF THE PARIS AUTHORITY SINCE 2009 IN €M



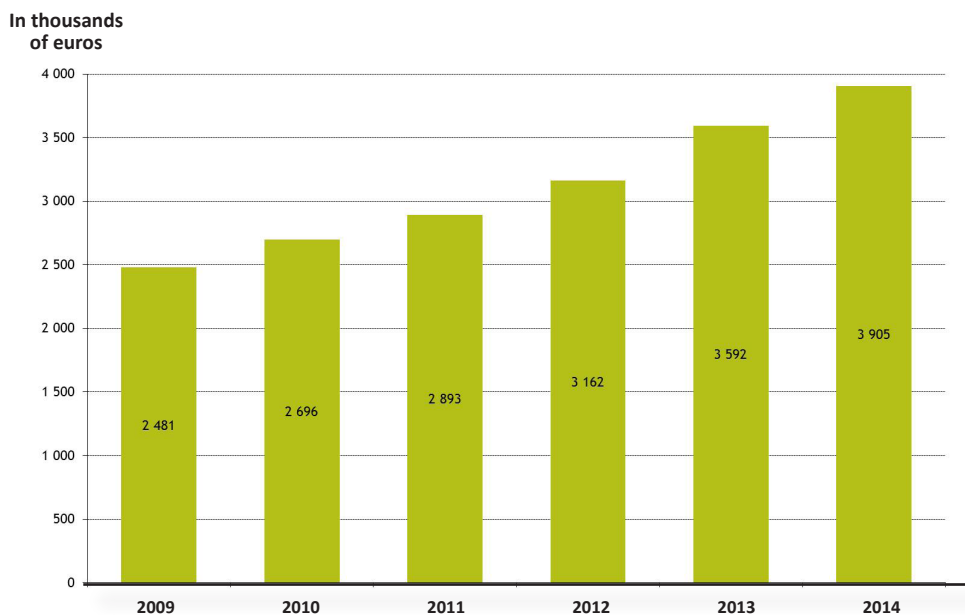
- **Income from grants and payments was up** by €25M, standing at €238M in 2014 compared to €213M in 2013, of which €19M for the implementation of the Childhood Youth Contract (CEJ) drawn up with the National Family Allowances Fund (CNAF) within the framework of school timetabling arrangements and the application of higher rates for the calculation of the PSU (single service delivery).
- **Other current operating income** went up by €24M to €447M in 2014, mainly due to dynamic revenue for work for third parties which increased from €45M to €61M, due to a large volume of adjustments for previous years. In addition, rent revenues increased by €8M, mainly as a result of €5.8M in exceptional income with the adjustment of 2013 rents after a correction of the VAT rate and higher rents further to the renewal of the agreement for use of public property for Roland Garros, for €2M.
- Finally, **exceptional income** at €43M was up by €14M compared to the 2013 AA. €4.4M was received from the reimbursement of fees and interest by the Crédit Municipal de Paris.
- **Financial income** was up sharply compared to 2013, rising to €31M from €19M, due to the impact of swap transactions amounting to €13M and the leveraging of special dividends (+€9.7M of RIVP (public housing agency) dividends and +€ 2.5M of CPCU (Paris urban heating company) dividends).

THE INVESTMENT FINANCING CAPACITY OF THE PARIS AUTHORITY ROSE BY €23M TO €1,266M, UP 2% ON 2013. THIS AMOUNT ALLOWED 83% OF INVESTMENT FINANCING REQUIREMENTS TO BE MET. HENCE NEW LOANS WERE AGREED FOR A SUM OF €510M, WHILE €197M WORTH OF LOANS WAS REPAID. THE NET OUTSTANDING AMOUNT IN DEBT AND BONDS THUS INCREASED BY €313 M.

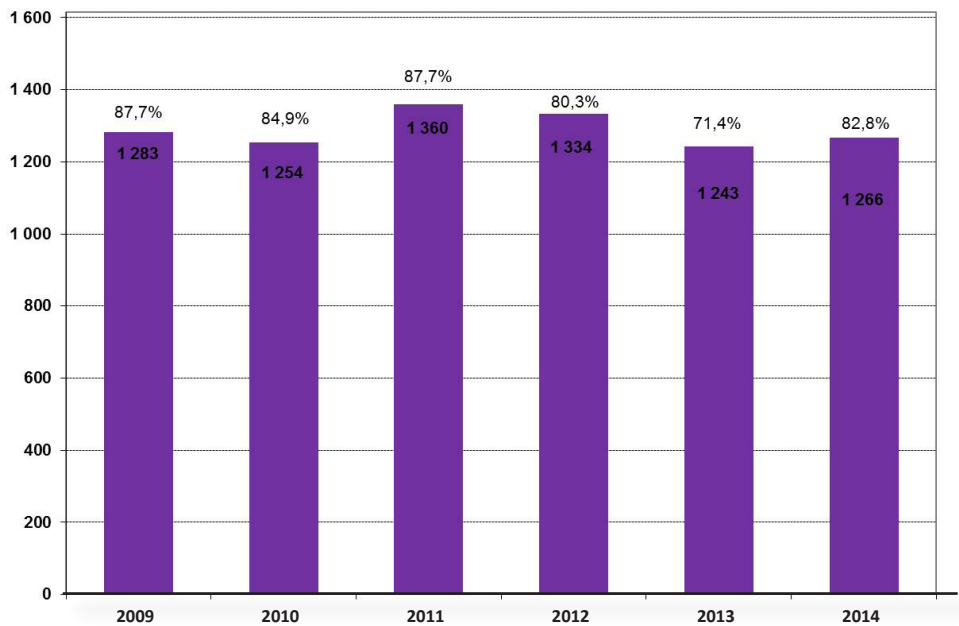
AT THE END OF THE 2014 FINANCIAL PERIOD THE AMOUNT OF DEBT WAS THEREFORE €3,905M, PLUS "OTHER DEBTS" INCURRED THROUGH CONSTRUCTION WORKS TOTALLING €215M.

PARIS REMAINED ONE OF THE LOCAL AUTHORITIES WITH THE LOWEST DEBT IN FRANCE IN 2014, WITH A DEBT/ACTUAL OPERATING INCOME RATIO OF 51%, WHEREAS THE NATIONWIDE AVERAGE FOR ALL MUNICIPALITIES WITH MORE THAN 100,000 INHABITANTS WAS ESTIMATED AT 79% ON 31ST DECEMBER 2012 (SOURCE DGCL).

CHANGES IN THE OUTSTANDING AMOUNT IN DEBT AND BONDS ON 31 DECEMBER (IN THOUSANDS OF EUROS)



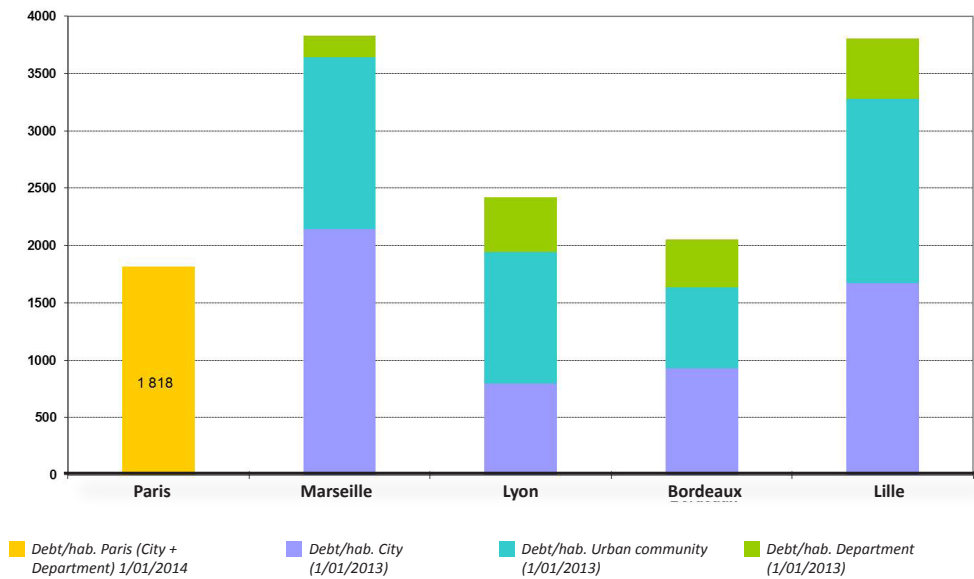
INVESTMENT FINANCING CAPACITY OF THE PARIS AUTHORITY SINCE 2009
IN €M AND AS A % OF THE SUM FOR INVESTMENTS MADE



Note a change of scope on this graph: previously, exceptional investment income was distinguished from other income. In the absence of "exceptional income" from 2011, the difference is no longer displayed.

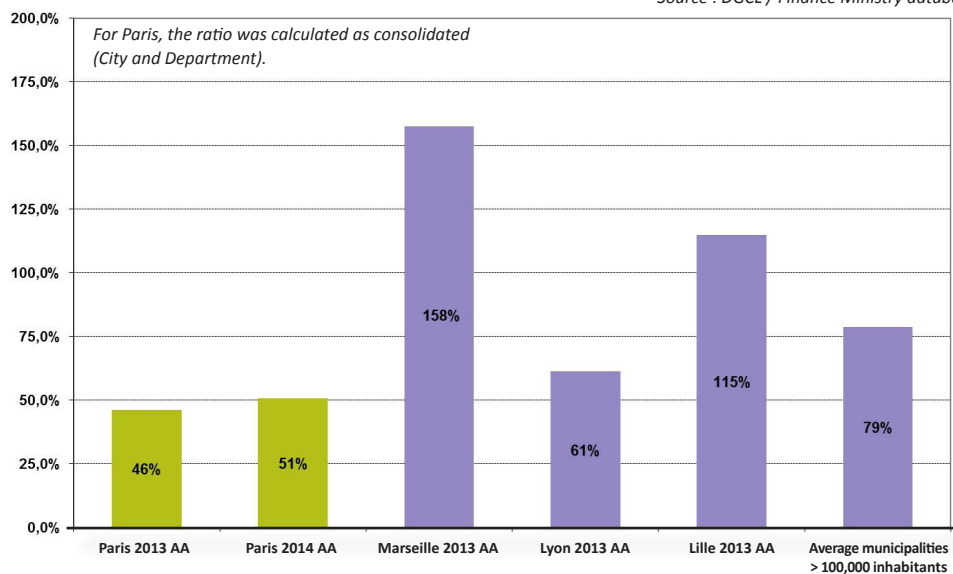
DEBT PER INHABITANT / DATA COMPARED

Source : DGCL / Finance Ministry database
and online budget documents



COMPARISON OF THE DEBT RATIO (OUTSTANDING / ACTUAL OPERATING INCOME)

Source : DGCL / Finance Ministry database



II/ PRESENTATION BY POLICY SECTOR

| | |
|-----|---|
| 1/ | HOUSING |
| 2/ | URBAN DEVELOPMENT, SERVICES AND THE ENVIRONMENT |
| 3/ | ECONOMIQUE DEVELOPMENT |
| 4/ | CULTURE |
| 5/ | WELFARE AND SOLIDARITY |
| 6/ | FAMILY |
| 7/ | SPORT AND YOUTH |
| 8/ | EDUCATION AND TRAINING |
| 9/ | SECURITY |
| 10/ | GENERAL SERVICES |

METHODOLOGY NOTE :

The sectors presented here correspond to the functions as defined by the M14 and M52 budget and accounting instructions. However, to allow a consolidated presentation of the City and Department and to guarantee an exhaustive presentation of the above public policies, the following items have been grouped together :

| | CITY FUNCTIONS | DEPARTMENT FUNCTIONS |
|---|--|----------------------|
| Housing | 7 | 72 70 |
| Urban Development, Services and the Environment | 81, 82, 83 + Halles, Embankment roads (020) | 71, 8, 61, 73 |
| Economic Development | 9 | 9 |
| Culture | 3 | 31 |
| Welfare and Solidarity | 5 | 5 4 |
| Family | 6 | |
| Sport and youth | 4 | 32, 33 |
| Education and Training | 2 | 2 |
| Security | 1 + grant to the PP (020) | 1 |
| General services | 0 excl. Halles, embankment roads and PP grants | 0 |

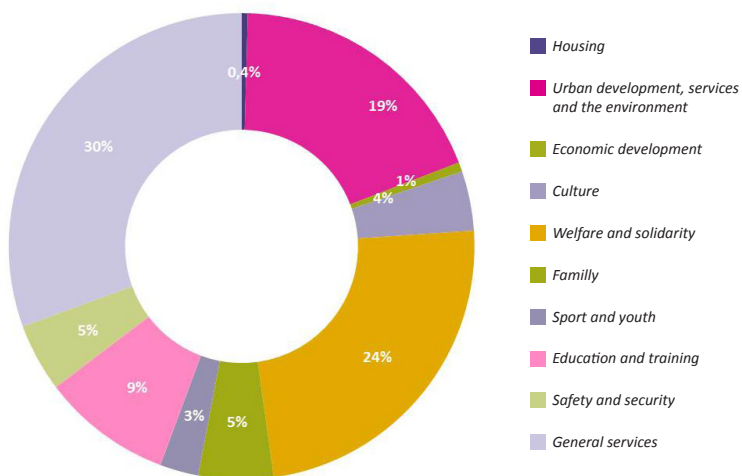
In addition, the following budgets are shown **in terms of actual payments** and do not include “book entry” credits to balance out expenditure and revenue items, which are generally eliminated in financial analysis. These are given at the end of the report (part III).

FINALLY, IT SHOULD BE NOTED THAT A LARGE PART OF EXPENDITURE ON PAYROLL IS CURRENTLY ALLOCATED TO THE “0, GENERAL SERVICES” FUNCTION, SINCE IT CANNOT BE PRESENTED PER POLICY SECTOR FOR TECHNICAL REASONS; THUS, THE PAYROLL INDICATED FOR EACH PUBLIC POLICY, AS REPRESENTED HEREAFTER, IS NECESSARILY UNDERSTATED, WHILE THE SAME ITEM IN FUNCTION 0 IS INCREASED BY THE SAME AMOUNT. WORK IS UNDERWAY TO IMPROVE THE ACCURACY OF THE POLICY SECTOR PRESENTATION OF THESE EXPENSES IN DUE TIME.

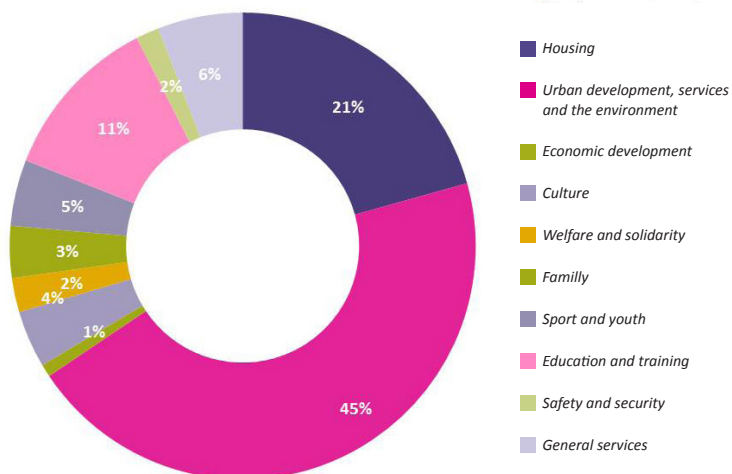
INTRODUCTORY REMARKS

BREAKDOWN OF SPENDING BY POLICY SECTOR IN THE 2014 AA

OPERATING EXPENSES (INCLUDING PAYROLL) - 2014 AA

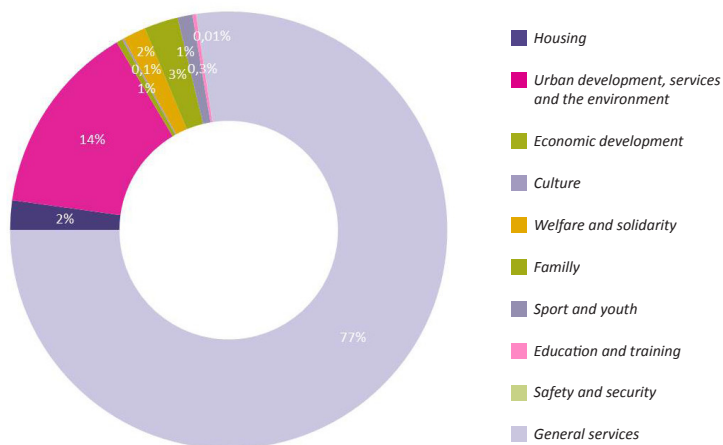


INVESTMENT EXPENSES - 2014 AA

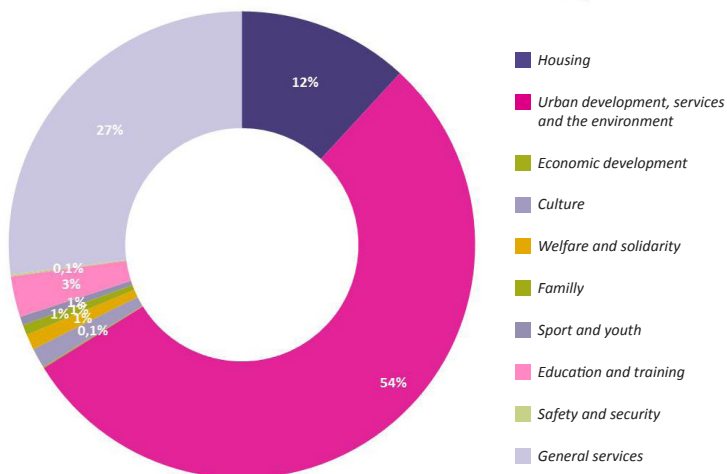


BREAKDOWN OF REVENUE BY POLICY SECTOR IN THE 2014 AA

OPERATING INCOME - 2014 AA



INVESTMENT INCOME - 2014 AA



CORRELATION BETWEEN THE GENERAL PRESENTATION (part I) AND THE PRESENTATION BY POLICY SECTOR (part II) IN THE 2014 AA

Presentation by policy sector (view by accounting functions) overlaps the view presented in the first part of this financial report (view by cost item).

(amounts expressed in millions of euros)

OPERATING EXPENSES - 2014 AA

| VIEW BY COST ELEMENT | | | VIEW BY FUNCTION | | |
|---|----------------|----------------|---|--|---|
| Personnel costs | 2,209.2 | 32.0 | | | Housing |
| Overhead costs | 821.2 | 1,408.8 | | | Urban Development, Services and the Environment |
| Welfare | 1,557.9 | 48.8 | | | Economic Development |
| Subsidies and contributions | 526.1 | 310.8 | | | Culture |
| Contributions | 791.4 | 1,796.1 | | | Welfare and Solidarity |
| Equalisation expenses | 383.3 | 391.7 | | | Family |
| FNGIR | 898.2 | 201.8 | | | Sport and youth |
| Other operating expenditure | 170.6 | 679.0 | | | Education and Training |
| Financial expenses | 128.2 | 356.0 | | | Security |
| Exceptional costs | 40.6 | 2,301.5 | | | General services |
| TOTAL ACTUAL OPERATING EXPENDITURE | 7,526.5 | 7,526.5 | TOTAL ACTUAL OPERATING EXPENDITURE | | |

OPERATING INCOME - 2014 AA

| VIEW BY COST ELEMENT | | | VIEW BY FUNCTION | | |
|--|----------------|----------------|--------------------------------------|--|---|
| Taxes and duties | 5,141.1 | 177.5 | | | Housing |
| Compensation for skills transfers competence | 355.1 | 1,155.3 | | | Urban Development, Services and the Environment |
| State grants | 1,194.2 | 36.3 | | | Economic Development |
| Grants and payments ¹ | 238.1 | 11.1 | | | Culture |
| Operating income | 445.1 | 138.3 | | | Welfare and Solidarity |
| ZAC surplus | 213.2 | 203.2 | | | Family |
| Other actual operating income | 446.6 | 89.7 | | | Sport and youth |
| Financial income | 31.0 | 22.0 | | | Education and Training |
| Extraordinary income | 42.6 | 0.8 | | | Security |
| | | 6,272.9 | | | General services |
| TOTAL ACTUAL OPERATING INCOME | 8,107.1 | 8,107.1 | TOTAL ACTUAL OPERATING INCOME | | |

¹ State, Department, Region, ESF, Social Security, recovery of overpayments, etc.

INVESTMENT EXPENDITURE - 2014 AA

VIEW BY COST ELEMENT

| | |
|-------------------------------------|-------|
| Intangible assets | 10.0 |
| Capital grants | 454.9 |
| Acquisitions | 213.4 |
| Works | 800.1 |
| Operations for third parties | 20.2 |
| Other actual investment expenditure | 30.8 |

TOTAL ACTUAL INVESTMENT EXPENDITURE 1,529.4

VIEW BY FUNCTION

| | |
|-------|---|
| 316.1 | Housing |
| 687.0 | Urban Development, Services and the Environment |
| 13.3 | Economic Development |
| 60.5 | Culture |
| 36.3 | Welfare and Solidarity |
| 54.9 | Family |
| 70.3 | Sport and youth |
| 176.2 | Education and Training |
| 24.6 | Security |
| 90.1 | General services |

1,529.4 TOTAL ACTUAL EXPENDITURE ON INVESTMENT

INVESTMENT INCOME - 2014 AA

VIEW BY COST ELEMENT

| | |
|-------------------------------------|-------|
| Subsidies and grants received | 351.8 |
| Income from sales of capital assets | 122.4 |
| Operations for third parties | 21.8 |
| Loan repayments | 15.3 |
| Other financial assets | 168.3 |
| Other actual investment income | 5.9 |

TOTAL ACTUAL INVESTMENT INCOME 685.6

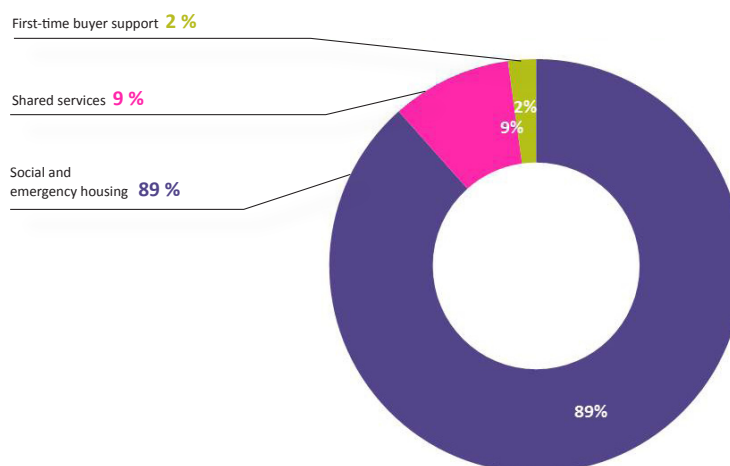
VIEW BY FUNCTION

| | |
|-------|---|
| 81.3 | Housing |
| 372.2 | Urban Development, Services and the Environment |
| 0.6 | Economic Development |
| 9.5 | Culture |
| 7.4 | Welfare and Solidarity |
| 4.8 | Family |
| 4.2 | Sport and youth |
| 19.4 | Education and Training |
| 0.8 | Security |
| 185.4 | General services |

685.6 TOTAL ACTUAL REVENUES FROM INVESTMENT

1/ HOUSING

CONSOLIDATED BUDGET FOR HOUSING - 2014 AA



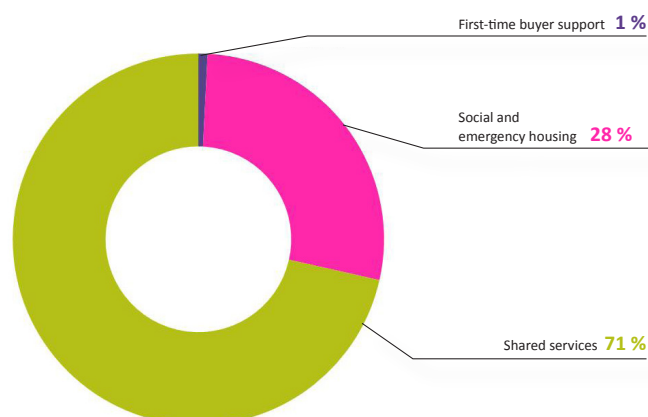
| EN €M | AA 2012 | AA 2013 | AA 2014 |
|------------------------|---------|---------|---------|
| Operating expenditure | 38.5 | 60.3 | 32.0 |
| of which payroll | 18.2 | 17.9 | 18.2 |
| Investment expenditure | 346.1 | 388.8 | 316.1 |
| Operating income | 176.1 | 188.2 | 177.5 |
| Investment income | 30.5 | 110.9 | 81.3 |

OPERATING SECTION

IN 2014, THE OPERATING BUDGET DEDICATED TO HOUSING POLICY WAS €32.0M, OF WHICH €18.2M WAS ACCOUNTED FOR BY PAYROLL.

Excluding payroll, **operating expenses relating to housing were €13.8M, down by €28.6M on 2013**, for an implementation rate of 94.1%. This sharp decline is explained by exceptional spending in 2013 of €23.7M, in connection with the termination of property agreements with some social landlords in the City, recommended by the Regional Court of Auditors. Moreover, since the supplementary budget was passed in July 2014, additional assistance from the City for private housing (€4.4M in 2013) which was paid through a grant to the National Housing Agency (ANAH), has been transferred to the investment section.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2014 AA



The **shared services** of the Department of Housing accounted for most of the operating expenditure, amounting to €9.9M in 2014, down by €4.9M, of which €4.4M was connected to the technical transfer to the investment section of the contribution of the National Housing Agency (ANAH). At constant scope, appropriations executed decreased by €0.6M. The amount of operating grants paid out for housing went from €2.3M in 2013 to €2.5M in 2014, consisting mainly of a payment of €1.1M to PACT Paris Hauts de Seine, an association specialising in housing improvement, as well as the Departmental Association for Housing Information (€0.8M). Among the main expenditure items were €2.5M expenditure on property taxes paid by the departments for rental and shared management property, €1.7M in rental and shared management property costs and €1.1M in maintenance costs for high buildings.

Subsidies to the rental sector amounted to €3.8M in 2014, down by €23.6M as the €23.7M committed in 2013 as part of the termination of property agreements with some social landlords in the City, recommended by the Regional Court of Auditors, was a one-off. If this exceptional expenditure is not taken into account, subsidies to the rental sector increased by €0.2M. Departmental expenses were €0.2M in 2014 for Urban and Social Project Management (MOUS) studies.

Finally, €0.1M was allocated to **first-time buyer support**.

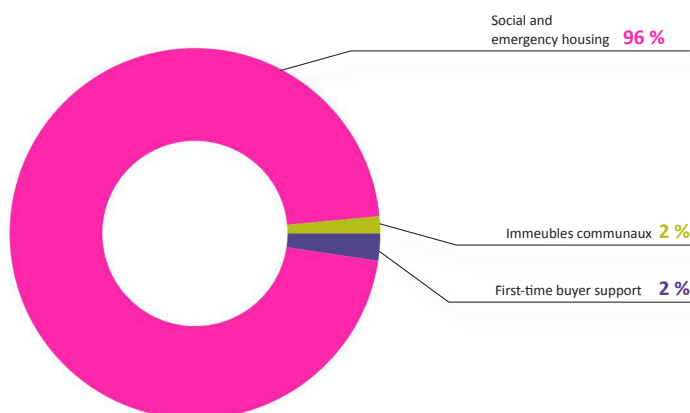
OPERATING INCOME PERTAINING TO HOUSING AMOUNTED TO €177.5M IN 2014, DOWN BY €10.7M (-5.7%) COMPARED TO 2013.

Rent income was €108.0M, up €13.9M on 2013. In contrast, **capitalised rent** declined by €4.6M, standing at €53.1M in 2014 against €57.7M in 2013.

Other income from property equated to €16.4M compared to €36.4M in 2013, a decrease of €20M. This change was explained mainly by €29.2M in exceptional income generated in 2013 and by the receipt of dividends in 2014 from the City of Paris Public Housing Agency (RIVP) for previous years, equating to €10.9M.

INVESTMENT SECTION

INVESTMENT EXPENSES IN 2014



IN 2014, HOUSING EXPENDITURE AMOUNTED TO €316.1M, DECREASING BY €72.7M COMPARED TO 2013, DOWN BY 19.0%.

Social housing investment was €303.3M to finance 7,166 additional dwellings compared to 7,151 in 2013; this sum included €221.2M in grants to social housing bodies and €82.0M of delegated State funding.

For the record, in order to show the full investment made in housing by the authority, land acquisitions relating to this sector should also be included, for a sum €71.9M (compared to €91.5M in 2013), included in the municipal property account. **The total sum of investment in housing in 2014 was therefore €388M**, compared to **€480.4M** in 2013.

In addition, the grant paid to the emergency housing centre was €0.7M in 2014 against €2.5M in 2013. This expenditure was intended to be written off and incorporated into grants for social housing

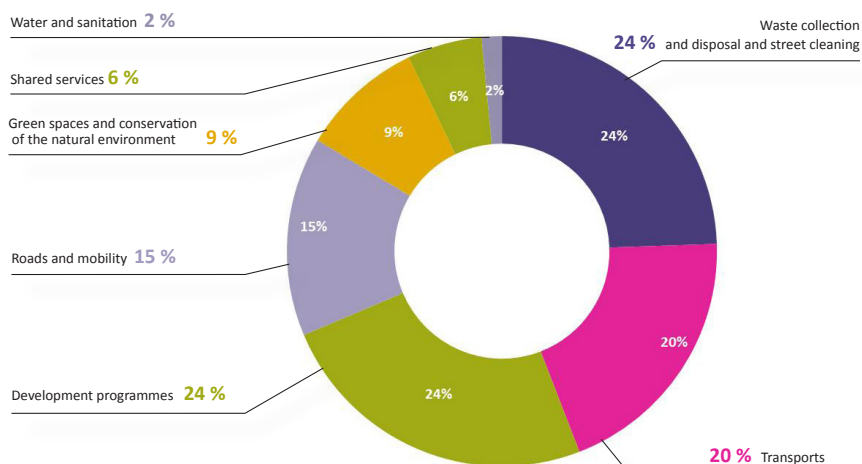
First-time buyer support accounted for €7.5M in 2014, with the Prêt Paris housing measures.

Finally, €4.7M was dedicated to **maintenance of public buildings**.

INVESTMENT INCOME FROM HOUSING AMOUNTED TO €81.3M, MOST OF WHICH WERE PAYMENTS FROM THE STATE FOR THE POWERS IT DELEGATES.

2/ URBAN DEVELOPMENT, SERVICES AND THE ENVIRONMENT

CONSOLIDATED BUDGET FOR URBAN DEVELOPMENT, SERVICES AND THE ENVIRONMENT - 2014 AA



| EN M€ | CA 2012 | CA 2013 | CA 2014 |
|------------------------|---------|---------|---------|
| Operating expenditure | 1,402.7 | 1,382.8 | 1,408.8 |
| of which payroll | 494.3 | 494.2 | 507.7 |
| Investment expenditure | 711.4 | 667.2 | 687.0 |
| Operating income | 882.4 | 916.8 | 1,155.3 |
| Investment income | 307.4 | 308.9 | 372.2 |

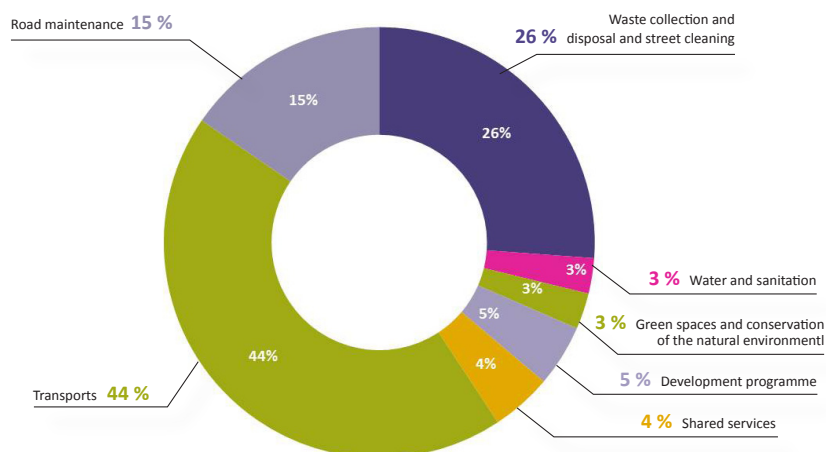
OPERATING SECTION

THE OPERATING BUDGET IN 2014 FOR URBAN DEVELOPMENT, SERVICES AND THE ENVIRONMENT AMOUNTED TO €1,408.8M, INCLUDING €507.7M FOR PAYROLL.

Expenditure on personnel increased by 2.7% compared to 2013 and was focused on property and green spaces. These changes mainly reflect the effects of the revaluation of the national indexing of grids for category B and C employees (5 points in 2014 and 7 planned in 2015), present in high numbers in these two sectors. In addition, several categorical reforms were implemented in 2014, for career progression in the technology industry (fast access for Heads of cleaning teams to category B Operational Service Technicians, reevaluation of index scales for rubbish collectors, access to the Civil Engineer section (category A) for supervisors, etc).

The operating budget excluding payroll dedicated to this sector was €901.1M, up 1.4% compared to the 2013 AA, for a provisional forecast of €928.7M.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2014 AA



Transport represented the largest expense, €395.3M, compared to €387.0M in 2013. It consisted principally of a contribution of €374.0M to the Urban Public Transport Syndicate (STIF), an increase of €7.3M on 2013, as part of a drive to improve public transport services. The second expenditure item was transport benefit for disabled people, with €14M spent on the “Help with Mobility” (PAM) service.

Expenses for **road maintenance** were €102.7M in 2014, increasing by €0.2M compared to 2013. Work for third parties accounted for expenditure of €38.1M. Other road and network maintenance expenses accounted for €24.4M, including €8.4M for maintenance of traffic lights, as part of the energy performance contract, €4.4M for pavement and roadway maintenance and €4.2M for tunnel maintenance work and operation of the ring road. Vélib services accounted for €17.1M in expenses, down €0.8M.

Expenditure on other services (public toilets, retractable bollards, etc.) amounted to €17.3M.

Spending on **street lighting** was €36.1M, a stable amount in relation to 2013, of which €20.2M for expenses incurred as part of the energy performance contract.

Expenditure on **waste collection, disposal and sanitation** was €235.7M, up by €8.3M compared to 2013. This was mainly due to an increase in the contribution paid to the Household Waste Treatment Syndicate (SYCTOM), €125.6M compared to just €118.9M in 2013, following a one-off decrease in the tonnage collected, associated with lower consumption. Spending on **waste collection and sanitation contracts** amounted to €108.7M, including €56.3M on domestic household and multi-material private waste collection contracts (+ €1.2M compared to 2013), €13.4M on mechanical cleaning, €12.6M on collection of sanitation containers (+ €1.0M), €9.8M on glass collection and €5.0M on waste collection centres (details of expenditure are given in the table below). Other collection and sanitation expenses amounted to €1.5M, including €0.9M on roadway supplies and €0.2M on environmental and sanitation subsidies.

VARIATION 2014 AA / 2013 AA IN EXPENDITURE ON COLLECTION AND SANITATION CONTRACTS (IN €)

| HEADING | 2013 AA | 2014 AA | % / 2013 AA |
|--|--------------------|--------------------|-------------|
| Collection of sanitation containers | 11,559,890 | 12,603,843 | 9.0% |
| Domestic household and multi-material waste private collection contracts | 55 071 360 | 56 263 314 | 2.2% |
| Provision of collection bins | 5,010,892 | 5,364,834 | 7.1% |
| Pneumatic collection of household waste | - | 41,148 | - |
| Glass collection | 9,564,043 | 9,816,820 | 2.6% |
| Waste collection centres and bulky items | 6,199,832 | 5,029,977 | - 18.9% |
| Receptacle and bin maintenance | 142,131 | 244,297 | 71.9% |
| Graffiti removal | 4,357,927 | 4,456,591 | 2.3% |
| Roadway and network maintenance | 450,686 | 712,338 | 58.1% |
| Maintenance of tourist areas | 770,076 | 745,903 | -3.1% |
| Mechanical cleaning | 13,765,529 | 13,379,006 | -2.8% |
| TOTAL | 106,892,367 | 108,658,072 | 1.7% |

Operating expenses for **urban development operations** amounted to €41.9M, a €0.5M decrease compared to 2013. These incorporated :

- Maintenance work on public facilities and the Forum des Halles, as well as operating costs relating to the redevelopment work (a total of €11.4M);
- €6.6M on the banks of the Seine, including €5.3M on the delegated production contract, €0.4M on maintenance and gardening costs and €0.4M on occupancy fees paid to Ports de Paris;
- Grants paid to public associations including €5.8M to the Paris Urban Planning Agency (APUR) and €2.4M to the Pavillon de l'Arsenal. In addition, grants paid to developers for development zones (ZAC), to help balance the accounts of their operations, amounted to €4.9M.

€17.4M was spent on **green spaces**, compared to €18.7M in 2013. €5.8M was spent on facilities, parks and gardens maintenance, €3.5M on horticultural supplies (tools, plants, materials etc.), €3.3M on water costs and €1.6M on external services (green waste, cleaning, etc.).

In addition, €2.4M was spent on **conservation of the natural environment**, comprised essentially of grants and study expenses.

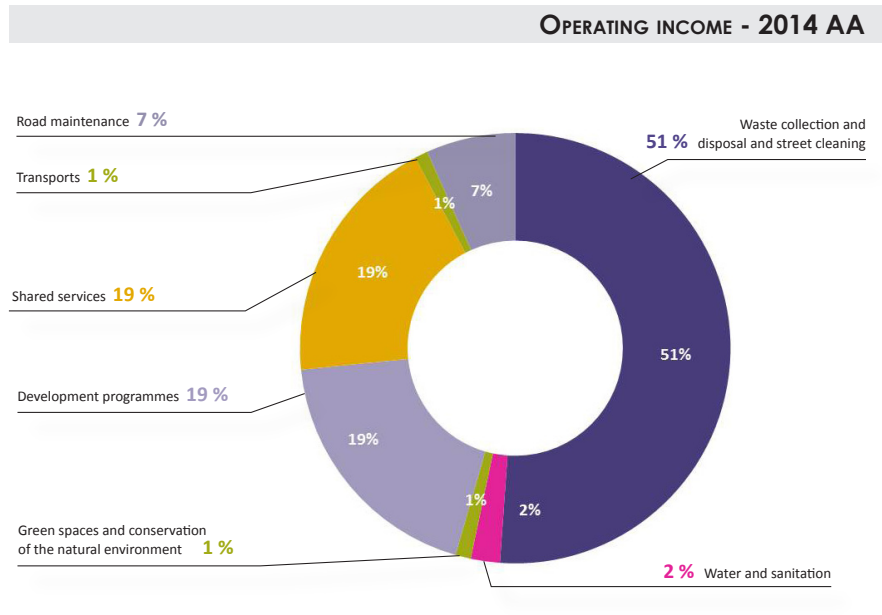
Expenditure on **canal** maintenance was €4.5M, stable compared to 2013.

Spending on **water and sanitation** accounted for €23.9M against €23.5M in 2013. The balancing conditions of the annexed sanitation budget required a €0.5M increase in the mandatory contribution from the general budget. Contributions to the budget of the Local Seine Basin Grands Lacs Public Establishment (EPTB) were €6.5M, a stable amount since 2013.

Expenditure on shared services (other expenses) relating to urban development was €25.1M, which was €1.6M less than in 2013. €12.4M was spent on paid street parking, a decrease of €1.5M. Savings were made mainly in the distribution of Paris maps (Paris Cartes) amounting to €3.1M in 2014 compared to €4.9M in 2013, down by €1.8M connected to the development of payment by bank card. Expenditure on Roads and Travel Department support services was €9M (including €1.3M for building rental and €0.8M for studies), and expenditure on Environmental Department support services was €3.2M.

Shared services linked to other urban services amounted to €16M, a €1M decrease on the 2013 AA. This expenditure mainly concerned waste collection and street cleaning with €6.6M for fuel expenses and €4.5M for the supply of small equipment.

OPERATING INCOME FOR THIS SECTOR CAME IN AT €1,155.3M IN 2014, AGAINST A FORECAST OF €1,160.6M (GIVING A UTILISATION RATE OF 99.5 %). THIS REVENUE INCREASED BY €238.5M COMPARED TO 2013 (+ 26.0%).



Revenue from "shared services" was €218.5M, up €9.2M compared to the 2013 AA. Charges paid by tenants and concessionaires constituted the main resource at €76.3M. **Parking duties** amounted to €64.4M (an increase of €1.2M compared to 2013). **Roadway duties** amounted to €45.2M (an increase of €4.5M). Finally, revenues received from **local street advertising tax** were €9.4M.

Income from **road maintenance** was €77.5M, increasing by €17.8M compared to 2014. Reimbursements to third parties were €59.4M, €15.4M more than in 2013 due to accounting adjustments made for the cancellation of third party mandates for previous years. Income from Vélib was €17.5M in 2014, an increase of €1.9M.

Departmental revenue for **transport** amounted to €11.3M, up €1.7M compared to 2014. This included €5M in contributions from the STIF, €4.1M in contributions from the Ile-de-France region and €2.1M in contributions from users of the "PAM 75" service.

In terms of the **collection and disposal of waste and sanitation, income from the household waste removal tax (TEOM)** was €450.5M, an increase of €4.7M on 2014, driven by the nominal revaluation passed by Parliament and by the physical changes in the property tax bases. Income from the street cleaning tax, €104.3M, was stable in relation to the 2013 amount. Income from the charge for non-domestic waste (RDNM) came to €19.8M, down slightly by €0.4M compared to 2013.

Income in connection with **urban green spaces** was €5.4M in 2014, up €0.5M on 2013. This revenue was composed inter alia of €1.6M in income from work for third parties and €1.3M in fees paid by tenants and concessionaires.

The city's actions for conservation of the natural environment generated revenue of €1.6M (- €0.2M compared to 2013), consisting mainly of contributions paid by the Environment and Energy Control Agency (ADEME) under the Local Waste Prevention Programme (PLPD), which amounted to €1.5M.

Revenue from the operation of **canals** was €6.4M, as in 2013, composed mainly by the sale of non-potable water for €3.5M.

Revenue received for **water and sanitation** services was €25.2M (+€2M since 2013). This consisted mainly of the network occupation fee (excluding Paris sewers) for €9.9M, the contribution of the Annexed Sanitation Budget for €7.5M and the reimbursement of staff provision for €6.5M, down €0.9M due to the structural decline in staff provided by the Paris Inter-Departmental Sanitation Syndicate (SIAAP).

Finally, income from **urban development operations** was €218.7M, of which €213.2M for development zones (ZAC), taking into account completed development operations and those still to be completed.

APPENDIX RELATING TO THE DISTRIBUTION OF THE HOUSEHOLD WASTE REMOVAL TAX

The household waste removal tax (TEOM) appendix presented at the Administrative Account proposes a statement of revenue and expenditure, both direct and indirect, relating to the authority's collection business.

The calculation method chosen to date for the determination of this appendix, had always been validated by both the Regional Audit Chamber and the regional Prefecture.

Thus in February 2014, the Ile de France regional Prefecture reminded again that within a legal framework, the TEOM "constitutes an unassigned tax revenue, which cannot cover all expenses for the household waste disposal service or conversely, exceed the financing needs of the service". This response from the Regional Prefect merely repeated the instructions given in the circular NOR/INT/B/13/04336/C of 11 March 2013.

This analysis follows the doctrine which allows the specificity of Paris to be taken into account. This treats programmes for waste collection and sanitation in public spaces under the same umbrella.

In Paris the same employees are responsible for the collection of household waste and cleaning of public areas. Costs (staffing, maintenance and overhead costs, investments) are shared for these two programme areas.

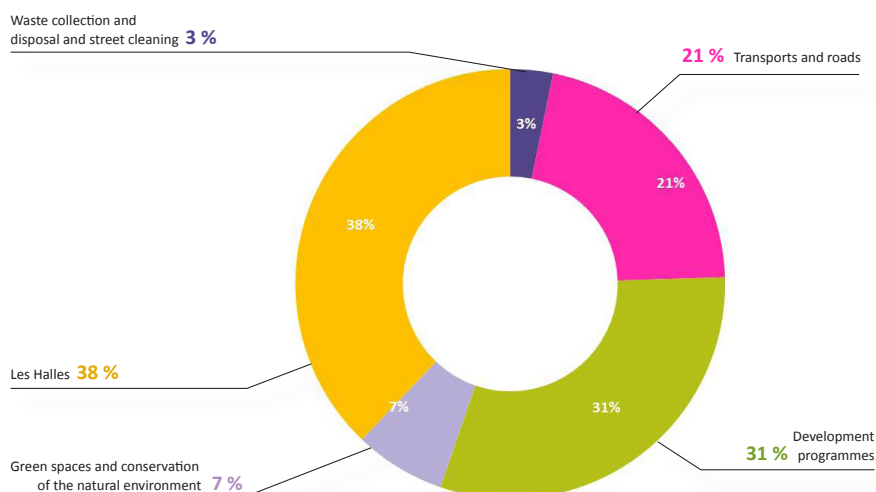
Spending on waste collection and sanitation is therefore established using standard ratios allowing reconstruction of the total cost of these activities and integrating the different resources of the authority, mobilised for this purpose.

Nevertheless, given recent developments in French State Council case law (EC judgement of 31 March 2014) and in response to the many discussions in the Paris City Council including the possibility of implementing an incentive household waste removal tax (TEOM), the Paris authority has initiated discussions to redesign methods of calculation, favouring a more analytical and comprehensive approach to all expenditure on waste collection. The aim of this approach is to provide an overall view of the collection expenses actually incurred by the Paris authority.

This update can be taken into consideration from the initial 2016 budget.

INVESTMENT SECTION

INVESTMENT EXPENSES IN 2014



EXPENDITURE ON PUBLIC SPACES IN 2014 WAS €687.0M COMPARED TO €667.2M IN 2013.

Construction work and property purchases accounted for €211.4M. €111.3M was spent on urbanism operations, principally on the construction work in the Paris Rive Gauche and Clichy-Batignolles development areas, as well as the Broussais, Beaugrenelle and Eole Evangile district. €99.8M was spent on property-related purchases, of which €71.9M was on housing, mentioned above, and €16.6M on new facilities.

€260.2M was spent in 2014 on the **Les Halles construction work**, compared to €136.6M in 2013.

Investment in **mobility (transport and roads)** amounted to €146.3M. Part of this investment was dedicated to public transport including €26.6M on extension of the tram network, €14.1M on metro line 14 (extension and adaptation of stations). In addition, €21.8M was spent on development operations including €6.4M on Paris Nord-Est and more particularly the Eole Evangile district with the Rosa Parks station, €4.3M in the Paris Rive Gauche and €3.7M in Clichy-Batignolles. The city invested €12M in street lighting, including within the framework of an energy performance contract. €8.5M was earmarked for environmentally-friendly forms of transport. €5.3M was spent to bring road tunnels into line with requirements. €4.2M was spent on further rebuilding work on Masséna Bridge.

The municipal authority invested €47.1M in **green spaces, canals and the environment**. The Martin Luther King park (2.2 hectares of new green spaces in the Clichy-Batignolles development area) which was opened to the public in 2014, had €6.7M spent on it. The linear forest in the Claude Bernard district of the Paris Nord Est development area was opened in 2014, providing 1.1 hectares of additional green spaces (€1.3M). The extension of the André Citroën Park (0.4 hectares) was completed, with €2.3M expenditure. €2M was also invested in the development of the Buttes-Chaumont park. Replacement of roadside trees cost €3.3M. Finally, the canals received investment of €5.5M.

Investment in **street cleaning** amounted to €22M, including €10.6M for the modernisation of waste collection and cleaning vehicles, and €2.3M for the innovative pneumatic collection system in Clichy-Batignolles. The street bin modernisation programme launched in 2013, was continued and intensified, with €1.2M of spending in 2014, against €0.6M in 2013.

ACTUAL INVESTMENT INCOME FROM PUBLIC SPACES AMOUNTED TO €372.2M.

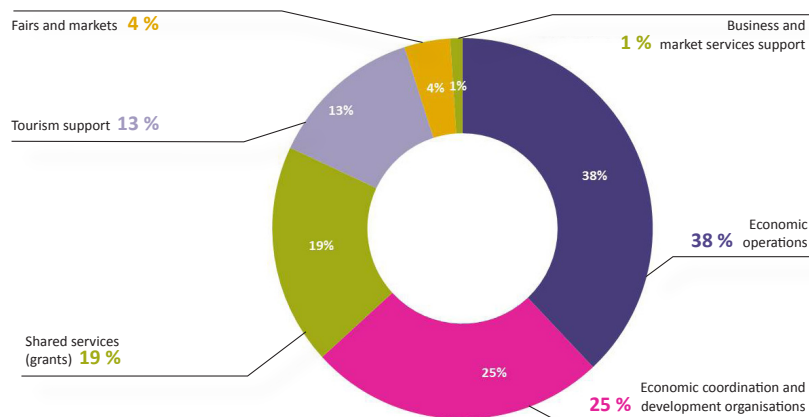
This was primarily comprised of **revenue from disposals**, amounting to €122.4M for the year 2014, as well as income from sales with a payment schedule signed in previous financial periods, accounting for €160.2M. This gave a total of **€282.6M for the property account**.

Grants amounting to €18.8M were received from the State for the Clichy-Batignolles operations.

Transport received investment from **income from fines** (€33.2M) as well as various regional co-funding for travel, such the €1.0M package for the development of the Mobiliën network, with which the STIF is also associated. Finally, we can report €18.4M profit for the RATP, linked to the financial rebalancing of T3 tram line extension operations in the direction of Porte de la Chapelle.

3/ ECONOMIC DEVELOPMENT

CONSOLIDATED BUDGET FOR ECONOMIC DEVELOPMENT - 2014 AA



| IN M€ | 2012 AA | 2013 AA | 2014 AA |
|------------------------|---------|---------|---------|
| Operating expenditure | 52.9 | 53.1 | 48.8 |
| of which payroll | 20.7 | 20.8 | 18.1 |
| Investment expenditure | 24.1 | 16.2 | 13.3 |
| Operating income | 37.0 | 32.7 | 36.3 |
| Investment income | 17.0 | 37.1 | 0.6 |

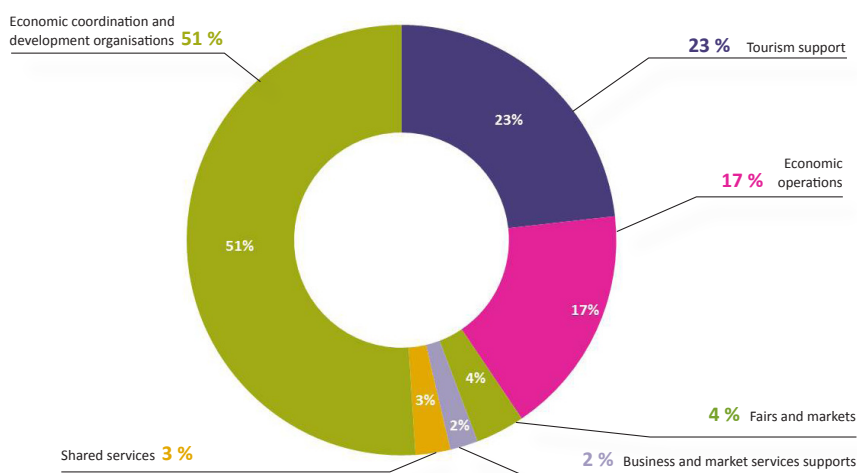
OPERATING SECTION

THE OPERATING BUDGET FOR ECONOMIC DEVELOPMENT IN 2014 WAS €48.8M, OF WHICH €18.1M WAS FOR PAY-ROLL EXPENDITURE.

In the area of economic development, there was a decline on a comparable basis in payroll expenditure, as a result of a change in the selected activity. Indeed, to improve the legibility of staff spending per policy sector, funding related to subsidised contracts (Emplois d'avenir contracts and Contrats Unique d'Insertion) and trainees were broken down into functional areas receiving new recruits. Across all public policies, the 2014 Administrative Account for these two budget lines posted showed increased spending compared to 2013, a 4% increase for subsidised contracts (+€0.9M) and + 8% for trainees (+€0.5M).

Operating expenses for economic development, **excluding payroll**, amounted to **€30.7M** in 2014, decreasing by €1.6M compared to the 2013 AA. The utilisation rate of available funding, representing a sum of €32.3M, was 95.1%.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2014 AA



The first expenditure item was **subsidies** for economic development for a total sum of €21.6M in 2014, up by €0.5M compared to 2013.

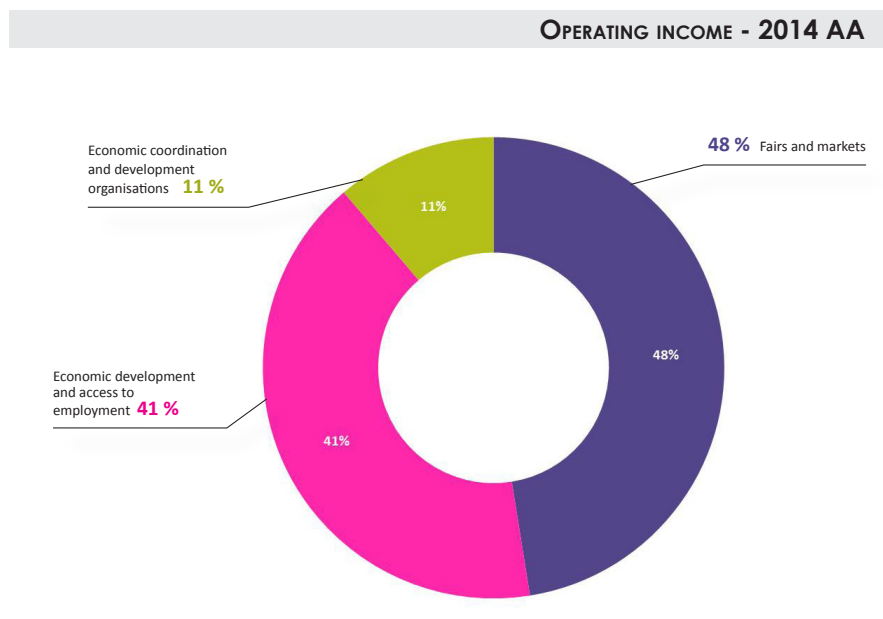
- **Grants for economic coordination and development organisations** amounted to €12.2M against €12.5M in 2013, including €6.6M for employment (€3.1M for local missions, €2.8M for access to employment) and €7.2M for economic development and innovation (of which €1.6M for the economic development agency "Paris Développement" and €1.6M for the Paris region innovation laboratory, "Paris Région Lab").
- **Grants for tourism and the attractiveness of Paris** accounted for €7M, of which €6.6M paid to the Paris Tourist and Congress Office and €0.2M for social tourism.
- **Grants for commerce and trades** amounted to €1.4M, of which €0.6M for Christmas lights and €0.6M for supporting crafts trades.
- **Grants for the social and solidarity-based economy** stood at €1.0M.

Expenditure relating to **training for economic development and access to employment** was €4.8M, of which €1.7M as part of the Departmental Plan for Access to Employment, €2.5M for training trainees and €0.6M for services with companies for access to employment.

Expenditure on fairs and markets represented €1.1M (+ €0.2M in relation to 2013), including €0.6M for the organisation of the Trône Fair.

Other expenses accounted for €1.8M, including €0.8M for shared services and €0.1M for the circular economy.

OPERATING EXPENSES FOR ECONOMIC DEVELOPMENT AMOUNTED TO €36.3M IN 2014, AN INCREASE OF 11.0 % (OR €3.6M). ON 2013. THE UTILISATION RATE OF THIS INCOME WAS 97.6 %.

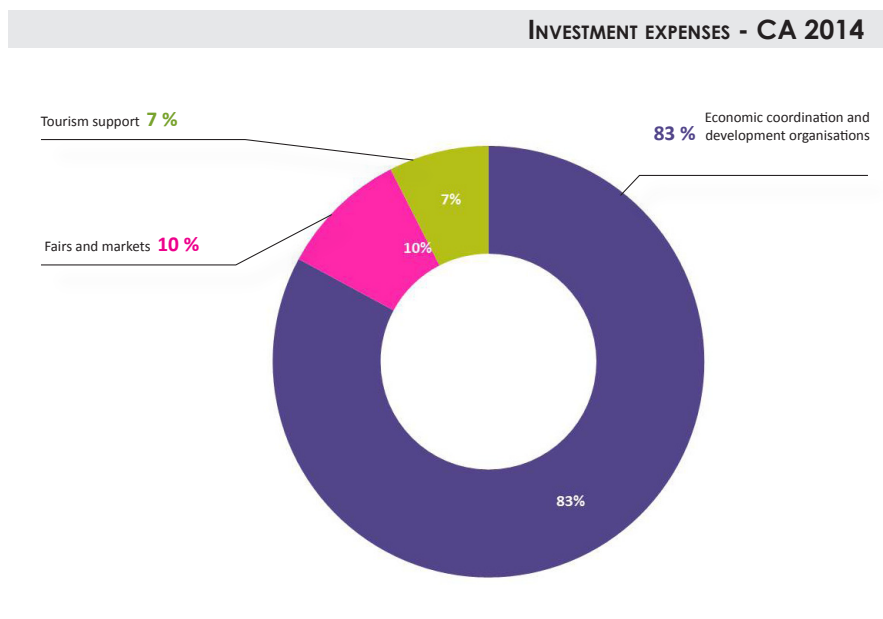


Fairs and markets were a main source of operating income which represented €17.2M in 2014, up by €2.5M in relation to 2013, of which €7.6M in fees for "Frigos", artist workshops. Fees for the running of markets (Flea market, Creative market) represented €4.9M in 2014, compared to €4.7M in 2013.

Income from **economic development and access to employment** came in at €14.6M, up 26.3% on 2013 under the effect of a €3M increase in State participation in subsidised contract schemes.

Revenue from **economic operations** by the municipal authority represented €4.0M, declining by €2.0M. The change was evident mainly in lower rent revenues (-€0.8M) and training grants (-€0.5M).

INVESTMENT SECTION



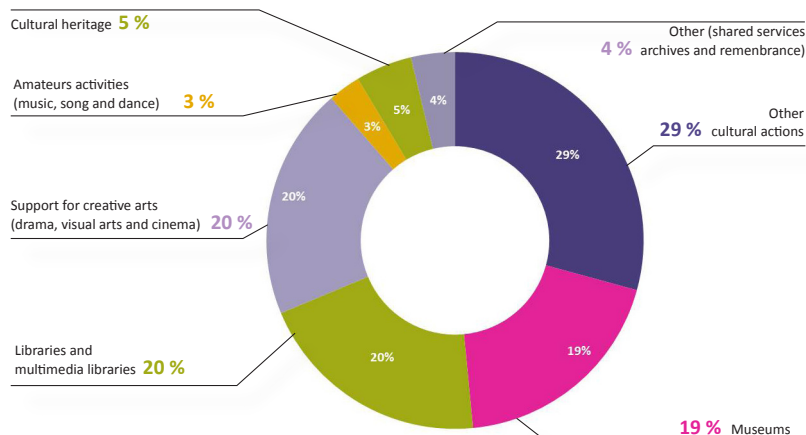
INVESTMENT IN **ECONOMIC DEVELOPMENT** AMOUNTED TO **€13.3M**, INCLUDING **€11.0M** FOR THE SUPPORT OF ECONOMIC COORDINATION AND DEVELOPMENT ORGANISATIONS, AND **€1.3M** FOR ASSISTING THE DEVELOPMENT OF COMMERCE AND MARKETS.

Competitiveness clusters and innovative enterprises received support of €9.6M.

In tourism, the Maison Internationale de Séjour Youth Hostel received €1.0M.

INVESTMENT INCOME CAME TO €0.6M.

CONSOLIDATED BUDGET FOR CULTURE - 2014 AA



| IN M€ | 2012 AA | 2013 AA | 2014 AA |
|------------------------|---------|---------|---------|
| Operating expenditure | 281.3 | 298.9 | 310.8 |
| of which payroll | 151.9 | 116.7 * | 121.7 |
| Investment expenditure | 74.2 | 97.6 | 60.5 |
| Operating income | 15.8 | 11.0 | 11.1 |
| Investment income | 5.7 | 3.3 | 9.5 |

* Change in scope linked to the transfer of the staff payroll of museums to the overall subsidy paid to the Paris-Musées Public Establishment.

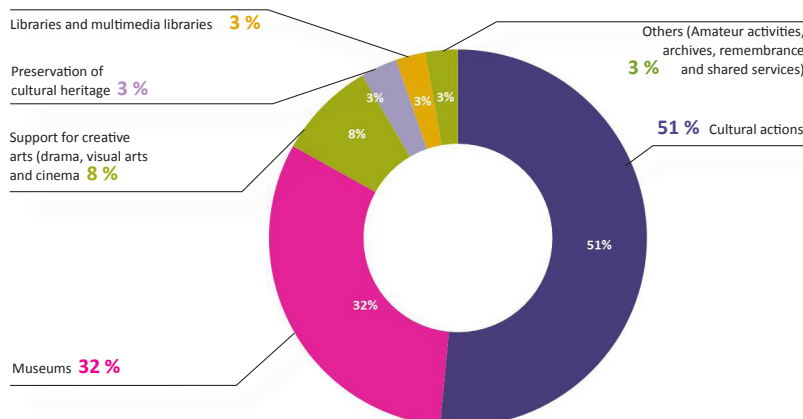
OPERATING SECTION

THE OPERATING TOTAL IN 2014 FOR CULTURE WAS €310.8M, OF WHICH €121.7M WAS PAYROLL EXPENDITURE.

Staff costs in the culture sector grew as a result of the delivery of new facilities (Saint Lazare multimedia library, Bréguet-Sabin House of Amateur Practices, new conservatoire in Rue du Charolais), an increase in capacity and 3,000 new seats in the conservatoire and the new school schedule reform missions. The municipal authority was strengthened by 106 full-time equivalent positions, including through internalisation movements for specialised library assistants, specialised music and arts teaching assistants and teachers in Academies. Simultaneously, expenses related to museum work were down (-€1.5M) following the creation of the Paris Musées Public Establishment.

Excluding payroll, expenditure on culture amounted to €189.1M, a 3.8% rise in relation to the 2013 AA (+€7.0M). This change was mainly linked to the increase in the grant paid to the Philharmonie.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2014 AA



The different **cultural actions** represented **€97.4M** in the 2014 AA and were up by 11% on the 2013 AA (+€9.7M). These were mainly composed of grants to cultural establishments (excluding the grant to the Paris Musées Public Establishment), for a total of €95.4M, of which €90.9M from the City budget, up by €9.3M. Departmental grants for the "104" and the "Maison des Métallos" arts centres, amounted to €4.5M.

A sum of €1.6M was also allocated to the "Nuit Blanche" arts event.

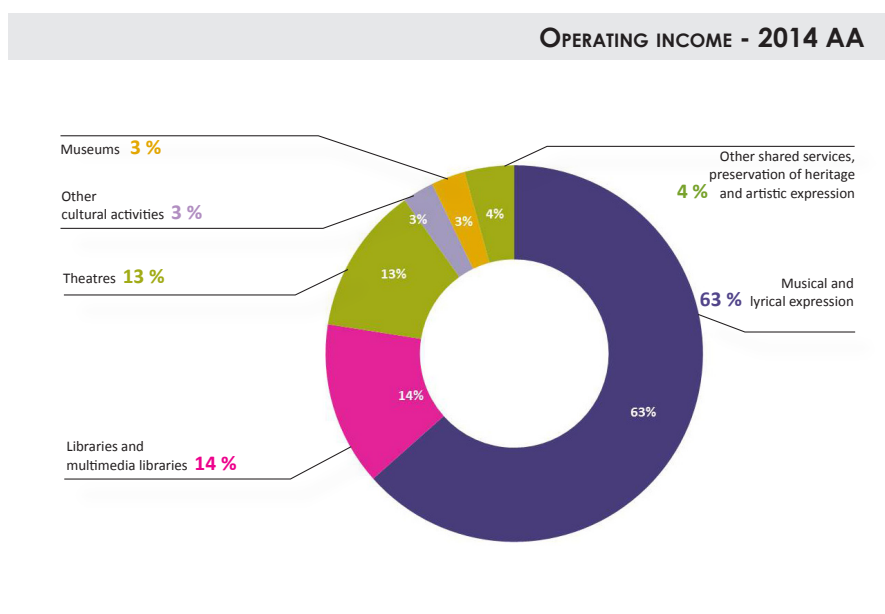
Museums represented the second biggest expense, with **€59.7M**, of which €58M was spent on a grant for the Paris Musées Public Establishment. This expenditure decreased by 2.3% relative to 2013 (-€1.4M). This was mainly due to a decrease in the grant paid to the Paris Musées Public Establishment (-€0.7M in relation to the 2013 AA), savings made possible by an increase in the establishment's own resources due to the museum price reform and a one-off revenue from the liquidation surplus of the Museum Exhibition Association.

Support for creative arts accounted for **€16.0M**. €8.5M was allocated to cinema, consisting mainly of grants, decreasing by €2.1M due to a one-off payment of €1.8M in 2013 to project management company SemPariseine for work at the Forum des Images. Operational expenditure on theatres was stable, amounting to €7.0M (+0.8% compared to the 2013 AA, an increase of €0.1M). It mainly concerned the public service commissions of the Gaité Lyrique (€5.7M) and the Trois Baudets (€0.5M). €0.5M was also dedicated to supporting visual arts and other related activities.

€5.9M in expenditure was dedicated to **the upkeep of cultural heritage** (-€0.2M). Spending on the operation of **libraries and multimedia libraries** was stable, representing **€4.8M**.

€5.2M funded **other cultural expenditure**, of which €1.4M on the shared services of the Department of Cultural Affairs, €1.9M on the development of amateur musical and artistic practices, €1.6M on remembrance activities and €0.3M on archives.

OPERATING INCOME FROM CULTURE CAME TO €11.1M IN THE 2014 AA, A €1.1M INCREASE COMPARED TO THE 2013 AA (+1.1%). THIS CHANGE WAS EXPLAINED MAINLY BY AN INCREASE IN FEES.



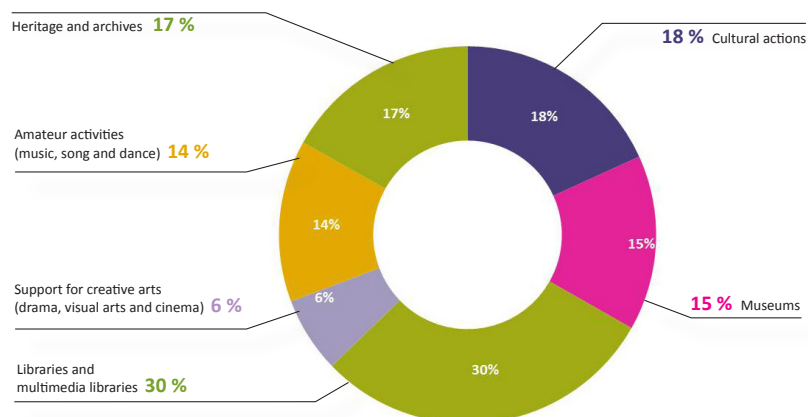
Operating income linked to **musical, lyrical and choreographic expression** was estimated at **€7.0M** in 2014, an increase of 4.3%. This was due to a rise in the fees for delegates of the Trois Baudets and Gaité Lyrique, as well as the fees paid by tenants and concessionaires (theatres, Espace Cardin, etc). Fees and duties for cultural services including musical instrument rental and enrolment fees in Academies and Beaux-Arts workshops accounted for the majority of this (€6.8M).

14% of this revenue came from activities relating to **libraries and multimedia libraries**, i.e. **€1.6M**. **Museums** generated **€0.3M** in revenue.

Finally, **sponsorship** was up 22.4% and contributed **€0.3M** to operating income.

INVESTMENT SECTION

INVESTMENT EXPENSES IN 2014

**IN 2014, INVESTMENT EXPENDITURE ON CULTURE AMOUNTED TO €60.5M.**

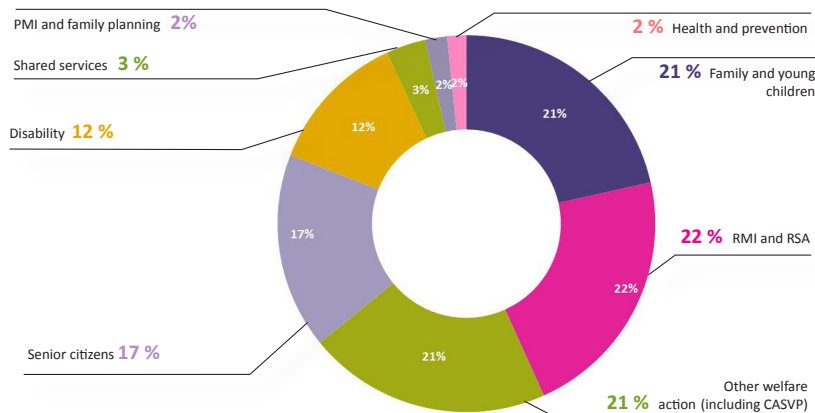
The Paul Dukas Academy in the 12th arrondissement opened in 2014 (with €2.8M investment in 2014).

- €8.2M was spent on the Saint-Lazare multimedia library on the site of the former hospital of the same name, in a district currently undergoing renovation in the 10th arrondissement. Opening of the library is planned for 2015.
- €7.3M was paid to the Philharmonie which opened end 2014.

IN 2014, INVESTMENT REVENUE FROM CULTURE AMOUNTED TO €9.5M, OF WHICH €8.0M IN VAT DEDUCTION FOR THE GAÎTÉ LYRIQUE.

5/ WELFARE AND SOLIDARITY

CONSOLIDATED BUDGET FOR WELFARE AND SOLIDARITY - 2014 AA



| EN M€ | 2012 AA | 2013 AA | 2014 AA |
|------------------------|---------|---------|---------|
| Operating expenditure | 1,776.1 | 1,773.3 | 1,796.1 |
| of which payroll | 165.0 | 166.7 | 166.0 |
| Investment expenditure | 28.1 | 53.8 | 36.3 |
| Operating income | 128.8 | 141.5 | 138.3 |
| Investment income | 4.8 | 5.4 | 7.4 |

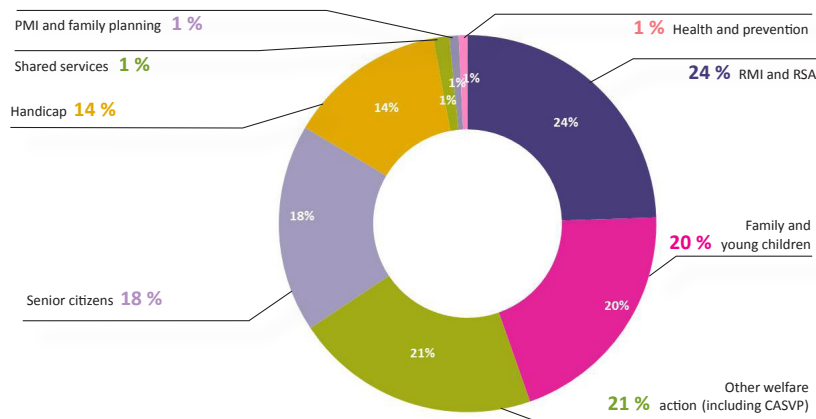
OPERATING SECTION

IN 2014, THE OPERATING BUDGET FOR WELFARE AND SOLIDARITY WAS €1,796.1M, OF WHICH €166.0M ON PAYROLL, EXCLUDING THE CONTRIBUTION FROM THE CITY TO THE DEPARTMENT, WHICH CAME TO €700.0M IN SPENDING AND REVENUE. (THE CONTRIBUTION WAS NEUTRAL FOR THE MUNICIPAL AUTHORITIES).

The stabilisation of welfare and solidarity expenditure in the payroll was due to opposing factors. There was a sharp decline in welfare for children (-€3.7M) due to the deferral of administration of a bonus to departmental family assistants from December 2014 to January 2015 (€2.8M) and a reduction in the numbers of these assistants. This decline was offset by the distribution of subsidised contracts between all policy sectors (see "Economic Development" policy sector).

Also in 2014, expenditure for welfare and solidarity, excluding payroll, was €1,630.1M, up by €23.5M, with a utilisation rate of 99.6%.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2014 AA



The largest expenditure item was for **Active Solidarity Income (RSA) expenditure**, posted at €403.3M. A total of €399.0M was spent on this: €337.2M went towards RMI/RSA allowances and €53.5M to the Departmental Integration Programme (PDI). This expenditure rose by €18M in relation to 2013, mostly due to an increase in the number of recipients (67,292 recipients at end 2014, versus 65,063 at end 2013).

Welfare for children was the second largest expenditure item with an allotted €328.4M in 2013, compared to €342.1M in 2013 (a decrease of 4.0 %). **Accommodation costs** took up €211.9M, versus €226.3M in 2013. This decrease was explained mainly by a fall in the number of unaccompanied foreign minors (MIE) for whom support arrangements were made (1,674 in October 2014 versus 1,959 in October 2013), resulting from a circular on 31 May 2013 "relating to support arrangements for unaccompanied foreign minors". €23.9M in allowances was paid for **hotel placement**. These allowances were down by €2.5M on 2013, mainly due to a new hotel room booking system used by the SAMU Social (emergency assistance service for the homeless) which reduced the average nightly cost of a hotel stay.

Contributions to specialised prevention centres remained stable for a total of €25.2M.

Expenditure for temporary staff (instructors and nurses called in for special cases of children with severe behaviour issues) was €10.9M.

Expenditure for "other social programmes" in the City of Paris totalled €314.9M after a forecast €315.0M. This expenditure mainly consisted of contributions paid to the **Paris Social Action Centre (CASVP)**: €313.4M in 2014, a reduction of €1M. This reduction was partly due to a scope effect resulting from transfer of the reimbursement of personnel costs from the Multipurpose Departmental Social Services (SSDP) of the CASVP to the Department, and secondly to higher spending on operation costs and allowances.

Expenditure for welfare aid to the elderly and for Personal Autonomy Allowances (APA) totalled €291M after an allotted €291.2M. This rose by €3.7M in relation to the 2013 AA. **Aid for accommodation for the elderly** amounted to €149M, versus €146M in 2013.

Personal Autonomy Allowances (APA) were €134.8M, up by €1.6M on 2014, due to an increase in the number of beneficiaries, and comprised :

- €82.6M allotted for in home APA, versus €70.4M in 2013, the number of beneficiaries increased from 16,960 at end 2013 to 17,368 at end 2014 (+2.4%);
- €49.8M allotted for APA in institutions, versus 59.0M in 2013, the number of beneficiaries rose by 2.1% over 2013;
- The balance was spent on management costs paid to the National Pension Fund.

Welfare for the disabled rose by €8.8M relative to 2013, coming to €221.5M. Accommodation costs were the largest expenditure item, a total of €146.4M, up by €4.1M due to the revaluation of day prices in existing facilities and the opening of new centres.

Allowances paid out for Disability Compensation Benefits (PCH) and Third-Party Compensation Allowances (ACTP) totalled €70M, at €49.6M and €20.4M, respectively. The movements of the two line items were opposite, with PCH rising €5.2M relative to 2013 and ACTP decreasing €0.4M (this allowance will eventually be phased out).

Other Departmental social programmes - including programmes to combat exclusion, promote gender equality, integration of foreigners and social policies, amounted to €27.8M, an increase of €1.5M in relation to 2013.

Expenditure on the Low-Income Housing Fund (FSL) remained stable at €19.9M.

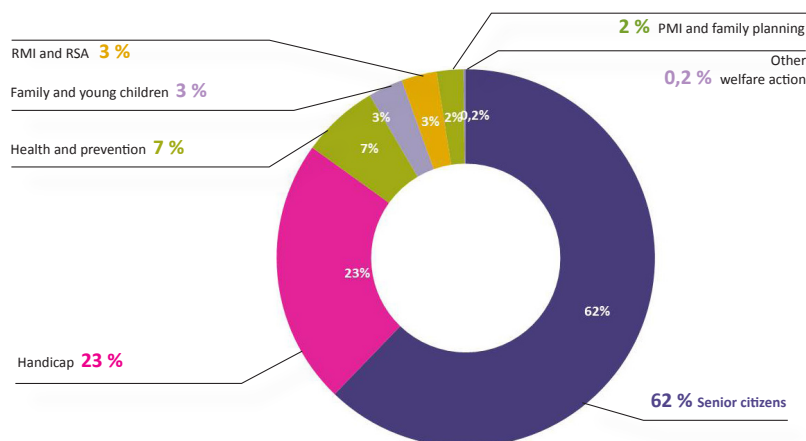
Expenditure on the Department's shared services totalled €22.3M, €5.2M higher than in 2013 due to the transfer of reimbursements to the SSDP, as mentioned above.

Mother and child protection (PMI) and family planning represented a total cost of €12.9M, a slight decrease of 1.8 % on 2013.

Finally, expenditure for **health education and prevention** came to €12.3M, including programmes dedicated to prophylaxis (€7.1M), prevention through education (€2.2M), drug addiction services (€1.2M) and health centres (€1.0M).

IN 2014, WELFARE AND HEALTH INCOME CAME TO €138.3M OUT OF €140.8M IN ALLOTTED CREDITS, FOR A UTILISATION RATE OF 98.2%. INCOME WAS €3.2M LOWER THAN IN 2013.

OPERATING INCOME - 2014 AA



Most of the income came from **welfare aid to the elderly**, which rose €1.3M in 2013, to €86.0M. Recovery from beneficiaries totalled €71.6M.

Income for policies on persons with disabilities rose from €27.1M in 2013 to €31.5M in 2014. This included grants from the National Solidarity and Autonomy Fund (CNSA) for PCH and for the Departmental Centre for the Disabled (MDPH), which came to €16.4M, up by €1.4M. Recovery from beneficiaries amounted to €14.4M.

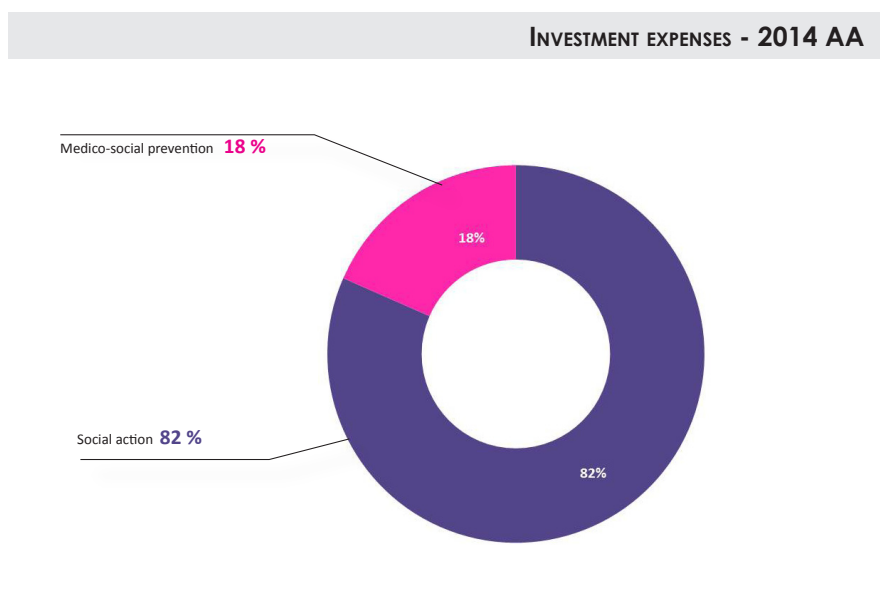
RMI/RSA received €4.2M in income, versus €6.8M in 2013, due to delayed payment of the contribution from the European Social Fund in 2015.

Income for **family and childhood programmes** came to €4.1M, a decrease of €2.3M on 2013. This income came mainly from fees.

Income for **mother-child protection (PMI) and family planning** came from contributions from Social Security and co-operatives. This was stable compared to 2013 and came to €3.1M.

The Department received €9.1M in income for **health education and prevention**, a slight decrease of €0.6M on 2013.

INVESTMENT SECTION



INVESTMENT EXPENDITURE FOR THE WELFARE SECTOR CAME TO €36.3M, WHICH WAS COMPRISED OF €29.6M FOR WELFARE ACTION AND €6.7M FOR MEDICAL-SOCIAL PREVENTION.

Construction of the Villers Cotterêts EHPAD received a €5.5M subsidy from the CASVP. Finally, the decentralisation of child welfare services continued with €2.7M invested into the Rue David d'Angers branch in the 19th arrondissement and the Rue Ordener branch in the 17th arrondissement.

INVESTMENT INCOME CAME TO €7.4M.

| IN M€ | 2012 AA | 2013 AA | 2014 AA |
|-------------------------|--------------|--------------|--------------|
| Operating expenditure | 351.8 | 366.0 | 391.7 |
| <i>of which payroll</i> | <i>284.4</i> | <i>289.7</i> | <i>310.1</i> |
| Investment expenditure | 68.8 | 91.1 | 54.9 |
| Operating income | 199.7 | 202.7 | 203.2 |
| Investment income | 1.9 | 1.7 | 4.8 |

OPERATING SECTION

IN 2014, THE OPERATIONS BUDGET ALLOCATED TO FAMILY PROGRAMMES WAS €391.7M, €310.1M OF WHICH WAS ALLOCATED TO PAYROLL.

The increase in payroll spending for family programmes was due mainly to the opening of 796 new places for young children and the recruitment of 278 full-time equivalent positions in this sector (mainly child care assistant staff, early childhood technical assistants, young child educators, nursery staff and psychologists).

Expenditure for family programmes, excluding payroll, jumped in 2014 (+6.9%) to €81.6M.

This increase was mostly due to a rise in expenditure for **daycare centres**, with 1,674 places created in 2014, notably :

- in the 9th arrondissement, 148 places were created, including 66 places at Rue des Martyrs;
- in the 13th arrondissement, 300 new places, of which 96 at Rue Gustave Geffroy;
- in the 14th arrondissement, 66 new places at Rue Liancourt;
- in the 17th arrondissement, 57 places were created, including 30 at Rue Berzélius;
- in the 19th arrondissement, 289 new places, of which 66 at rue David d'Angers.

Expenditure on **family programmes** totalled €1M, a €0.1M rise relative to 2013.

LES RECETTES DE FONCTIONNEMENT RELATIVES À LA FAMILLE CONCERNENT EXCLUSIVEMENT LES CRÈCHES ET GARDERIES. EN 2014, ELLES REPRÉSENTENT À 203,2 M€, SOIT UNE HAUSSE DE 0,5 M€ PAR RAPPORT À 2013.

Operating income for family programmes was from **day centres** only. In 2014 it represented €203.2M, a €0.5M increase compared to 2013.

40% of this income came from **family contributions**, which rose €6.1M in 2014 to €78.9M, principally due to an increase in attendance linked to the opening of new places.

The Family Benefits Fund (CAF) offset the remaining portion of the cost through payment of the Single Service Benefit (PSU) and Children and Young Persons Service Benefit (PSEJ), the calculation of these is based on the level of family contributions. In 2014, these contributions came to €122.4M, down €6.0M in relation to 2013 due to a modification by the CAF in the payment schedule for advances and in the balance of its contributions to the PSU (alignment with the PSEJ payment schedule).

INVESTMENT SECTION

IN 2014, THE CITY INVESTED €54.9M IN EARLY CHILDHOOD.

€6.5M were granted in facilities subsidies to association-run daycare centres including €1.4M to ONCP, €0.6M to ABC Puériculture, €0.6M to UDAF, €0.3M to the Maison des Bout'Chou and €0.3M to the Croix Rouge Française (French Red Cross).

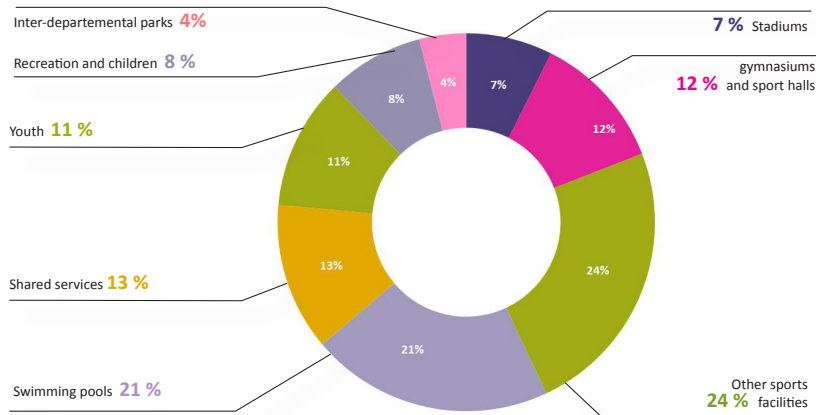
In total, 1674 new places were opened in 2014, with €6.5M granted for association-run daycare centres and €36.5M for the others, including €3.7M for the opening of the daycare centre in Rue David d'Angers in the 19th arrondissement and €2.0M for the daycare centre in Rue Montéra in the 12th arrondissement.

Daycare centre maintenance and equipment took €11.0M, including €7.6M from dedicated local interest budgets.

INVESTMENT INCOME FOR EARLY CHILDHOOD CAME TO €4.8M IN 2014, MOSTLY FROM CAF SUBSIDIES.

7/ SPORT AND YOUTH

CONSOLIDATED BUDGET FOR SPORT AND YOUTH - 2014 AA



| EN M€ | CA 2012 | CA 2013 | CA 2014 |
|------------------------|---------|---------|---------|
| Operating expenditure | 192.9 | 197.8 | 201.8 |
| of which payroll | 110.5 | 113.9 | 119.7 |
| Investment expenditure | 118.7 | 139.7 | 70.3 |
| Operating income | 62.0 | 67.9 | 89.7 |
| Investment income | 1,1 | 3,5 | 4,2 |

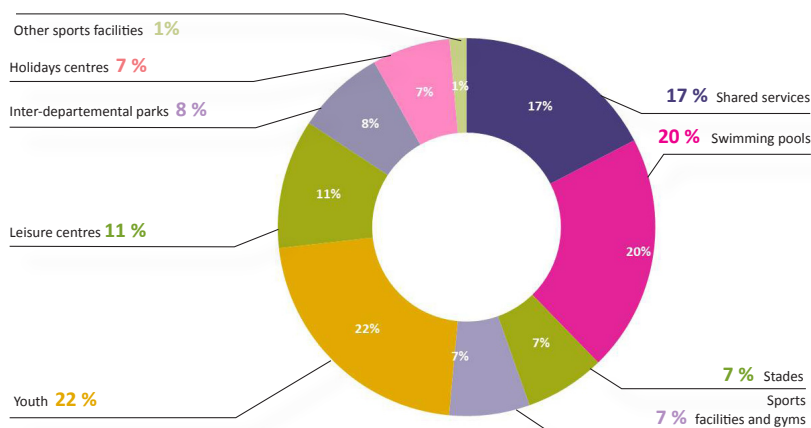
OPERATING SECTION

IN 2014, THE OPERATING BUDGET FOR SPORTS AND YOUTH WAS €201.8M, €119.7M OF WHICH WENT TO PAYROLL.

In addition to the effects related to the national revaluation of wage indices for categories B and C, the financial year 2014 was characterised by the opening of several new facilities (the Beaujon and Porte des Lilas Sports Centres, the MacDonald Gymnasium, etc) and the appointment of contracted activity and sports assistants (Category C) on open-ended contracts, to join the Physical Education and Sports teaching staff (category B). In terms of employee status, there is a gradual increase in the number of Physical Activity and Sports Advisers (category A) within the sports industry, as this staff body was opened to supervisory staff following the creation of a "management of sports facilities" speciality.

The operating budget, excluding payroll, for sports and youth came to €82.1M of the allotted €83.3M, for a 98.6% utilisation rate. The budget was down 2.1% compared to 2013 (-€1.8M).

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2014 AA



Over 20% of operating expenditure, €17.8M, went to **activities for young people**. Expenditure on contracts to operate youth facilities (mainly activity and youth centres) was €5.2M, €0.4M less than in 2013, notably due to the turnover of the youth centre market. Other expenditure included operating costs for municipal and sport schools (€0.6M), after-school sports programmes (€3.4M), outdoor sports centres (€0.8M) and school transport costs (€1.2M). Youth grants amounted to €2.1M. In addition, €1.0M was spent on sporting events for youth.

Expenditure on **swimming pool** activities represented €16.7M or 20.3% of all expenses, down by €1M since 2013. Costs resulting from agreements to operate outsourced pools totalled €12.8M, decreasing by €1.4M relative to 2013. This was mainly due to the closure of the Georges Hermant pool for renovation. Expenses for pools managed by the municipal authority, particularly for water and chemical consumption, amounted to €3.6M.

Shared services accounted for €14.3M in 2014, declining by €1.3M compared to 2013. Of this, €11.3M in subsidies spent on :

- **Local sports** : €6.3M, down by €0.4M on 2013, of which €0.4M in exceptional expenditure items ;
- **Professional sport** €5.1M, including €1.1M for Paris Université Club Volley Ball and €1.0M for the Paris Levallois Basket basketball club.

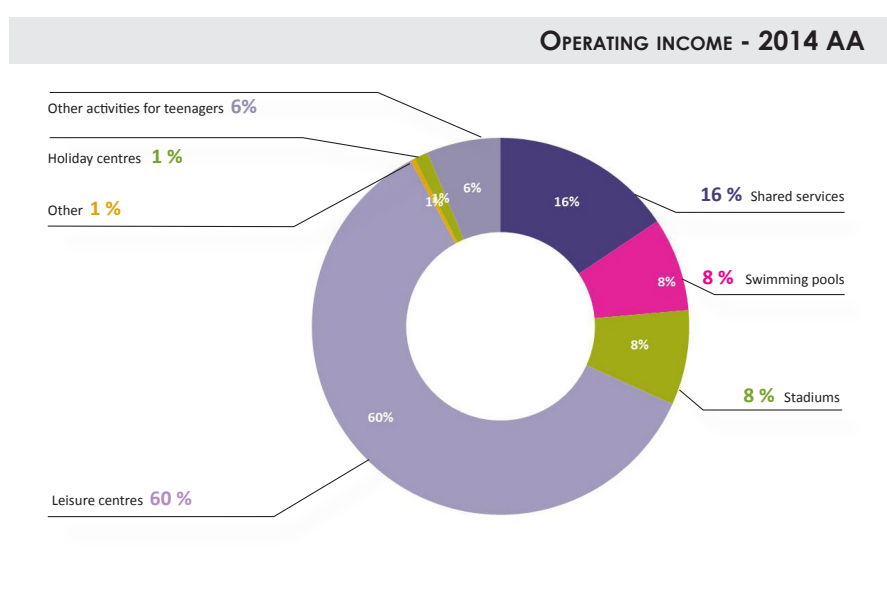
Expenditure on **recreation centres** amounted to €9.1M, falling by €0.3M in relation to 2013. This expenditure was distributed mainly as €3.1M in transport expenses, €1.3M in entry fees for children's activities, €1.9M for supplies and €0.8M for accommodation costs.

In addition, €5.5M was spent on organising **summer camps**, €3.2M of which on accommodation.

€6.2M was allotted to the **management of interdepartmental parks**, under agreements signed with partner Departments. This sum was stable relative to 2013.

Expenditure on **sports facilities, excluding swimming pools**, amounted to €12.5M, including €5.7M for the maintenance and management of **sports facilities and different gyms** and €5.6M for the management of **municipal stadiums**.

SPORTS AND YOUTH INCOME TOTALLED €89.7M, €21.8M MORE THAN IN 2013.



In 2014, **recreation centres** generated €54.1M in income, a €23.9M increase. This came mainly from income generated by the family allowance fund (€35.6M in 2014), an increase of €25.4M compared to 2013. This came from payments of the 2013 balance and a 2014 advance payment of the Childhood and Youth Service Benefit (PSEJ) under the "sport" component of the Childhood Youth Contract (CEJ). Charges and fees for extracurricular services as part of new school timetables, came to €11.7M, down by €6.0M. In addition, €6.8M was spent in seed funding for new school timetables.

Revenue from **shared services** was €14.0M, of which €12.8 million for occupation of public property, a decrease of €5.0M on 2013 (- 28.2%), due to a technical imputation transfer which had a neutral effect on the budget. Fees collected as part of the Public Service Delegation Palais Omnisports de Paris Bercy and the Parc des Princes sports areas, amounted to €0.7M, declining €0.3M due to renovation work at the former.

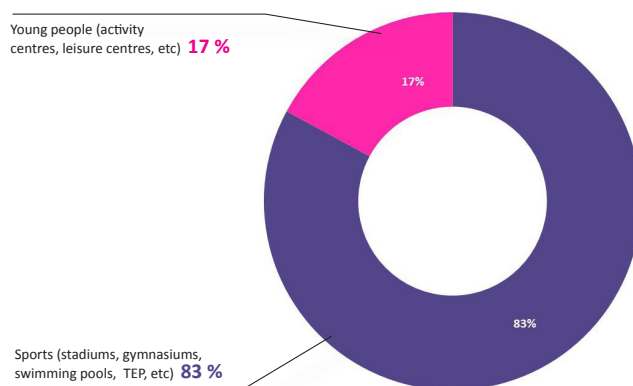
In addition, **swimming pools** made €7.2M in income in 2014, including €6.4M in sports-related fees and charges.

Revenue from **other youth activities** was €5.7M (€ 1.3M less than in 2013) and was mainly composed of €3.3M in sports-related fees and charges and €1.9M in CAF benefits received mainly for after-school sports activities in primary schools.

Stadium activity income represented €7.3M, up €5.6M on 2013, of which €4.0M for the fee paid by Roland Garros and €1.3M for occupancy of the Stade Français. This rise was as a result of the above-mentioned technical transfer.

INVESTMENT SECTION

INVESTMENT EXPENSES IN 2014



INVESTMENTS IN YOUTH AND SPORTS TOTALLED €70.3M IN 2014.

The largest investment was in **gyms and sports facilities**. The Carreau du Temple and Beaujon development zone sporting centres, which opened at the start of April 2014, represented an investment of €4.7M and €1.2 M, respectively. Also of note is the €6.1M investment for the gym in the Paris Nord-Est development zone, in the MacDonald area.

€14.5M was invested by the City of Paris in **stadiums**, including €5.5M in the Parc des Princes and €4.6M in the Jean Bouin stadium.

€13.5M was spent on **swimming pools**, including €3.2M on the Butte aux Cailles pool, which reopened in summer 2014.

The maintenance and equipping of these different places took €11.7M, €9.7M from dedicated local interest budgets.

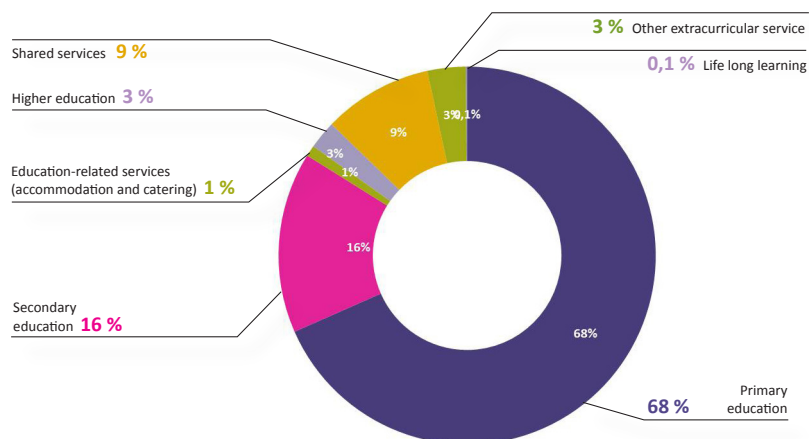
For **events centres**, there was:

- €3.1M invested in the Binet Centre in the 18th arrondissement, which opened at the start of 2014;
- In the 9th arrondissement, the new Tour des Dames Centre, which includes an events centre and sporting complex, was allocated € 2.5M.

INVESTMENT INCOME CAME TO €4.2M, MEANWHILE.

8/ EDUCATION AND TRAINING

BUDGET FOR EDUCATION AND TRAINING - 2014 AA



| In M€ | 2012 AA | 2013 AA | 2014 AA |
|----------------------------|---------|---------|---------|
| Operating expenditure | 597,3 | 629,9 | 679,0 |
| of which payroll | 394,1 | 409,6 | 459,2 |
| Dépenses d'investissement | 153,2 | 169,2 | 176,2 |
| Recettes de fonctionnement | 21,9 | 21,5 | 22,0 |
| Recettes d'investissement | 20,2 | 17,4 | 19,4 |

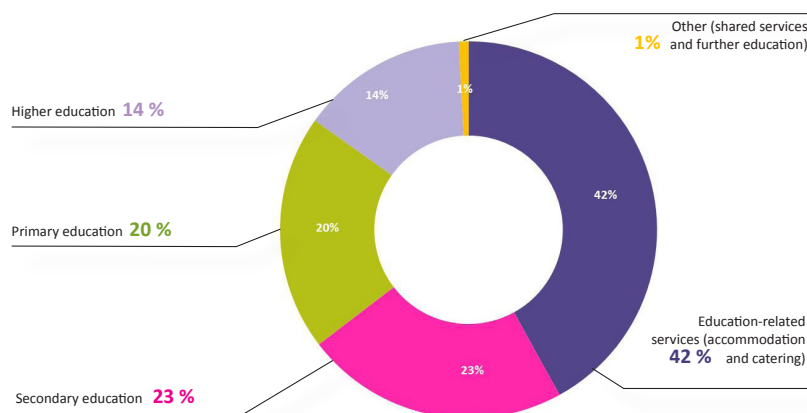
OPERATING SECTION

IN 2014, THE OPERATING BUDGET FOR EDUCATION AND TRAINING WAS €679.0M, €459.2M (67.6%) OF WHICH WENT TOWARDS PAYROLL, UP 7.8% ON THE 2013 AA. THIS INCREASE WAS AS A RESULT OF SCHOOL SCHEDULE REFORMS WHICH TOOK EFFECT IN AUTUMN 2013.

More than half of the Paris authority's expenditure on personnel (€50M) was on education and training. This jump in expenditure (+12% compared to the 2013 AA) was the result of the ramp-up of school schedule reform measures, which led to an increase of 833 full-time equivalent positions, mainly in Category C (activity and sports assistants, nursery school support assistants, specialised staff in nursery schools). The reform was also accompanied by a structuring of the support sector in 2013, with the creation of a category B staff group, the heads of Parisian administrations, comprising recreation centre managers who received an early promotion in February 2014 (formerly category C) and some deputy managers also receiving a promotion. As a result, numbers of contract staff remained high (up by 5%), due to the signing of the Childhood Youth Contract which should allow the City of Paris to further improve extracurricular activities for children.

Excluding payroll, operational expenditure on education and training amounted to €219.8M, a stable amount relative to 2013. The 2014 utilisation rate was 97.5% for €225.5M in allocated credits.

OPERATING EXPENDITURE (EXCLUDING PAYROLL) - 2014 AA



Education-related services included a wide variety of services (including catering) and represented the first operational expenditure item, accounting for €92.3M in 2014. This expenditure decreased by 2.7% versus the 2013 AA, as a result particularly of the decline in spending on school accommodation and catering (€69.9M in 2014 compared to €72.6M in 2013). In contrast, continued implementation of school schedule reforms caused spending related to extracurricular activities and field trips to increase by €0.2M. This expenditure was €20M in 2014, of which €9.4M for afterschool activities in primary schools and €6.0M for accommodation. €1.9M was also allotted to launches of calls for projects as part of school schedule reforms. Subsidies paid to schools for primary school meals amounted to €69.8M, a decline of €2.7M compared to 2013. An additional €1.5M was allotted to school transport expenditure. Finally, departmental extracurricular services accounted for expenditure of €0.9M in 2014.

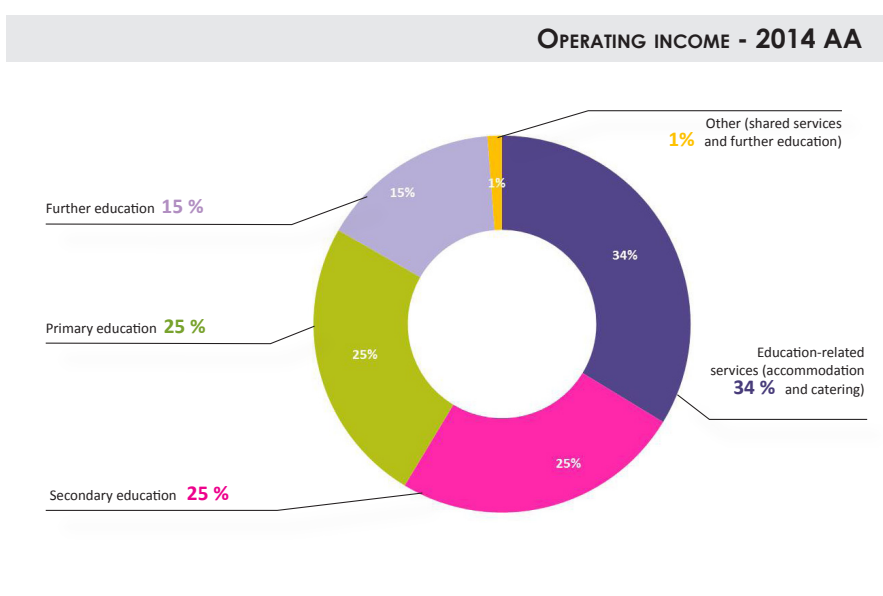
Expenditure on **secondary education** represented €49.7M in 2014, a 3.6% rise on 2013 (+€1.7M). Operational spending in the first cycle of public secondary schools (age 11 - 15 years) was €20.5M. Expenditure on school catering stood at €5.4M and building maintenance expenses at €1.8M. Finally, expenses related to the running of the Breuil School came to €0.6M.

Operational spending on **primary education** was €44.5M, up 3.6% on 2013. Support for private education accounted for €27.3M through Contracts of Association. €10.5M was allotted to maintenance and day-to-day operation costs (cleaning, upkeep and maintenance of buildings, supplies, etc), including €3.3M for the upkeep of buildings, €1.3M on rent and €1.2M on computer maintenance. Subsidies paid to school learning and disability support associations accounted for €0.4M.

Higher education operations expenses came to €31.5M in 2014, a stable figure relative to 2013 (+€0.1M). €25.2M was spent on research and higher education, including €13.9M allocated to the Ecole Supérieure de Physique et de Chimie Industrielle (ESPCI) (+€0.1M compared to 2013), €4.7M to the Ecole d'Ingénieurs de la Ville de Paris (EIVP) (+€0.4M) and €1.0M to the Paris Institute for Advanced Study. Student services accounted for €4.1M of spending in 2014 with €1.4M given out in Erasmus scholarships. Finally, €2.3M went to funding for art schools.

Spending allotted to the **shared services** of the Educational Affairs Department amounted to €1.2M. Day-to-day operational expenses for courses run by the municipal authorities as part of **further education** represented €0.5M.

In 2014, €22.0M in operating income was received in education and training out of a total of €23.6M in allotted credits, for a utilisation rate of 93.2%. Overall, income was relatively stable compared to the 2013 AA (+2.3%).



€7.4M was received in operating income for **education-related services**, including €5.2M in family contributions for afterschool activities in primary schools, field trips and supervised studies and €2.1M in State contributions for school health costs.

Secondary education generated a quarter of the income, a total of €5.5M. €3.1M was received in family contributions for catering in the first cycle of secondary school (aged 11-15 years) and €1.8M in income was associated with the Breuil School, including €1.5M in State and Regional authority contributions.

€5.4M in revenue was linked to **primary education**, including €2.9M rent income from the rental of school head teacher service accommodation, €2.0M from cost reimbursement and €0.4M from the rental of school premises for different activities.

Income from registration fees for **further education** provided through municipal authority-run courses for adults, came to €3.4M.

Finally, there was €0.3M in **other operating revenue** from education and training, including €0.1M in contributions for the pooling of resources for the Boule School and €0.1M in training course fees for the Ecole Professionnelle Supérieure d'Arts Graphiques et d'Architecture.

THE IMPLEMENTATION OF SCHOOL SCHEDULE REFORMS AND IMPROVEMENT OF EXTRACURRICULAR TIME IN 2014.

THE OVERALL EFFORT TO IMPROVE EXTRA-CURRICULAR PROGRAMMES AND ACTIVITIES EQUATED TO SPENDING IN 2014 OF €55.6M.

As part of this, €37.9M was spent on payroll to improve incoming/outgoing transitions and preparations for extra-curricular workshops, strengthen work teams and effect changes to duties of organisers and specialised nursery school paraprofessionals (ASEM). Some of the expenditures were listed under the sports and youth section, under recreation centres.

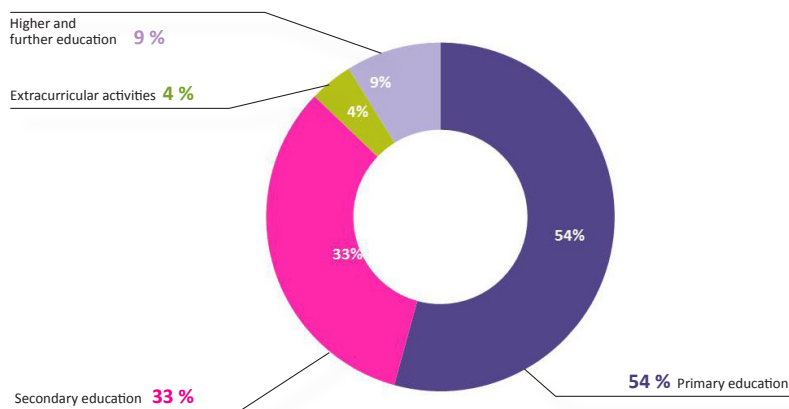
Other operating expenditure resulting from this arrangement totalled €17.7M and included :

- €11.7M in activities, €9.4M of which was spent on different extra-curricular activities and €2.3M on sports activities;
- €6M on related costs for catering and other different expenses.

As of the **end of 2014, €21.9M had been received**, with €6.8M in seed funding from the State and €15.1M in subsidies paid by the CAF as part of the ordinary services provision (PSO) and childhood and youth contracts (CEJ), for the achievement of targets in terms of quantity and quality.

INVESTMENT SECTION

INVESTMENT EXPENSES IN 2014



IN 2014, **THE AUTHORITY'S INVESTMENT EXPENDITURE FOR EDUCATION AND TRAINING TOTALLED €176.2 M**, OR €7M MORE THAN IN 2013.

€153.6M was invested in primary and secondary education.

Primary education represented nearly two thirds of education investment spending, with €95.6M in expenditure.

€39.5M went to nursery and primary school facilities and maintenance (of which €24.6M from local interest budgets). €4M was spent on safety improvements in 2014. Also in 2014, schools covered by the energy partnership contract completed their energy improvements (€1.7M in 2014).

€56.1M was spent on building and renovating primary schools, including in particular :

- The nursery school in the Binet area in the 18th arrondissement (€12.8M) ;
- The school on Boulevard Macdonald in the 19th arrondissement, completed in 2014 (€6.3M).
- Olivier de Serres primary school in the 15th arrondissement (€6.2M).
- The school in the Masséna area in the PRG development zone in the 13th arrondissement (€4.9M) ;

Expenditure for **secondary education** came to €57.9M.

Major operations were undertaken at the Paris Nord Est development zone (PNE) in the 19th arrondissement (€23.4M), at the secondary school in the Clichy-Batignolles development zone in the 17th arrondissement (€9.7M), Georges Braque secondary school in the 13th arrondissement (€1.6M) and at Balard-André Citroën secondary school in the 15th arrondissement (€1.2M).

Investments in independent secondary schools came to €10.6M.

Higher education and research received support from municipal authorities this year for an amount of €15.5M. The Institut des Métropoles Durables received €2M in subsidies and the Institut des Etudes Avancées received €0.3M.

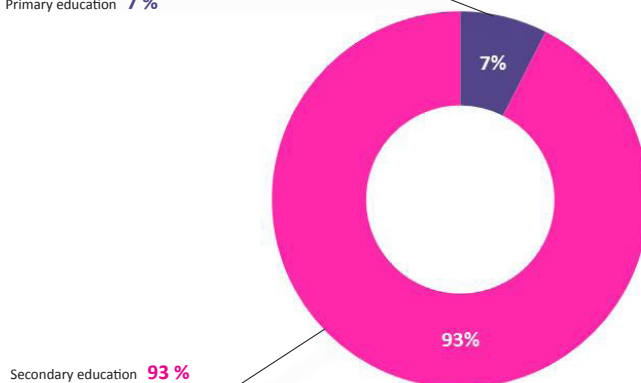
Expenditure on Paris university property totalled €2.7M. An additional €6.0M was spent on work at the Estienne school, the ESPCI and the Boule school.

Extra-curricular programmes received €7.1M in investment, some of which went towards improving school meals, with €4.6M for the Maurice d'Ocagne school.

IN 2014, INVESTMENT INCOME FROM EDUCATION AND TRAINING TOTALLED €19.4M. OF THIS, €1.4M WAS FOR PRIMARY EDUCATION AND €17.9M FOR SECONDARY EDUCATION. INCOME CONSISTED MAINLY OF REGIONAL REPAYMENTS FOR INVESTMENTS FOR HIGH SCHOOLS INTO SECONDARY AND HIGH SCHOOLS.

INVESTMENT INCOME IN 2014

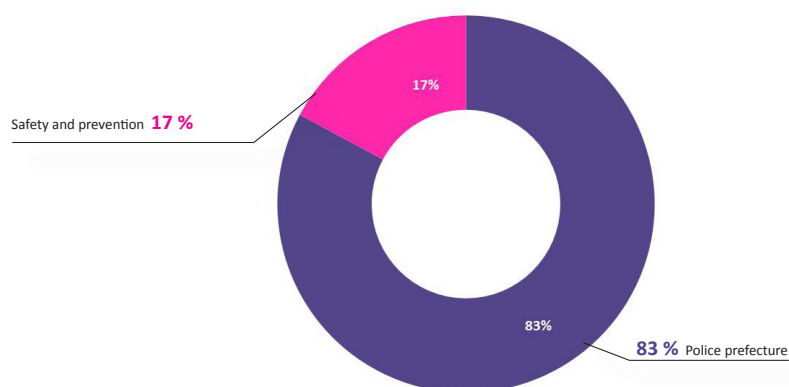
Primary education 7 %



Secondary education 93 %

9/ SAFETY AND SECURITY

BUDGET FOR SAFETY AND SECURITY - 2014 AA



| In M€ | 2012 AA | 2013 AA | 2014 AA |
|------------------------|---------|---------|---------|
| Operating expenditure | 348.6 | 350.9 | 356.0 |
| of which payroll | 43.1 | 44.3 | 47.5 |
| Investment expenditure | 16.9 | 14.1 | 24.6 |
| Operating income | 3.0 | 1.0 | 0.8 |
| Investment income | 0.6 | 0.2 | 0.8 |

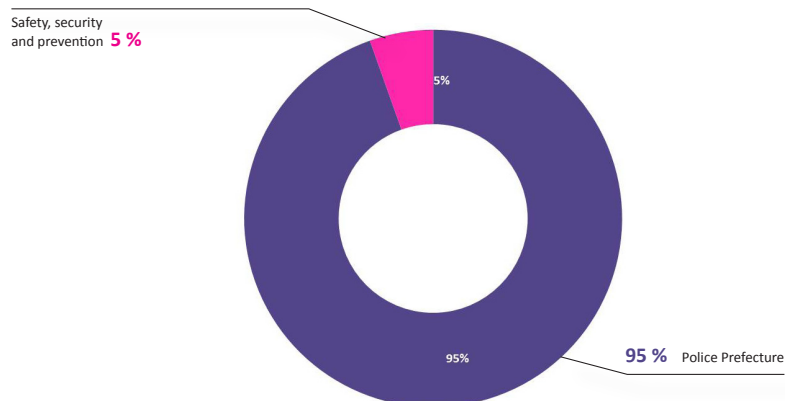
OPERATING SECTION

THE OPERATING TOTAL IN 2014 FOR SAFETY AND SECURITY WAS €356.0M, OF WHICH €47.5 WAS PAYROLL EXPENDITURE..

Payroll for safety and security increased on a comparable basis due to a change of activity. To improve the legibility of spending on staff per policy sector, expenditure on subsidised contracts (Emplois d'avenir and the Contrat Unique d'Insertion) for the Department and trainees at the City authority, was broken down into operational areas welcoming new recruits, particularly Security (see "Economic Development" policy sector)..

Safety and security operating expenditure, excluding payroll, came to €308.5M in AA 2014, a €1.9M increase over 2013 (+ 0.6%). The allotted budget was €308.7M and the budget utilisation rate was 99.9%.

OPERATING EXPENDITURE (EXCLUDING PAYROLL) - 2014 AA



The main expense for the City authority in the area of Safety and Security, was the **subsidy paid to the Police Prefecture**, €291.7M in 2014, up 0.5% in relation to the 2013 AA. This subsidy was paid by the City to the Police Prefecture for performing municipal services on a special basis. This increase resulted particularly from the impact of the revaluation of the salary scale for Category C employees, on the payroll expenditure of the Police Prefecture.

Excluding the subsidy to the Police Prefecture, expenditure on public security and safety was €16.8M, a 2.4% increase on 2013.

Expenditure for security services amounted to €9.3M in 2014, up 2.4% compared to 2013.

Subsidies totalled €5.2M, slightly down on 2013, and consisted of the subsidy paid to the Paris Property-Owners Surveillance Cooperative (GPIS, €4.9M) and the Association of Car Park Developers and Operators (APEP, €0.3M).

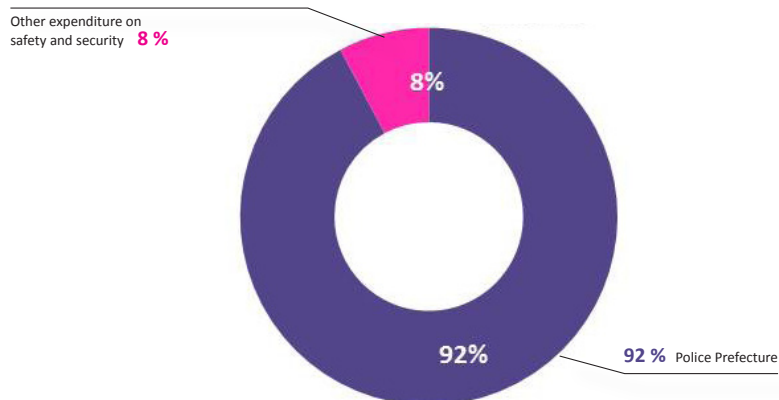
Spending on **health and safety** rose to €1.2M in 2014, against €1.0M in 2013, of which €0.1M was associated with the opening of a new public baths and €0.1M linked mainly to the development of preventive activities for health, as part of school schedule reform. This expenditure included operating costs for the City of Paris Health Laboratory (LHVP) and the Municipal Health and Sanitation Department (SMASH), which conduct studies and monitor environmental and public health.

Other current expenditure on home security increased to €1.1M (stable in relation to 2013).

OPERATING INCOME FOR SAFETY AND SECURITY CAME TO €0.8M IN 2014, DOWN BY €0.2M ON 2013, MAINLY DUE TO A REDUCTION IN THE PAID ACTIVITIES OF THE LHVP AND A DELAY IN THE PAYMENT OF THE SUBSIDY TO THE INTERMINISTERIAL FUND FOR CRIME PREVENTION (FIPD).

INVESTMENT SECTION

INVESTMENT EXPENSES IN 2014

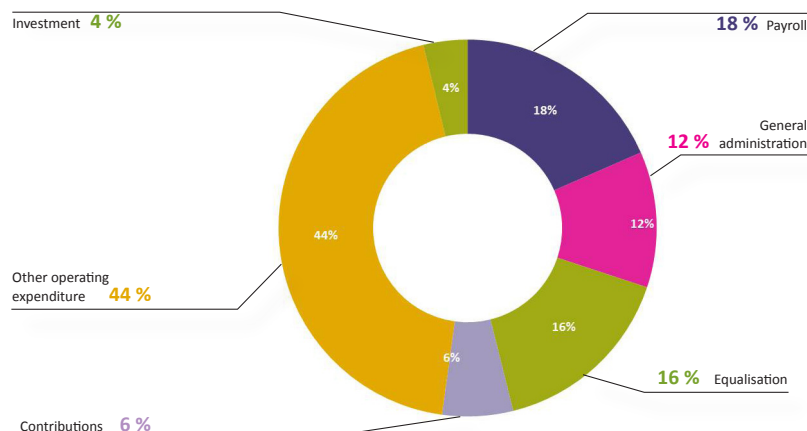


Investment expenditure on safety and security totalled €24.6M in 2014 versus €14.1M in 2013 (this increase was due to making up the delays on sites in 2013), including €22.7M in capital grants to the Police Prefecture to cover work in Fire Stations and €1.3M allocated to public health work.

INVESTMENT INCOME CAME TO €0.8M..

9/ GENERAL SERVICES

CONSOLIDATED BUDGET FOR GENERAL SERVICES - 2014 AA



METHODOLOGY NOTE :

The "0 General Services" item is very broad and includes operations that cannot be broken down and allocated, along with expenditure for general administration, in accordance with budget and accounting instructions. Also included are expenditure book entries¹, **operating expenditure for community facilities and services**, **equalisation expenditure** (excluding FNGIR) and **grants to specific arrondissement accounts**. These three expenditure categories are detailed below.

Expenditures for the renovation of Les Halles and the embankment roads, which were allocated to activity 0, have been taken out of that category and added to the "Planning" activity. The Police Prefecture subsidy was also transferred to the safety and security activity for greater clarity.

In addition, in 2014 there was neutralisation of a balanced sum of €22.0M, due to a technical transfer of the overall operating grant from the Department to the City budget.

Budget excluding balancing contribution to the Department, excluding the costs of staff of elected representatives and departmental bonus.

| In M€ | 2012 AA | 2013 AA | 2014 AA |
|------------------------|---------|---------|---------|
| Operating expenditure | 2 096.0 | 2 211.4 | 2 301.5 |
| of which payroll | 427.2 | 436.9 | 441.0 |
| Investment expenditure | 120.5 | 102.2 | 90.1 |
| Operating income | 6,367.2 | 6,313.8 | 6,272.9 |
| Investment income | 187.9 | 182.2 | 185.4 |

OPERATING SECTION

OPERATING EXPENDITURE

THE OPERATING TOTAL IN 2014 FOR GENERAL SERVICES WAS €2,301.5M, OF WHICH €441.0M WAS PAYROLL EXPENDITURE.

It should be noted that a large portion of payroll expenditure currently attributed to the "General Services" activity for technical reasons should eventually be reallocated to public policy sectors.

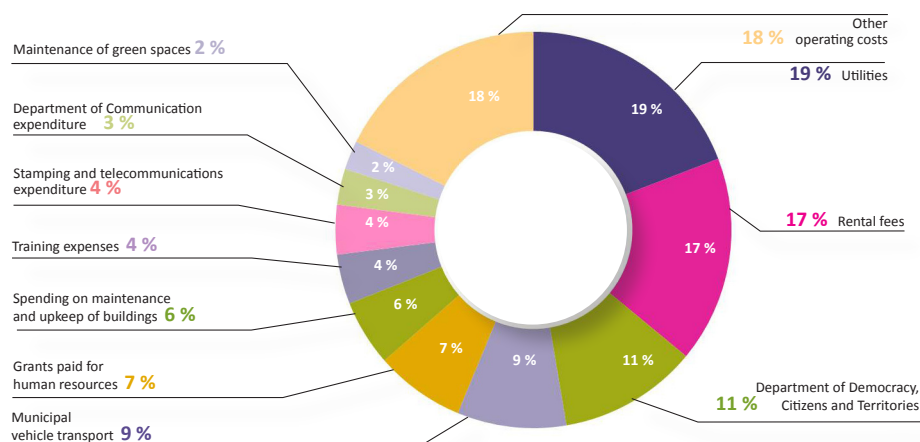
¹ All expenditure shown here excludes credit book entries, is targeted towards accounting operations (including grants for amortisation and contingency reserves) and is strictly balanced and thus has no financial impact. These operations are detailed in part III of the report.

► GENERAL ADMINISTRATION EXPENSES

Excluding payroll and exceptional costs, the operating budget for general administration was €283.7M, down 6.1% on the 2013 AA.

Below is all of the expenditure resulting from operating the authority's public facilities and services. Services were highly diverse and included utilities expenditure, rental fees, computer maintenance expenditure, training costs, expenditure for hiring vehicle transportation, etc..

MAIN EXPENDITURE ITEMS (EXCLUDING PAYROLL) - 2014 AA



The first expenditure item was for **utilities**, in particular water, electricity, gas and fuel to operate the authority's facilities (daycare centres, schools, Authority-run cultural and sporting facilities, etc.). This item represented a total of €53.4M, a €9.6M decrease compared to 2013, explained mainly by changes in energy costs and more favourable climate conditions than in 2013.

The second expenditure item was for **rental fees**, which included all rental charges and rent paid by the municipality, representing €46.9M in 2014.

The third expenditure item was for the new **Department of Democracy, Citizens and Territories**. €31.6M was spent. This item also includes **compensation payments, travel expenses and training costs for mayors, assistants and advisers**, totalling €16.7M as well as the grant paid for **Paris Council organisation and operations** (€4.0M). All operational costs associated with the **City policy sector**, are managed by this Department. These amounted to €4.2M, including €3.8M on subsidies, with €2.1M allocated to the development of city districts. In addition, €1.1M was vested in decentralisation policy and €0.9M in integration policy. Finally, €0.6M was spent on associations and €0.6M specifically on Human rights and action to combat discrimination.

Vehicle hire for municipal transportation purposes (costs were stated separately in an annexed budget) amounted to €24.8M.

Grants paid under the human resources item to finance catering services and social welfare, were forecast at €20.4M, stable in relation to 2013 figures.

Maintenance expenditure represented €15.0M, an increase of €0.8M since 2013. Expenditure specifically on building maintenance came to €7.1M, rising by €0.4M.

Authority **training expenses**, except for costs incurred as part of access to employment (see "Economic Development" activity) were €11.3M, a slight drop of €0.1M versus 2013.

Spending on postage and telecommunications came to €11.3M in 2013, down by 11.8%.

The 2014 projected **expenditure of the Department of Communications** was €8.2M, decreasing by €0.6M. This amount

GENERAL SERVICES

included spending related to service contracts with businesses (€2.2M), catalogue expenditure and printing costs (€1.7M), as well as contributions to fairs and exhibitions (€1.3M).

Some of the expenses for **maintaining green spaces** were also entered under "General Services", such as expenditure for supplies and non-potable water, totalling €6.6M against €7.1M in 2013; €5.1M of this was for cemetery management.

This item includes expenses resulting from the purchase of **work clothes** for employees of technical departments, amounting to €5.5M. It also includes **other current administrative management expenditure** such as insurance costs (€2.7M), property taxes and other local duties paid for equipment (€1.2M).

The **contribution paid to the CNRACL** (Pension Fund for Local Government Employees) came to €5.0M, versus €7.1M in 2013 due to a downward trend in the number of beneficiaries.

► EQUALISATION EXPENSES

Equalisation expenditure (net of FNGIR) reached €383.3M versus €302.0M in 2013 AA. This grew by 26.9 % (€81.3M), as a result of :

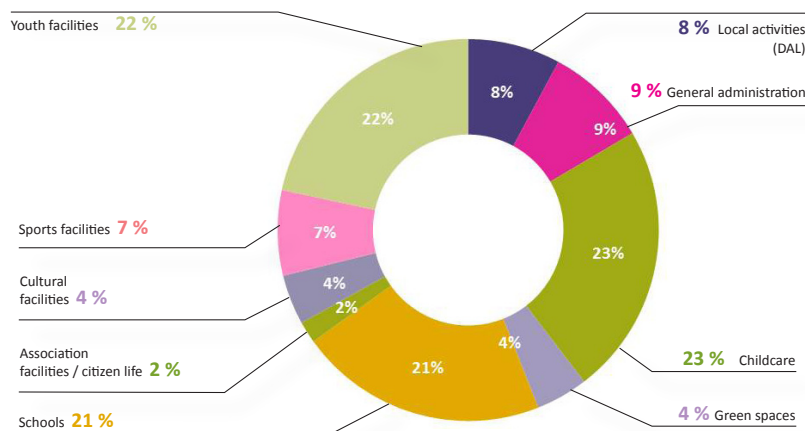
- The creation of the **Department Solidarity Fund (FSDIF)**, with participation amounting to €26.6M;
- The ramp-up of the **National Municipal and Inter-Municipal Resources Equalisation Fund (FPIC)** with an increase of €49.1M to €115.6M;
- A €2.5M rise in the participation to the **Business Value Added Contribution Equalisation Fund (CVAE)**, which amounted to €18.4M;
- The increase of €10.1M in the contribution to the **Île-de-France Solidarity Fund (FSIR)**, to stand at €141.4M;
- Conversely, the contribution to the **DMTO Equalisation Fund** dropped by €6.9M and was €81.3M in 2014.

► GRANTS FOR SPECIAL ARRONDISSEMENT ACCOUNTS

Contributions to special arrondissement accounts are entered under "General Services". They amounted to €139.5M (up €7.7M relative to 2013).

This increase was due to a €3.5M rise in utilities expenditure and the opening of new facilities (three entertainment venues and an area for young people) totalling €2.9M, with a €0.8M rise in the operating costs of daycare centres. This was due to an extension of the park and €0.6M additional expenditure following the opening of new cultural facilities (full-year impact of the delivery of three Academies in 2013 and 2014 and one new library). Thus the grant to the local management of the ESA was €128.1M in 2014 versus €120.2M in 2013. In contrast, the coordination grant in connection with local life and participatory democracy remained stable at €11.5M.

DISTRIBUTION OF EXPENDITURE ON OPERATING GRANTS
PAID TO SPECIAL ACCOUNTS IN 2014



► **UNRECOVERABLE DEBTS** REPRESENTED €5.2M, COMPARED TO €6.6M IN 2013.

► **EXCEPTIONAL EXPENSES**

Exceptional expenses stood at €15.1M (after elimination of the administrative long lease and works concession for the Parc des Expositions at Porte de Versailles costing €11.7M), a stable amount relative to 2013. Cancellation of securities for prior years accounted for €11.5M. Compensation paid in connection with litigation totalled €1.4M. Furthermore, the amount of €1.3M was paid for contingency funds and endowments.

► **OTHER OPERATING EXPENDITURE**

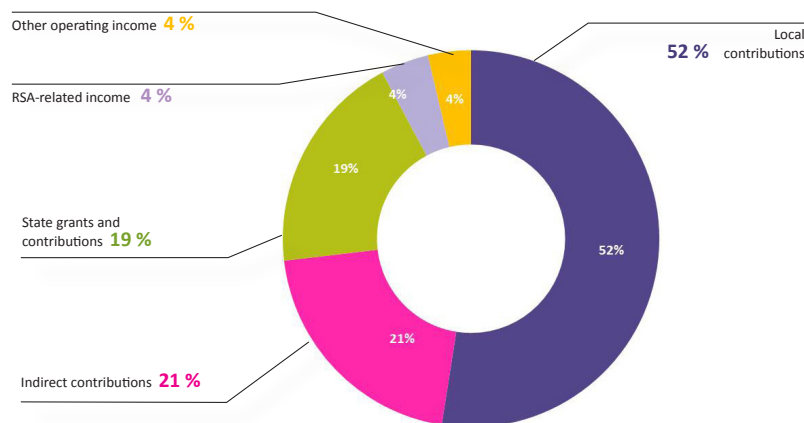
This came to €1,033.6M in 2014, versus €1,017.4M in 2013, a €16.2M increase. The total contribution paid to the FNGIR remained stable at €898.2M. Financial expenses were €126.8M against €111.1M in 2013. This jump of €19.4M was due to the continued active management of debt and cash flow which enabled interest rates which had remained low over the year to be taken advantage of and a reduction in finance costs.

OPERATING INCOME

The majority of tax revenue and operating grants paid by the State are entered in the "0" activity, "Non-Allocable Operations". However, some taxes such as the Household Waste Removal Charge (TEOM) as well as parking fees and many contributions are charged to other operations and do not appear in this section.

THE **OVERALL INCOME FROM REVENUE RELATED TO GENERAL SERVICES WAS €6,272.9M, DOWN 0.7% IN RELATION TO 2013 (€6,313.9M).**

OPERATING INCOME - 2014 AA



In 2014, revenues from **local City and Department contributions** at constant tax rates, totalled €3,293.1M versus €3,456.1M in 2013, a decline of 4.7%, following a drop in revenues from the CVAE. Changes in this income are particularly difficult to predict: tax changes are not correlated to added value changes within the INSEE meaning and the DGFIP is not at the moment able to communicate information in advance on company tax returns or payments..

GENERAL SERVICES

| | AA 2013 | AA 2014 | VARIATION, PROPERTY TAXES RESIDENCY TAXES |
|---------------------------------------|----------------|----------------|---|
| Contributions on business added value | 1,423.8 | 1,228.9 | -13.7% |
| Property taxes | 966.5 | 976.4 | 1.0% |
| Residence tax | 721.5 | 722.8 | 0.2% |
| Business owners property tax | 297.1 | 307.8 | 3.6% |
| Commercial floor area taxes | 15.6 | 15.0 | -3.5% |
| Fiat-rate tax on network companies | 10.0 | 11.4 | 13.7% |
| Additional rolls | 21.6 | 30.8 | 42.5% |
| TOTAL | 3,456.1 | 3,293.2 | -4.7% |

Indirect contributions came to €1,294.5M, an increase of 15.3% on 2013, up €172.2M.

| | AA 2013 | AA 2014 | VARIATION. % |
|--|----------------|----------------|--------------|
| Property transfer duties | 656.3 | 789.2 | 20.3% |
| Surcharge on certain registration rights | 21.0 | 16.4 | -21.8% |
| Surcharge on registration rights (TADE) | 240.5 | 283.7 | 17.9% |
| Tax on electricity | 74.3 | 70.2 | -5.5% |
| Special tax on insurance policies | 57.1 | 59.7 | 4.6% |
| Tourist tax | 40.4 | 41.2 | 2.1% |
| Entertainment tax | 17.1 | 17.4 | 1.7% |
| Domestic tax on energy product consumption (TICPE) | 14.7 | 15.7 | 6.6% |
| Other tax repayments | 0.7 | 0.7 | 0.3% |
| Funeral taxes | 0.3 | 0.3 | -6.2% |
| TOTAL | 1,122.3 | 1,294.5 | 15.3% |

- **Property transfer duties** generated revenues of €789.2M, a €132.9M increase compared to 2013. In line with the recommendations of the Regional Department of Public Finances (DRFiP), the one month delay in the attribution of duties was equalised. Funds from property recorded for this year correspond to the resources received from November n-1 to November N in 2014. On a like-for-like basis, or by reconstructing 13 months in 2013, the number of property transactions rose from 41,458 transactions in 2013 to 43,767 transactions recorded in 2014 (+5.6%). According to the INSEE database, notary indices for prices of old apartments sold privately, with unrestricted ownership, were 123.7 compared to 126.5 in the last semester of 2013, or a price of €7,960 per m² compared to €8,140 per m² at end 2013.
- The **surcharge on certain registration fees** represented €16.4M in revenue.
- The **surcharge on registration fees (TADE)** levied on property transactions in Paris, rose to €283.7M compared to €240.5M in 2013, an increase of €43.1M. **In total, revenue from property taxes was €1,089.3M versus €917.7M in the 2013 AA.**
- Revenue from the **Tax on Final Electricity Consumption (TCFE)** collected by the City and the Department was €70.2M versus €74.3M in the 2013 AA. The 2013 AA was exceptionally high due to the exceptionally harsh climate conditions.
- Collection of the **Special Tax on Insurance Policies (TSCA)** was up by €2.6M over 2013, increasing from €57.1M to €59.7M. There was no increase in the number of contracts signed, but as these are mostly index linked, annual bonuses rise mechanically during the lifetime of contracts and related taxes as well.

Grants and contributions totalled €1,454.3M in 2013, down by €98.2M in relation to 2014 (-6.3%). These revenues included : State support and other contributions as well as revenue related to the RSA.

After having been adjusted for inflation in 2010, the value of **State Support** for all local authorities has been stable since 2011. Local authorities represented 20% of public spending and contributed €11Bn to the €50Bn in savings planned by the Government in the 2014-2019 Public Finance Planning Act. The distribution of efforts focused entirely on the General Operating Grant (DGF) received by all authority levels: municipalities, public establishments for cooperation between local authorities (EPCI), departments and regions.

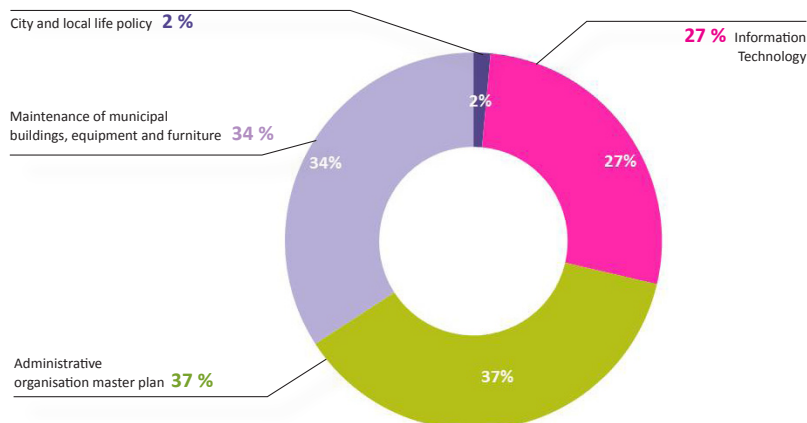
- The **General Operating Grant (DGF)** was down 7.5% compared to 2013, declining from €1,226.5M to €1,134.5M, a decrease of €92.0M;
- **Compensation grants** for property and residency tax exemptions and the loss of the Surcharge on Registration Fees (TADE) were also down by €4.8M, with €43.6M collected in 2014 compared to €48.4M in 2013. Compensation paid by the State as CVAE fell by €5.3M.
- The General Decentralisation Grant (DGD) and the special endowment for teachers (DSI) decreased by 0.9% and 8.2% respectively, for a total of €15.8M and €0.2M.

Other contributions represented €0.7M versus €0.9M in 2013. The decrease was especially in money collected from sponsorships for the exhibitions organised by Paris City Hall.

Income linked to the RSA amounted to €259.4M (a decrease of €0.9M compared to 2013). The assumption of RMI and then RSA by the Department is offset by the commensurate transfer of a portion of the Domestic Tax on Consumption of Energy Products (TICPE). The amount collected under this heading (€246.6M) corresponds to the right to compensation based on expenses incurred by the State for the RMI as of December 2003. It is supplemented by revenues from the "Departmental Mobilisation Fund for Integration" (FMDI), €12.8M received in 2014. The amounts received do not correlate to the number of beneficiaries, nor exclusively to fuel consumption for the TICPE.

INVESTMENT SECTION

INVESTMENT INCOME 2014



CAPITAL EXPENDITURE

► GENERAL ADMINISTRATION EXPENSES

INVESTMENT EXPENDITURE UNDER GENERAL SERVICES TOTALLED €90.1M.

Mergers of services as part of the administrative organisation master plan represented an effort of €33.2M, of which €15.4M was spent on the T8 in the PRG development zone and €15.3M on the garages in the Pouchet development zone.

€31.3M was invested for the maintenance of municipal buildings, equipment and furniture, including €4.1M for boiler modernisation, €4.6M for maintenance of arrondissement town halls, €2.4M to implement regulator standards for lifts and €2.0M for cemetery management.

Investments in equipment and IT maintenance represented €24.3M, of which €4.7M was for renovating local facilities, €1.1M for upgrades to financial systems and €0.9M for upgrades to human resources systems.

► INVESTMENT GRANT FOR THE ARRONDISSEMENTS

The investment grant for the arrondissement town halls totalled €4.9M in 2014, stable relative to 2013.

INVESTMENT INCOME

► GENERAL ADMINISTRATION

This income amounted to €5.5M, of which €1.4M in repayments to third parties.

► PROVISIONS

Grants are entered under activity 01, for €179.9M. In addition to the VAT Compensation Fund mentioned previously (€168M), the Local Equipment Tax (TLE) represented €6.1M and income from fines, paid to the Department, €0.3M.

III/ ADMINISTRATIVE ACCOUNT AND TECHNICAL ITEMS

1/ BREAKDOWN OF BALANCED OPERATIONS

Parts I and II show the actual budget of the City and the Department, net of balanced expense and income entries. This has been done in order to show the actual financial efforts of the Authority in favour of the various policies conducted.

For operations, the main balanced transactions concern the offsetting contribution paid by the City to the Department, the departmental bonus paid to officials and the costs for the staff of elected representatives, recorded as an expense in the Department budget and income in the City budget.

It should also be noted, with respect to actual operating revenue, that the administrative account also included €158.9M in account 775 as income from sales, noted in operations before being immediately reintegrated in the investment section² : **these are therefore shown in the investment income section**.

To this is added €554.6M in book entry expenses, and €92.9M in book entry income detailed below.

The following entries in the administrative account are added to the authority's net investment expenses (€1,529M) :

- €100M in debt repayment and the right to draw on revolving credit lines from the municipal budget, as revolving loans were not subject to any partial or final amortisation over the financial year;
- €51.5M in the municipal budget, corresponding to the balanced expense and income items in planning operations and the property account;
- €111M in the municipal budget, corresponding to the renewal of the concession for work at the Parc des Expositions at the Porte de Versailles;
- €152.4M in the municipal budget for the Philharmonie;
- €537M in book entry operations (€458.5M in the City and €78.5M in the Department), described below.

These account entries are added to net investment income (€686M) :

- €257.4M corresponding to the previous result carried forward (€195.4M for the City and €62M for the Department);
- €510.0M of new loans (borrowing);
- €100.0M corresponding to partial replenishment of the right to draw on revolving loans which existed at the beginning of the year;
- €314.9M in the municipal budget, mirroring expenses, corresponding to the balanced entries in planning operations and sales with payment schedules (Parc des Expositions at Porte de Versailles and Philharmonie) ;
- €471.4M of section to section transfer book entry operations as described below.
- €444M in book entry operations inside the investment section (€443.9M for the City and €0.15M for the Department) devoted to heritage operations in chapter 041, and described below.

2/ OPERATIONS RELATED TO DEBT

| LENDER / AGENT | NOMINAL (M€) | DATE VALUE | MATURITY | MATURITY IN YEARS | ISSUING YIELD (%) | SPREAD / OAT (PTS) |
|-----------------------|--------------|---|------------|----------------------|-------------------|-----------------------|
| HSBC | 50 | 16/04/14 | 14/12/29 | 15.7 | 2.85 | 15 |
| Helaba ⁽¹⁾ | 25 | 10/04/14 | 21/03/23 | 8.9 | 2.10 | 15 |
| Helaba ⁽¹⁾ | 25 | 10/04/14 | 21/03/29 | 14.9 | 2.84 | 15 |
| Helaba ⁽¹⁾ | 50 | 11/07/14 | 11/07/34 | 20 | 2.57 | 15 |
| HSBC | 70 | 17/07/14 | 17/07/31 | 17 | 2.519 | 11 |
| Bred | 50 | 15/07/14 | 15/12/28 | 14.4 | 2.28 | 15 |
| EIB | 130 | 31/07/14 | 31/07/23 | 9 | 1.454 | 11.5 |
| EIB | 70 | 07/10/14 | 07/10/21 | 7 | 0.770 | 4.5 |
| Helaba ⁽¹⁾ | 40 | 13/01/2015 | 13/12/2024 | 9.9 | 1.130 | 24 |
| TOTAL | 510 | 2014 AVG 2013 WEIGHT PER NOMINAL | | 12,4 | 1,91 | 12,82 |

⁽¹⁾ *Schuldschein*

In 2014, the City of Paris was financed on particularly interesting terms, benefiting from both a low interest rate and with the appeal of its name giving a very tight spread with respect to the OAT (12.82 pts on average). All of its fund-raising was indexed at a fixed rate to take advantage of favourable rates over the term of the loans.

² During a sale, the investment section must record the removal of the heritage property sold at its initial purchase value and the gain/loss realised, in separate accounts. Account 775 of the operations section acts as a pivot account to levy the income amount without this breakdown. Reassignment to the investment section is performed using a book entry as shown on p. 83 of this report: the initial purchase value and the gains (€ 161.4 M), decreased by losses (€2.5 M), corresponding to the product held (€158.9 M).

The City used varied means of funding. In addition to its bond financing which represented a third of its funding for the year, it also drew on EIB loans which accounted for 39% and Schuldschein-format loans for 28%. This diversification in funding sources is to secure the City's funding.

3 / BOOK ENTRY OPERATIONS

Three types of book entries are combined in three specific broad chapters :

- book entry operations to transfer between operations and investment sections (chapters 040 and 042);
- book entry operations within the investment section titled "heritage" (chapter 041);
- transfer from the operations section (chapter 023) to the investment section (chapter 021).

The book entry operations carried out in 2014 in the City and Department budgets are as follows (operations and investment) :

| CHAP | CITY | INVESTMENT | | | | OPERATION | | | |
|------|--|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| | | EXPENDITURE | | INCOME | | EXPENDITURE | | INCOME | |
| | | BUDGET ENTRIES | PROCEEDS | BUDGET ENTRIES | PROCEEDS | BUDGET ENTRIES | PROCEEDS | BUDGET ENTRIES | PROCEEDS |
| 040 | Book entry transfers between sections (investment) | 15,389,700 | 14,567,287 | 330,173,603 | 457,040,593 | 0 | 0 | 0 | 0 |
| 042 | Book entry transfers between sections (operations) | 0 | 0 | 0 | 0 | 330,173,603 | 457,040,593 | 15,389,700 | 14,567,287 |
| 041 | Heritage operations | 595,845,849 | 443,951,361 | 595,845,849 | 443,951,361 | 0 | 0 | 0 | 0 |
| 021 | Transfer from the operation section | 0 | 0 | 148,293,302 | 0 | 0 | 0 | 0 | 0 |
| 023 | Transfer to the investment section | 0 | 0 | 0 | 0 | 148,293,302 | 0 | 0 | 0 |
| | TOTAL CITY | 611,235,549 | 458,518,648 | 1,074,312,754 | 900,991,955 | 478,466,905 | 457,040,593 | 15,389,700 | 14,567,287 |
| CHAP | DEPARTMENT | | | | | | | | |
| | | | | | | | | | |
| | | BUDGET ENTRIES | PROCEEDS | BUDGET ENTRIES | PROCEEDS | BUDGET ENTRIES | PROCEEDS | BUDGET ENTRIES | PROCEEDS |
| 040 | Book entry transfers between sections (investment) | 79,135,894 | 78,371,348 | 87,300,000 | 97,592,053 | 0 | 0 | 0 | 0 |
| 042 | Book entry transfers between sections (operations) | 0 | 0 | 0 | 0 | 87,300,000 | 97,592,053 | 79,135,894 | 78,371,348 |
| 041 | Heritage operations | 3,850,000 | 156,296 | 3,850,000 | 156,296 | 0 | 0 | 0 | 0 |
| 021 | Transfer from the operation section | 0 | 0 | 89,684,835 | 0 | 0 | 0 | 0 | 0 |
| 023 | Transfer to the investment section | 0 | 0 | 0 | 0 | 89,684,835 | 0 | 0 | 0 |
| | TOTAL DEPARTMENT | 82,985,894 | 78,527,644 | 180,834,835 | 97,748,349 | 176,984,835 | 97,592,053 | 79,135,894 | 78,371,348 |
| | TOTAL BOOK ENTRY CITY AND DEPARTMENT | 694,221,443 | 537,046,292 | 1,255,147,589 | 998,740,304 | 655,451,740 | 554,632,646 | 94,525,594 | 92,938,635 |

A - BUDGET BOOK ENTRY MOVEMENTS BETWEEN SECTIONS IN 2014 (CHAPTERS 040 AND 042)

| CHAP | CITY | INVESTMENT | | OPERATIONS | |
|------|--|--------------------|--------------------|--------------------|-------------------|
| | | EXPENSES generated | INCOME generated | EXPENSES generated | INCOME generated |
| 040 | Book entry transfers between sections (investment) | 14,567,287 | 457,040,593 | 0 | 0 |
| 042 | Book entry transfers between sections (operations) | 0 | 0 | 457,040,593 | 14,567,287 |
| | DEPARTMENT | | | | |
| 040 | Book entry transfers between sections (investment) | 78,371,348 | 97,592,053 | 0 | 0 |
| 042 | Book entry transfers between sections (operations) | 0 | 0 | 97,592,053 | 78,371,348 |
| | TOTAL 040 AND 042 | 92,938,635 | 554,632,646 | 554,632,646 | 92,938,635 |

These movements apply primarily to :

1. ALLOCATIONS FOR DEPRECIATION AND PROVISIONS

Depreciation of assets is entered in chapter 68 (allocations for depreciation and provisions) in operating expenditure and 28 (depreciation of assets) in investment income.

In 2014, depreciation of goods acquired and amortisation of capital grants and depreciation of capital grants (paid between 1997 and 2013 for the City and between 2003 and 2013 for the Department) **for a total amount of €392.3M, of which €305.0M was in the municipal budget and €87.3M in the departmental budget.**

Furthermore, **depreciation of bond redemption premiums** entered in chapter 68 under operating expenditures and 16 under investment income in the municipal budget, corresponds to the annual amortisation over the life of the bond issues, of the issue premium determined when they were issued (the bonds being issued below par).

Eleven issues launched since 2005 (annual amortisation over the term of the loan) justified expenditure of €1.0M in 2014 :

- V514 - Dexia Morgan Stanley (€120M in June 2005)
- V519 - Natixis HSBC (€200M in May 2006)
- V521 - Dexia-Caylon (€100M in November 2006)
- V523 - HSBC Natixis (€160M in December 2007)
- V527 - HSBC Natixis (€155M in December 2008)
- V529 - HSBC Natixis (€200M in June 2009)
- V533 - HSBC (€100M in December 2010)
- V534 - HSBC Natixis Société Générale (€140M in December 2010)
- V538 - Goldman Sachs (€100M in November 2011)
- V541 - Deutsche Bank (€100M in April 2012)
- V557 - Natixis (APR of €50M in October 2013)

In accordance with the amending decision of October 2014, two provisions were revised, one covering bad debts (€1.03M) and the other litigation risks (€8.9M). These revisions led to adjustment of provisions with monitoring by the Regional Department of Public Finances (DRFIP). The allocations were thus adjusted from €13.6M to €12.6M for bad debts and from €11.3M to €2.4M for litigation risks for a total of €15.0M under the municipal budget.

The provisions were recorded in chapter 68 under operating expenditure and 15 and 49 under investment income.

2. SALES OF CAPITAL ASSETS

For 2014, sales of capital assets included **land sales and conversion of loans and advances into exceptional subsidies.**

Since the M14 accounting and budget reform on 1st January 2006, sales of capital assets **are budgeted as income only in the investment section** (chapter 024) but are executed in the operations and investment sections as before.

THE FOLLOWING ARE RECORDED IN THE OPERATIONS SECTION :

- expenditure : **the net book value of assets sold and the capital gains achieved (chapter 67) for €151.1M under the municipal budget and €10.3M under the departmental budget, a total of €161.4M ;**
- revenue : **the losses recorded (chapter 77) for €2.6M under the municipal budget and €814.0 under the departmental budget.**

THE FOLLOWING ARE RECORDED IN THE INVESTMENT SECTION :

- revenue : **the removal of property from the assets sold (chapters 21, 23, 26 and 27 - excluding 274) as well as the realised gains (chapter 19) for €151.1M under the municipal budget and €10.3M under the departmental budget, a total of €161.4M ;**
- expenditure : **the losses recorded (chapter 19) for €2.6M and €814.0 under the departmental budget.**

The main sales of property assets in 2014 concern :

- the building at 2 Allée de Nancy and 6 Square de Grenoble in Massy(91) €32.6M
- the land at 12 rue Louis Armand (15th) €26.0M
- the property complex volume 2 – 43 rue Bayen (17th) €20.0M
- the building at 12-22 Rue Saint Eloi in Gentilly (94) €17.1M
- the building at 80 Bd Jourdan (14th) – Exchange €10.3M
- the plot at 2-14 place de la Porte de Vanves (14th) €8.9M
- the plots at rue Castagnary / rue du Bessin / rue du Bocage (15th) €7.0M

- the building at 1-10 Allée des Grands Champs in Bagnolet (93) €5.9M
- the plot at Montrouge (92) €4.8 M
- lots at 10 rue du Paradis (10th) €4.7 M
- the building at 43-45 Rue Raynouard (16th) €4.6M
- the plot at 136 bd Davout (20th) €2.7 M
- the land at 16-26 Porte de Montmartre and 62/64 rue Binet (18th) €1.7 M
- the building at 6 Rue Colbert (2nd) €1.4M
- the building at 4-26 Avenue de Choisy (13th) €1.0M
- the land at 2-6 rue de la Fédération (15th) €1.0 M
- the land at 8-12 rue de la Fédération (15th) 0.8 M
- the plots at Levallois-Perret (92) €0.6 M

Furthermore, disposals of legacy-related investments amounted to €1.3M for the municipal budget in 2014, of which €0.5M transferred to the Paris Musées Public Establishment (EPPM) for legacies bequeathed to museums, including Bourdelle, Sasse, Gauvin and Evans. Under the departmental budget, disposals of bond investments or shares which had reached maturity relating to legacies bequeathed for child welfare, amounted to **€5.4M**.

3. CAPITAL GRANTS - TRANSFERABLES

Transferable capital grants apply primarily to the departmental budget in 2014 and will be included in chapter 13 (capital grants) under investment expenses and chapter 77 (exceptional income) under operating revenues. Capital grants paid by the State as part of the delegation of powers for housing are listed in the operations section and amortised **for a total of €72.6 M**. Furthermore, the Departmental Secondary School Equipment Grant (DDEC) is renewed each year for at least the depreciation expense for academic buildings (€5.8 M).

4. SUBCONTRACTED WORK

The operation consists of reallocating the material and personnel costs in investment expenditure under chapters 21 or 23 (in Expenditure) which enable municipal employees to convert raw materials into fixed assets for €1.6 M under the municipal budget in 2014.

B - HERITAGE OPERATIONS (CHAPTER 041)

| | CHAP | DESCRIPTION | INVESTMENT | |
|------------------|------|---------------------|--------------------|--------------------|
| | | | EXPENSES generated | INCOME generated |
| City | 041 | Heritage operations | 443,951,361 | 443,951,361 |
| Dept | 041 | Heritage operations | 156,296 | 156,296 |
| TOTAL 041 | | | 444,107,657 | 444,107,657 |

These movements correspond to the balanced expenditure between expenses and income accounting entries made within the investment section.

In the municipal budget, this applies primarily to :

- **repayment of advances paid as part of delegating project management** for €185.4M, (chapter 23), including €180.5M for redevelopment of Les Halles and €4.0M for establishments for young children.

- **acquisitions of public right of way** free of charge for €237.8M (expenditure chapter 21 and income chapter 13), this mainly relates to :

- the building at rues Auriol, Dunois and Chevaleret (13th) €69.2M
- the building at 30-34 rue Archereau (19th) €27.9M
- the building at 6-12 rue Jean Calvin (5th) €25.5M
- the building at 25-35 rue des Cascades (20th) €22.2M
- the building at 1-9 rue des Albert Camus (10th) €20.7M
- the building at 12-22 rue Saint Eloi in Gentilly (94) €16.5M
- volumes 35-47, rue Bargue (15th) €14.1M

- the building at 11-15 rue Neuve des Boulets (11th)..... €12.6M
- the building at 6-8 rue Albert Camus (10th) €9.9M
- the building at 23-25 rue de Tanger (19th) €7.4M
- lots in Bassin de la Villette-Tandou / Crimée / Flandre development zones (19th) €5.5M
- volumes in Bassin de la Villette-Quai de Loire development zones (19th) €4.5M
- the building at 147-153 avenue de Flandre (19th) €1.6M

- **integrating investment expenditure within municipal assets in the Special Arrondissement Accounts** made in 2014, for €4.5M (expenditure chapters 20 and 21 and income chapter 21).

- **integrating study expenses and integration fees with public works expenditure** for €6.1M (expenditure chapters 21 and 23 and income chapter 20). In 2014, study and integration fees followed by actual investments were transferred to expenditure made in 2012 and 2013. These accounting movements allowed the inclusion of more than €6M in the category of investment expenditure eligible for FCTVA, which generates revenue of €1.0M for 2015.

In addition, two bond issues completed in 2014 were subject to issue premiums in the amount of €143,134 (loan V561 HSBC Private Placement €50M of April and V565 HSNL Placement €70M of July 2014).

Finally, for the first time, three bank loans were also subject to issue premiums (V562 Schuldschein Helaba €25M 9 years, V563 Schuldschein Helaba €25M of April 2014 and V569 Schuldschein Helaba €25 M 15 years) for a total amount of €70,000.

In the Departmental budget, this was limited to recording movements concerning the **inclusion of study expenses and integration fees in works** for an amount of €0.2M. In 2014, study and integration fees followed by actual investments were transferred to expenditure made in 2012 and 2013.

C - TRANSFER FROM THE OPERATIONS SECTION TO THE INVESTMENT SECTION (CHAPTERS 021 AND 023)

The provisional budget for 2014 for the transfer from the operations section to the investment section was €238.0M, of which €148.3M was in the municipal budget and €89.7M was in the Departmental budget. This transfer contributes to the self-financing generated for the fiscal year considered and specifically ensures debt capital payments are made. These budget entries do not involve any budget implementations.

4) PROGRAMME AUTHORISATIONS

In 2014, €2.3Bn was mandated through programme authorisations (actual appropriations and book entry operations). In the current programme authorisations for 2014 (€15.2Bn), €1.1Bn in programme authorisations for completed operations are recorded in the administrative account. Programme authorisations still valid in 2014 amounted to €14.1Bn, of which €9.2Bn was spent by orders.

| | GROSS PA AS OF 1/1/2014 | 2014 ISSUED UNDER PA | PA TERMS RECORDED | BALANCE GROSS PA | MULTI-YEAR ACCUM IN PA |
|---------------------|----------------------------|----------------------|----------------------|-----------------------|------------------------|
| City | 13,188,963,486 | 2,076,501,133 | 1,017,968,828 | 12,170,994,658 | 8,233,379,364 |
| Department | 1,997,603,201 | 197,458,861 | 108,229,117 | 1,889,374,084 | 977,897,811 |
| CONSOLIDATED | 15,186,566,687 | 2,273,959,994 | 1,126,197,945 | 14,060,368,742 | 9,211,277,175 |

2014 CITY ADMINISTRATIVE ACCOUNT

FINANCIAL BALANCE

OPERATING SECTION

EXPENDITURE

ACTUAL AND MIXED OPERATIONS

| | |
|-------------------------------------|-------------------------|
| Chapters 011, 012, 65, 656, 014 | 5 001 133 382,49 |
| 66 Financial expenses | 128 187 885,40 |
| 67 Exceptional expenses | 48 959 858,02 |
| Total actual expenditure | 5 178 281 125,91 |
| Balance of actual operations | |

BOOK ENTRIES BETWEEN SECTIONS

| | |
|---|-------------------------|
| Total book entry expenditure | 457 040 593,38 |
| Total (actual and book entry operations) | 5 635 321 719,29 |
| 002 Previous deficit brought forward | 0,00 |

TOTAL OPERATING EXPENDITURES 5 635 321 711,21

INCOME

ACTUAL AND MIXED OPERATIONS

| | |
|--------------------------------------|-------------------------|
| Accounts 70 to 75 + 013 | 5 550 766 206,26 |
| 76 Financial income | 29 747 832,95 |
| 77 Exceptional income | 201 981 031,30 |
| Total actual and mixed income | 5 782 495 070,51 |
| Balance of actual operations | 604 213 944,60 |

BOOK ENTRIES BETWEEN SECTIONS

| | |
|---|-------------------------|
| Total book entry income | 14 567 286,81 |
| Total (actual and book entry operations) | 5 797 062 357,32 |
| 002 Previous surplus brought forward | 134 948 473,78 |

TOTAL OPERATING INCOME 5 932 010 831,10

OPERATING INCOME

SURPLUS

296 689 111,81

INVESTMENT SECTION

EXPENDITURE

ACTUAL OPERATIONS

Financial expenses

| | |
|-------------------------------------|----------------|
| 10. Miscellaneous grants and funds | 733 248,75 |
| 13. Subsidies | 325 873,48 |
| 16. Repayment of loans ¹ | 198 393 121,22 |
| 16449 Revolving credit | 100 000 000,00 |

| | |
|---------------------------------|---------------|
| 26 Shareholdings | 90 000,00 |
| 27 Other financial fixed assets | 65 471 068,37 |

Capital expenditure

| | |
|------------------------------|----------------|
| 20 Intangible assets | 9 262 610,49 |
| 204 Capital grants paid | 473 711 409,02 |
| 21 Tangible fixed assets | 333 100 060,70 |
| 23 Assets under construction | 746 133 202,46 |

Operations for third parties 16 232 225,60

Total actual expenditure 1 943 452 820,09

SELF-FINANCING REQUIREMENT (EXPENSES - INCOME)

597 917 120,34

BOOK ENTRIES WITHIN A SECTION

Total 443 951 361,25

BOOK ENTRIES BETWEEN SECTIONS

Total 14 567 286,81

Total (actual and book entry operations) 2 401 971 468,15

D001 Income brought forward n-1 154 456 879,56

TOTAL INVESTMENT EXPENDITURE 2 556 428 347,71

INCOME

ACTUAL OPERATIONS

Own external resources

| | |
|--|----------------|
| 10. Miscellaneous grants and funds (except 1068) | 166 813 521,31 |
| 138. Unallocated investment subsidies | 0,00 |
| 27. Repayment of loans | 197 971 931,80 |

Other permanent external resources

| | |
|--|----------------|
| 20 Intangible assets | 93 421,75 |
| 204 Capital grants | 0,00 |
| 21 Tangible fixed assets | 113 518,00 |
| 23 Assets under construction | 4 661 208,09 |
| 26 Sale of shareholdings and related receivables | 0,00 |
| 13 (except 138) Investment grants | 197 826 655,43 |

Other non-permanent external resources

| | |
|---|----------------|
| 163 Debenture loans | 169 856 865,50 |
| 164 Loans with credit establishments (excluding C. revolving) | 439 930 000,00 |
| 16449 Revolving credit | |
| 165 Deposits and other guarantees received | 466,11 |
| 168 Other loans and similar debts | 152 472 559,21 |

Operations for third parties 15 795 552,55

Total actual income 1 345 535 699,75

BOOK ENTRIES WITHIN A SECTION

Total 443 951 361,25

BOOK ENTRIES BETWEEN SECTIONS

Total 457 040 593,38

Total (actual and book entry operations) 2 246 527 654,38

R1068 Allocation n-1 195 404 480,47

TOTAL INVESTMENT INCOME 2 441 932 134,85

BALANCE OUT-TURN OF INVESTMENT SECTION

DEFICIT

114 496 212,86

¹ (excluding revolving credit)

2014 DEPARTMENT ADMINISTRATIVE ACCOUNT

FINANCIAL BALANCE

| OPERATING SECTION | | | |
|---|------------------|--|------------------|
| EXPENDITURE | | INCOME | |
| ACTUAL AND MIXED OPERATIONS | | ACTUAL AND MIXED OPERATIONS | |
| Chapters 011, 012, 65, 6586, 014 | 2 559 215 911,44 | Accounts 70, 73, 74, 75, 013 | 2 941 670 866,47 |
| 016 Personalised autonomy allowance (APA) | 134 775 755,16 | 016 APA | 13 801 703,18 |
| 015/017 Active Solidarity Income (RSA) | 398 996 809,60 | 015/017 RSA | 263 569 169,32 |
| 66 Financial expenses | 0,78 | 76 Financial income | 1 283 198,55 |
| 67 Exceptional expenses | 3 289 845,52 | 77 Exceptional income | 11 087 383,96 |
| 68 Allocations for provisions | - | 78 Reversals of provisions | 112 000,00 |
| Total actual and mixed expenditure | 3 096 278 322,50 | Total actual and mixed income | 3 231 524 321,48 |
| BALANCE OF ACTUAL AND MIXED OPERATIONS | | 135 245 998,98 | |
| BOOK ENTRIES BETWEEN SECTIONS | | BOOK ENTRIES BETWEEN SECTIONS | |
| Total book entry expenditures | 97 592 052,93 | Total book entry revenues | 78 371 348,20 |
| Total (actual and book entry operations) | 3 193 870 375,43 | Total (actual and book entry operations) | 3 309 895 669,68 |
| D002 Deficit brought forward | 0,00 | D002 Surplus brought forward | 0,00 |
| TOTAL OPERATING EXPENDITURES | 3 193 870 375,43 | TOTAL OPERATING REVENUE | 3 309 895 669,68 |
| OPERATING INCOME | | SURPLUS | |
| | | 116 025 294,25 | |

| INVESTMENT SECTION | | | |
|--|----------------|---|----------------|
| EXPENDITURE | | INCOME | |
| ACTUAL OPERATIONS | | ACTUAL OPERATIONS | |
| DEPARTMENTAL CAPITAL (DIRECTS INVESTMENTS) | 56 499 925,78 | 10 (except 1068) Own funds of external origin | 8 447 338,58 |
| Capital expenditure | | Capital expenditure | |
| 20 Intangible assets | 771 367,67 | 20 Intangible assets | 0,00 |
| 21 Tangible fixed assets | 1 485 005,55 | 23 Assets under construction | 954 620,80 |
| 23 Assets under construction | 53 950 319,93 | Other financial fixed assets | 0,00 |
| 018 RSA | 293 232,63 | 274. Repayment of loans | 660 174,25 |
| NON-DEPARTMENTAL CAPITAL | 133 620 979,06 | 018 RSA | 0,00 |
| 204 Capital grants paid | 133 620 979,06 | 13 Capital grants received | 89 697 470,98 |
| 45 Work for third parties | 3 978 429,33 | 165 Deposits and other guarantees received | 0,00 |
| Financial expenses | | 204 Capital grants paid | 0,00 |
| 165 Deposits and other guarantees | 0,00 | 45 Third-party contributions to work carried out for them | 6 039 199,58 |
| 26 Shareholdings | 0,00 | | |
| 27 Other financial fixed assets | 3 340 675,00 | | |
| 10 Miscellaneous grants and funds | 0,00 | | |
| Total actual expenditure | 197 440 009,17 | Total actual income | 105 798 804,19 |
| SELF-FINANCING REQUIREMENT (EXPENSES - INCOME) | | 91 641 204,98 | |
| BOOK ENTRIES WITHIN A SECTION | | BOOK ENTRIES WITHIN A SECTION | |
| Total | 156 296,21 | Total | 156 296,21 |
| BOOK ENTRIES BETWEEN SECTIONS | | BOOK ENTRIES BETWEEN SECTIONS | |
| Total | 78 371 348,20 | Total | 97 592 052,93 |
| Total (actual and book entry operations) | 275 967 653,58 | Total (actual and book entry operations) | 203 547 153,33 |
| D001 Income brought forward n-1 | 76 022 892,11 | R1068 Allocation n-1 | 62 038 797,49 |
| TOTAL INVESTMENT EXPENDITURE | 351 990 545,69 | TOTAL INVESTMENT INCOME | 265 585 950,82 |
| BALANCE OUT-TURN OF INVESTMENT SECTION | | DEFICIT | |
| | | 86 404 594,87 | |

CONSOLIDATED FINANCIAL BALANCES 2009-2014 CITY AND DEPARTMENT OF PARIS FROM 2009 AA TO 2014 AA

IN MILLIONS OF EUROS

| | AA 2009 | AA 2010 | AA 2011 | AA 2012 | AA 2013 | AA 2014 | Variation 2014/2013 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|------------------------|
| Current operating income | 6 129 | 6 582 | 7 782 | 7 865 | 7 849 | 8 033 | 2% |
| Operating expenditure | 5 547 | 5 701 | 6 804 | 7 002 | 7 146 | 7 358 | 3% |
| SURPLUS | 582 | 881 | 978 | 863 | 703 | 676 | -4% |
| Financial balance | -47 | -50 | -66 | -79 | -93 | -97 | 5% |
| Exceptional items balance | -46 | -34 | -46 | -27 | -38 | 2 | -105% |
| Total actual operating income | 6 163 | 6 609 | 7 816 | 7 895 | 7 897 | 8 107 | 3% |
| Total actual operating expenditure | 5 673 | 5 812 | 6 950 | 7 138 | 7 325 | 7 527 | 3% |
| GROSS SURPLUS | 490 | 797 | 866 | 757 | 573 | 581 | 1% |
| Loan repayments (with revolving credit) | 120 | 125 | 184 | 200 | 200 | 197 | -2% |
| NET SURPLUS | 370 | 672 | 682 | 557 | 373 | 384 | 3% |
| Actual investment income | 793 | 457 | 495 | 577 | 671 | 686 | 2% |
| INVESTMENT FINANCING CAPACITY | 1 283 | 1 254 | 1 360 | 1 334 | 1 243 | 1 266 | 2% |
| Actual financing expenditure | 1 463 | 1 477 | 1 551 | 1 662 | 1 740 | 1 529 | -12% |
| Financing requirement | 300 | 348 | 375 | 528 | 697 | 460 | -34% |
| New loans | 275 | 340 | 381 | 470 | 630 | 510 | -19% |
| Working capital as of 1/1 | 318 | 293 | 285 | 288 | 230 | 163 | |
| Change in working capital | -25 | -8 | 6 | -58 | -67 | 50 | |
| Working capital as of 31/12 | 293 | 285 | 291 | 230 | 163 | 213 | |
| Debt outstanding as of 1/1 | 2 326 | 2 481 | 2 696 | 2 892 | 3 219 | 3 655 | |
| Debt outstanding as of 31/12 | 2 481 | 2 696 | 2 893 | 3 219 | 3 655 | 4 120 | |
| Change in debt outstanding | 155 | 215 | 197 | 327 | 436 | 466 | |
| Financing capacity | 87,7% | 84,9% | 87,7% | 80,3% | 71,4% | 82,8% | |

MAIN FINANCIAL RATIOS FOR THE PARIS AUTHORITY (CITY AND DEPARTMENT)

| | AA 2009 | AA 2010 | AA 2011 | AA 2012 | AA 2013 | AA 2014 |
|--|------------|------------|------------|------------|------------|------------|
| 1. NET SURPLUS RATE | | | | | | |
| Net Surplus / Actual Operating Income <i>measures the municipality's ability to generate a surplus.</i> | 5,8 % | 10,2 % | 8,7 % | 7,1 % | 4,7 % | 4,7 % |
| 2. DEBT INDICATORS | | | | | | |
| Debt capital outstanding / Actual operating income | 39,0 % | 40,8 % | 37,0 % | 40,8 % | 46,3 % | 50,8 % |
| Debt capital outstanding / Gross surplus <i>number of years required to repay debt capital.</i> | 5,1 | 3,4 | 3,3 | 4,3 | 6,4 | 6,3 |
| Debt outstanding / Population (in euros) | 1 156 | 1 207 | 1 295 | 1 426 | 1 611 | 1 811 |
| 3. STRUCTURE COST RIGIDITY INDICATOR | | | | | | |
| Personnel expenses / Actual operating revenues <i>measures room for manoeuvre in terms of expense reduction.</i> | 31,2 % | 30,7 % | 26,3 % | 26,7 % | 26,7 % | 27,2 % |
| 4. TAX POTENTIAL MOBILISATION COEFFICIENT (CITY ONLY) | | | | | | |
| Income from direct contributions of 4 taxes (TH, TFB, TFNB, TP then CVAE)/Tax potential 4 taxes <i>measures fiscal room for manoeuvre (opportunity to increase rates and thus income)</i> | 57,0 % | 59,6 % | 61,1 % | 53,6 % | 53,1 % * | 53,3 % |
| 5. TAX EFFORT (CITY ONLY) | | | | | | |
| Income from direct contributions from 3 taxes (TH, TFB, TFNB)/ Tax potential of 3 taxes <i>measures fiscal room for manoeuvre for household taxes (opportunity to increase rates and thus income)</i> | 47,9 % | 49,3 % | 52,0 % | 45,2 % | 45,0 % | 44,9 % |

* The 2013 mobilisation coefficient ratio of the tax potential has been modified to deduct payment of the Individual Guarantee of Resources (GIR) in the municipal section, following the business tax (TP) reform.

FINANCIAL ANALYSIS GLOSSARY

CURRENT OPERATING INCOME :

All actual operating income excluding financial and exceptional income. This includes inter alia, direct and indirect taxes, grants and contributions from the State and local authorities and fees and charges for services.

CURRENT OPERATING EXPENSES :

All actual operating expenses excluding financial and exceptional expenses. This includes inter alia, personnel costs, overhead costs, subsidies and contributions.

SURPLUS :

The difference between current operating income and current operating expenses.

GROSS SURPLUS:

The difference between actual operating income and actual operating expenses. Includes financial and exceptional balances. Gross surplus is the amount available to finance the expenses reflected in the capital section once the authorities' operating expenses have been covered. They are primarily allocated to the repayment of the capital portion of debt.

REPAYMENT OF LOANS:

The loan amount repaid during the year, which may include a reduction in the revolving credit ceiling.

NET SURPLUS:

The difference between the gross surplus and the repayment of loans. A positive net figure indicates that the authority is able to repay the principal of its debt exclusively by using the surplus of its operating revenues over its operating expenses. A negative figure indicates that the authority must allocate a portion of its investment income to debt repayments, to the detriment of the financing of investments.

ACTUAL INVESTMENT INCOME:

The sum of all investment excluding book entries, borrowings and revolving credit. It specifically includes the FCTVA, police fines and loan repayments granted by the authority.

REVOLVING CREDIT:

Revolving credit is a type of loan used as part of active debt management. Revolving credit is only drawn in the event of a cash shortfall and only creates financial expenses when used, in contrast to conventional loans.

INVESTMENT FINANCING CAPACITY:

The sum of net surplus and actual investment income.

ACTUAL INVESTMENT EXPENDITURE:

All the capital expenditures, i.e. mandated payment credit, excluding book entries and excluding loan repayments. Among others, it includes expenses related to acquisitions, works and loans granted by the authority.

INVESTMENT FINANCING REQUIREMENT:

The difference between actual capital expenditures and the investment financing capacity. It is the portion of the actual capital expenditure that can only be financed by debt or working capital. In the preliminary budget, the investment financing requirement is financed exclusively from loans, except if the n-1 working capital is brought forward.

WORKING CAPITAL:

The sum of the capitalised operating surplus, plus the balance of the operating section n-1 and the balance of the capital section n-1. It is equal to the balance of the net surpluses or deficits of the previous financial years.

VAT COMPENSATION FUND (FCTVA):

The purpose of the FCTVA is the refund by the State of the VAT paid by the municipal authorities on a portion of their capital expenditure.

Until 2009 the compensation came two years later: the FCTVA of year n related to actual capital expenditure incurred in year n-2. In 2009, in the framework of the government's stimulus plan, the State made an early payment to the local authorities for the amount corresponding to the capital expenditure made in 2008, provided that this capital expenditure reached at least a threshold set as being the average of actual equipment expenditure recorded over the previous four fiscal years. The Paris municipal authorities received a double FCTVA payment in 2009, corresponding to the expenditures made in 2007 and 2008. Since 2010, the payments have once again been calculated on an annual basis.

ÎLE-DE-FRANCE SOLIDARITY FUND (FSRIF):

The purpose of the FSRIF is to offset the disparities in terms of tax bases between the municipalities of the Île-de-France region and to improve living conditions in the most disadvantaged municipalities. It is funded by collecting tax resources from the better-off municipalities.

TAX POTENTIAL AND TAX EFFORT MOBILISATION COEFFICIENT:

The tax potential coefficient equals the relationship between the tax revenue voted and the theoretical tax revenue (in other words, the application to the Parisian base rate of the average national tax rate).

The tax effort of a municipality is equal to the relationship between the residency tax revenue, property taxes, land tax surcharges on undeveloped land, taxes or fees for waste removal and the tax potential corresponding to the three first taxes listed above increased by the revenue from the property tax surcharge on undeveloped land. This coefficient measures the tax pressure on households.

The ratios (from the financial report for year n) apply to data for the year n-1, the most recent data available.

MAIRIE DE PARIS

DIRECTION DE L'INFORMATION
ET DE LA COMMUNICATION

DIRECTION DES FINANCES ET DES ACHATS

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