
FINANCIAL REPORT



**20
15**

YEAR

2015

JUNE **2016**

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FOREWORD

Local municipalities have been facing the toughest financial constraints ever seen, which have been particularly pronounced for the City of Paris, as illustrated by this 2015 administrative account. Since 2011, our municipality has been hit by two external events on an exceptional scale: the fall in State subsidies and the increase in contributions to equalisation funds. Overall, between 2011 and 2016, the combined impact of these two events totalled nearly €1 billion.

To deal with these constraints, the Paris municipality maintained a consistent financial strategy, focusing on three factors: stable direct local tax rates, abstemious operating expenditure and continued investment in favour of local development.

In line with our commitment, Paris local direct tax rates remained stable in 2015 whereas nationally the increase was an average of +1.8%. Several major cities have been forced to make major increases to household tax rates since 2014, such as Toulouse (+7.2% on average over 2 years), Bordeaux (+2.5%) and Marseille (+2.2%).

« TO DEAL WITH THESE CONSTRAINTS, THE PARIS MUNICIPALITY MAINTAINED A CONSISTENT FINANCIAL STRATEGY, FOCUSING ON THREE FACTORS: STABLE DIRECT LOCAL TAX RATES, ABSTEMIOUS OPERATING EXPENDITURE AND CONTINUED INVESTMENT IN FAVOUR OF LOCAL DEVELOPMENT. »

Our operating expenditure management strategy is kicking in: nearly €240M of savings in relation to the expected trend were decided on in the 2015 and 2016 initial budgets and implemented, backed by work on developing public services. These savings plans enabled us to limit the increase in operating expenditure, excluding the impact of equalisation, to 0.8% between the 2014 and 2015 administrative accounts. The increase in payroll also illustrates this management strategy, with +0.8% between 2014 and 2015, despite the opening of new facilities (opening of 477 new day-care centre places, two new primary schools and one middle school in 2015) and the provision of the human resources required to operate them.

As the first year of implementation of the term's €10 billion investment programme adopted in December 2014, 2015 saw investment expenditure of €1.4 billion, consistent with the investment cycle. The operating expenditure management strategy maintained self-financing which, combined with a high level of investment income, contributed to financing 63% of investment expenditure and limiting use of loans. With outstanding debt amounting to 59% of one year's operating income, Paris remains one of the municipalities with the lowest debt in France.

We made the choice of being very open about our strategy: this 2015 administrative account demonstrates that we are rigorously implementing it, as well as maintaining our ambition to develop our city.

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

	2010 AA	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA	Change 2015-2014
Direct contributions	2 292	3 103	3 207	3 456	3 293	3 533	7,3%
Household waste removal tax	414	426	434	446	451	458	1,7%
Street cleaning tax	71	70	104	104	104	104	-0,2%
Parking fees	47	63	59	63	64	110	70,8%
Electricity tax (City + Department)	78	72	69	74	70	68	-3,8%
Property taxes (transfer & additional duties)	928	1 078	1 177	918	1 089	1 016	-6,7%
Other taxes and duties	67	68	71	69	69	78	12,9%
TAXES AND DUTIES	3 897	4 881	5 121	5 130	5 141	5 367	4,4%
APA (CNSA) compensation	9	13	12	12	10	7	-26,8%
RMI / RSA (TIPP + FMDI) compensation	260	261	266	260	259	259	0,0%
Other compensation (including TSCA & APRE)	80	76	74	72	86	86	0,7%
COMPENSATION FOR SKILLS TRANSFERS	348	350	351	344	355	353	-0,6%
General operating grant (DGF)	1 263	1 290	1 259	1 227	1 134	930	-18,0%
Compensation grants (DCTP, DCTH, DCTF)	56	60	54	48	44	47	7,7%
Other grants (DGD, DSI)	16	16	16	16	16	16	-0,1%
STATE GRANTS	1 335	1 365	1 329	1 291	1 194	993	-16,9%
GRANTS AND PAYMENTS ¹	201	201	214	213	238	288	21,0%
Fees paid by tenants and concessionaires	185	226	226	213	204	202	-1,0%
Fees & income for use of public property ²	56	60	66	67	74	78	5,1%
Contributions from Parisian users	156	157	169	168	167	175	4,8%
OPERATING INCOME	397	443	461	449	445	455	2,2%
ZAC SURPLUS	2	132			213	12	-94,5%
Rent income (revenue from buildings)	195	184	171	189	197	170	-13,3%
Recovery from beneficiaries	84	86	82	86	89	90	0,5%
Works for third parties	27	35	36	45	61	42	-31,7%
ESA repayment	28	30	32	36	32	28	-13,0%
Repayment of staff costs ³	69	74	66	67	68	77	12,4%
TOTAL OTHER CURRENT OPERATING REVENUES	403	410	387	422	447	406	-9,1%
CURRENT OPERATING INCOME	6 582	7 782	7 865	7 849	8 033	7 873	-2,0%
PERSONNEL COSTS	2 026	2 059	2 109	2 111	2 209	2 227	0,8%
OVERHEAD COSTS	832	858	833	823	821	815	-0,7%
Social welfare including:	746	812	853	848	845	855	1,1%
<i>Social welfare for children</i>	257	303	336	324	307	301	-1,8%
<i>Social welfare for the disabled (PCH, ACTP)</i>	49	54	61	65	70	72	2,2%
<i>Accommodation for the disabled</i>	120	122	129	142	146	154	5,0%
<i>Personalised autonomy allowance (APA)</i>	136	138	141	133	135	140	4,0%
<i>Accommodation assistance for the elderly</i>	149	153	149	146	149	148	-0,8%
RSA, RMI, future work contracts and PDI	363	359	366	381	399	411	2,9%
<i>of which RMI/RSA allocations</i>	300	297	301	318	337	355	5,1%
Payment to the Centre for Social Action of the City of Paris (CASVP)	313	315	323	314	313	312	-0,4%
TOTAL FOR E SOCIAL AID	1 421	1 486	1 541	1 543	1 558	1 578	1,3%
City operating grants	202	204	207	273	273	279	2,2%
Various subsidies and contributions	208	223	249	254	253	273	7,6%
SUBSIDIES AND CONTRIBUTIONS	410	428	454	527	526	551	4,8%
Police prefecture	276	280	287	290	292	285	-2,2%
Contribution to the transport authority (STIF)	344	353	360	367	374	378	1,0%
Contribution to the SYCTOM (waste)	127	131	133	119	126	119	-5,4%
CONTRIBUTIONS	747	764	780	776	791	782	-1,2%

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 Need for Financing requirement (actual investment expenditure. Refunding of loan investment financing capacity).

OF ADMINISTRATIVE ACCOUNTS - 2010 TO 2015

in €M

	2010 AA	2011 AA	2012 AA	2013 AA	2014 AA	2015 AA	Change 2015-2014
FSRIF (Ile-de-France solidarity fund)	86	104	121	131	141	151	7,1%
Property transfer duty (DMTO) equalisation fund		67	80	88	81	97	19,0%
Communal equalisation fund (FPIC)			22	67	116	157	36,0%
Business Value Added Contribution (CVAE) Equalisation Fund				16	18	24	29,5%
Solidarity fund for the departments IDF FSDIF					27	27	-0,3%
EQUALISATION EXPENSES	86	170	223	302	383	456	18,9%
FNGIR	-	884	892	898	898	898	0,0%
OTHER CURRENT OPERATING EXPENDITURE	179	155	170	167	171	172	1,0%
OPERATING EXPENDITURE	5 701	6 804	7 002	7 146	7 358	7 479	1,7%
SURPLUS	881	978	863	703	676	394	-41,7%
Financial income	14	24	21	19	31	25	-19,1%
Financial expenses	64	91	100	112	128	124	-3,2%
FINANCIAL BALANCE	-50	-66	-79	-93	-97	-99	1,8%
Exceptional income	12	10	9	29	43	15	-63,9%
Exceptional expenses	47	56	36	67	41	50	22,6%
EXCEPTIONAL ITEMS BALANCE	-34	-46	-27	-38	2	-34	NS
TOTAL ACTUAL OPERATING INCOME	6 609	7 816	7 895	7 897	8 107	7 914	-2,4%
TOTAL ACTUAL OPERATING EXPENDITURE	5 812	6 950	7 138	7 325	7 527	7 653	1,7%
GROSS SURPLUS	797	866	757	573	581	261	-55,1%
Subsidies and grants received	245	282	266	352	352	356	1,1%
- of which investment grants received	105	116	49	156	143	102	-29,1%
- of which police fines	28	35	37	32	33	35	5,9%
- of which FCTVA (VAT compensation fund)	104	125	173	149	168	209	24,5%
Income from sales of capital assets	59	50	107	122	122	156	27,1%
Operations for third parties	4	5	18	24	22	27	23,8%
Loan repayments	42	20	32	72	15	19	24,5%
Other financial assets	95	120	134	66	168	57	-66,4%
Other actual investment income	13	17	21	34	6	7	20,9%
TOTAL ACTUAL INVESTMENT INCOME	457	495	577	671	686	621	-9,4%
Intangible assets	17	19	18	13	10	11	13,4%
Capital grants	441	470	500	507	455	377	-17,1%
Acquisitions	330	201	210	206	213	244	14,2%
- of which Property account	237	123	150	131	-	-	-
Works	655	808	865	949	800	626	-21,8%
Operations for third parties	11	16	24	23	20	4	-80,8%
Loans granted	15	-	6	-	-	6	-
Other actual investment expenditure	8	36	39	41	31	129	317,3%
TOTAL ACTUAL INVESTMENT EXPENDITURE	1 477	1 551	1 662	1 740	1 529	1 397	-8,7%
INVESTMENT FINANCING CAPACITY	1 254	1 360	1 334	1 243	1 266	882	-30,4%
LOAN REPAYMENT	125	184	200	200	197	200	1,7%
NEED FOR FINANCING ⁴	348	375	528	697	460	715	55,5%
NEW LOANS	340	381	470	630	510	741	45,3%
Working capital at 1st January	293	285	288	230	163	213	30,7%
Change in working capital	-8	6	-58	-67	50	20	-59,7%
Working capital at 31st December	285	291	230	163	213	233	9,5%
Debt outstanding at 1st January	2 481	2 696	2 892	3 219	3 655	4 120	12,7%
Debt outstanding at 31st December	2 696	2 893	3 219	3 655	4 120	4 640	12,6%
CHANGE IN DEBT OUTSTANDING	215	197	327	436	466	520	11,7%
FINANCING CAPACITY	84,9%	87,7%	80,3%	71,4%	82,8%	63,1%	-23,8%

I/ GENERAL PRESENTATION

OF THE BALANCE OF THE 2015 ADMINISTRATIVE ACCOUNT

1 / GENERAL BALANCE OF THE 2015 AA

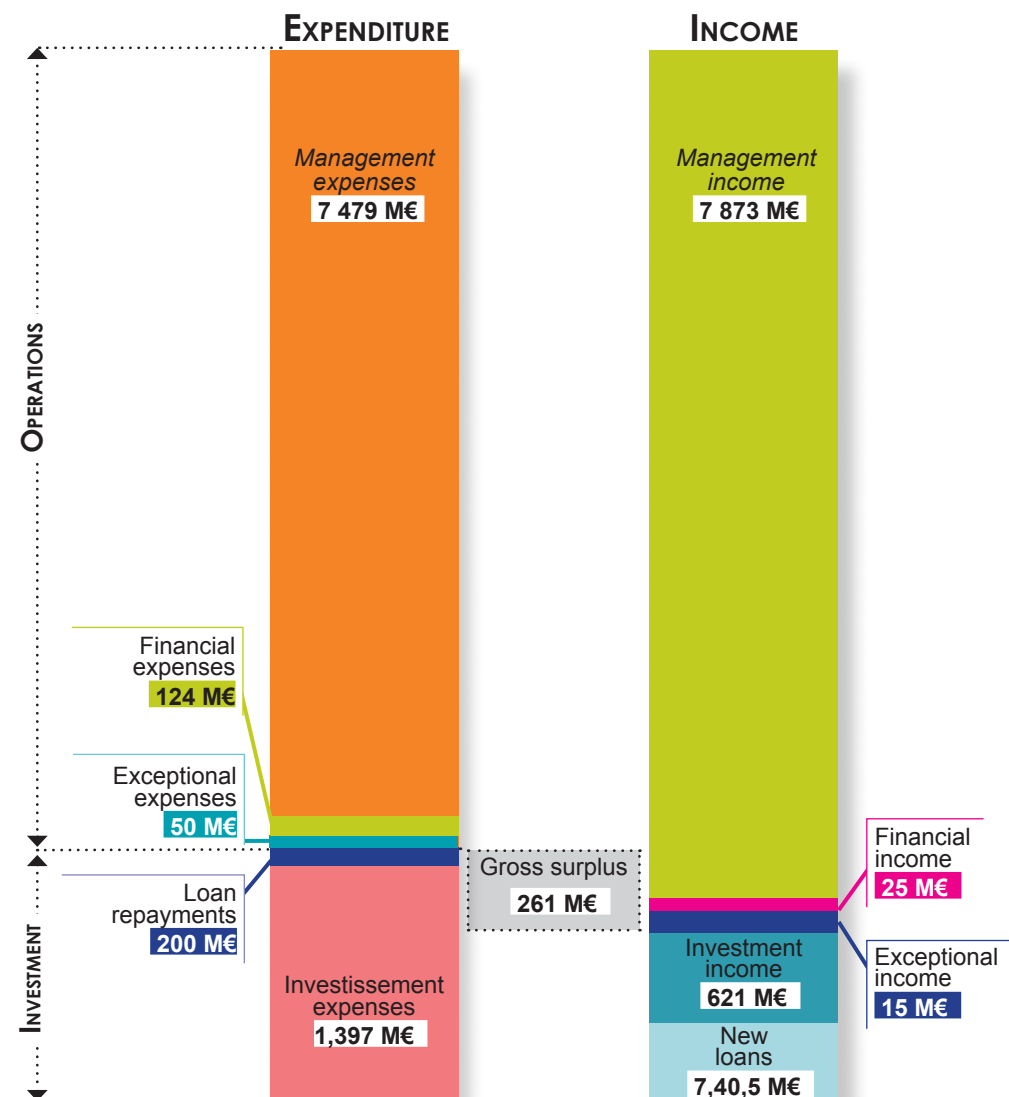
2015 was characterised by major constraints on the operating section of around €270M, due to a fall in State subsidies of €201M and an increase of €72M in equalisation expenditure on the 2014 AA. Since 2010, the combined loss of State funds has been €712M. 2015 was the first year of implementation of the reduction of €11BN in subsidies to municipalities scheduled for 2015 – 2017. The combined loss of resources, including notifications received for 2016, totalled nearly €1BN.

The Paris municipality first responded to this constraint via an operating expense management strategy, of which the increase on the 2014 AA was limited to +0.8% excluding equalisation and to +1.7% overall (compared to +2.8% on average between 2010 and 2014). It also generated new operating income (e.g. parking income, residence tax on second homes, visitors' tax). This strategy limited the drop in gross savings which totalled €261M compared to €581M in 2014. This variation was accounted for by the aforementioned drop in funds but was also due to the fact that the 2014 fiscal year saw an exceptionally high level of income from development area surpluses (€213M recorded in the 2014 AA compared to €12M in 2015).

Investment income was dynamic and totalled €621M in 2015. Combined with the amount of gross savings, this income generated an investment financing capacity of €882M, corresponding to 63% of investment expenditure, as announced in the 2015 initial budget report. Consistent with the investment cycle and the launch of the term's investment programme, investment expenditure totalled €1,397M compared to €1,519M in the 2014 AA.

New loans totalled €740.5M, in line with the budget entries of €744M, and outstanding debt accounted for 59% of actual operating income.

2015 CONSOLIDATED ADMINISTRATIVE ACCOUNT



2 / THE STABILITY OF OWN INVESTMENT INCOME GENERATED FINANCING CAPACITY COVERING 2/3 OF INVESTMENT EXPENDITURE AND ENABLED THE LAUNCH OF THE TERM'S INVESTMENT PROGRAMME

2.1 2015 ENABLED THE LAUNCH OF THE TERM'S INVESTMENT PROGRAMME : INVESTMENT EXPENDITURE TOTALLED €1,397M FOR THIS YEAR, INCLUDING €1,233M ON THE MUNICIPAL BUDGET AND €164 ON THE DEPARTMENTAL BUDGET. €621M OF THE RESULTING FINANCING REQUIREMENT WAS FINANCED BY OWN INVESTMENT INCOME.

Capital expenditure, amounting to €881M, accounted for 63% of actual investment expenditure.

It consisted of:

- €626M of public works expenditure ;
- €244M on purchases;
- €11M on intangible assets

This capital expenditure included €245M for purchases of land (including €147M on land for social housing), €124M for the re-development of Les Halles and €19M for the extension of the T3 tram line. Furthermore, €62M was invested in the construction works on a building in the Joseph Bédier development area in Porte d'Ivry (13th arrondissement), which will enable the relocation and consolidation on a single site of the staff of the different Paris municipal services, the reoccupation of the city gates of Paris and renovation of a building located in the centre of Paris via innovative invitations for bids.

Capital grants totalled €377M including €213M for social housing.

The balance of actual expenditure, totalling €138M, primarily consisted of expenditure for third parties (€4M) and financial transactions (€134M) including a contribution of €56M to the financing of development areas and €42M for the recapitalisation of the Crédit Municipal de Paris.

**CHANGE IN ACTUAL INVESTMENT EXPENDITURE (EXCLUDING LOAN REPAYMENT)
OF THE PARIS AUTHORITY FROM 2008-2015 IN €M**



OWN INVESTMENT INCOME TOTALLED €621M.

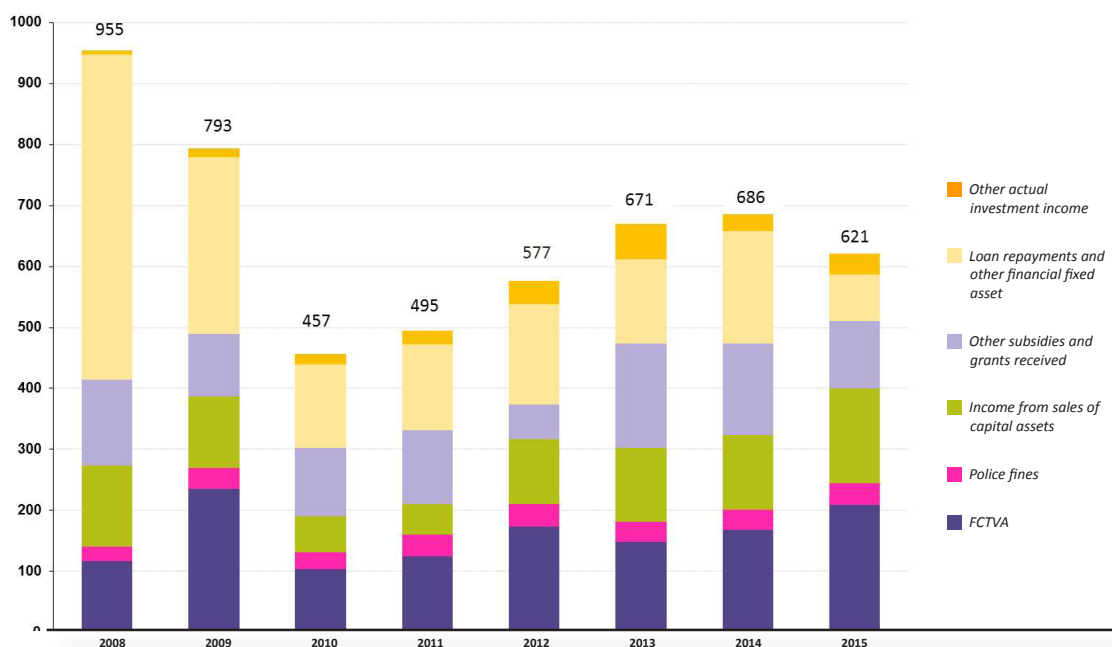
This was down €65M on the level of the 2014 AA, due particularly to the reduction in repayment of loans and advances, particularly as a result of the exceptional income received in 2014 for the Les Halles and Rambuteau car park projects.

This income primarily consisted of :

- **grants and subsidies** received totalling €356M. They included €209 for the VAT compensation fund (FCTVA) including €73M of advances paid by the Caisse des Dépôts et Consignations, as well as €35M for income from police fines;
- **income from disposals of assets** totalling €156M, up €24M on 2014. The operational objective of reaching €200M in property sales in 2015 was also achieved, totalling €201M (this amount is not shown in full in the budget income of the year, which covers a different scope), including €50M for a 4,400m² plot of land on Rue Baron Le Roy in the 12th arrondissement to build offices and €22M for a set of business premises on Boulevard de Davout in the 20th;
- €76M of **repayments of loans and advances** including €15M from the termination of property agreements signed in 1980 with SAGI and RIVP. The reduction on 2014 is accounted for by the receipt in 2014 of €44.6M in income from the Les Halles and Rambuteau car park projects.
- and €34M of **other actual investment income** particularly including €27M of income from transactions carried out for third parties including €23M for the repayment by the Region of the construction work on the Carnot (€10M) and Janson de Saille (€13M) secondary schools.

Combined with the level of gross savings of €261M, this income covered 63% of investment expenditure excluding loan repayments.

CHANGE IN THE ACTUAL INVESTMENT INCOME OF THE PARIS AUTHORITY SINCE 2008 IN €M



In 2008, investment income was particularly high, due to an exceptional income item linked to the early repayment of advance payments of €470M granted to the Régie Immobilière de la Ville de Paris

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. In 2015, Paris received a €73M advance payment of FCTVA for year N from the Caisse des Dépôts et des Consignations.

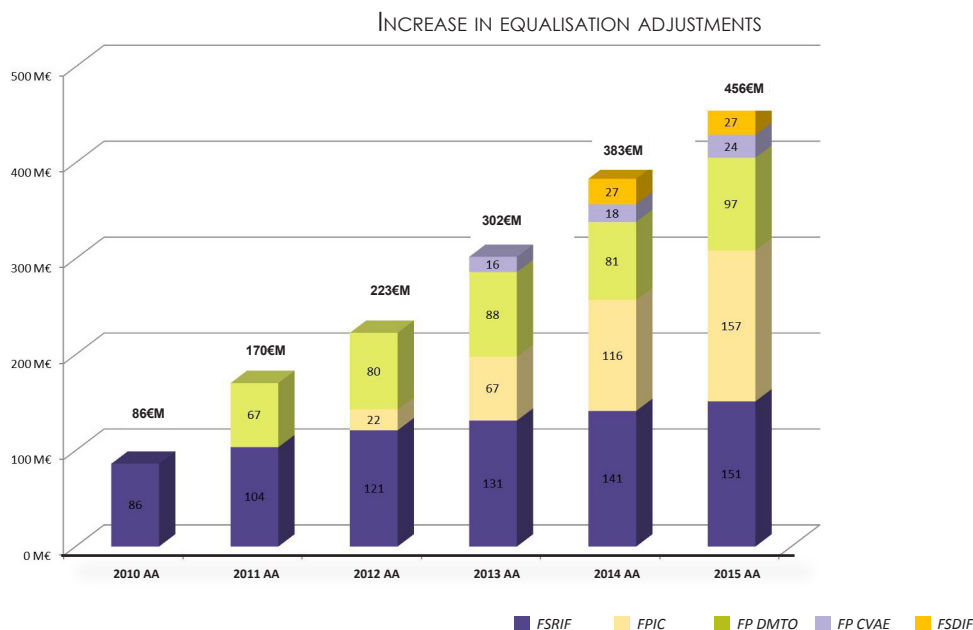
2.2 DESPITE GOOD MANAGEMENT OF OPERATING EXPENDITURE, THE CONSTANT INCREASE IN EQUALISATION EXPENDITURE AND THE REDUCTION IN STATE SUBSIDIES CAUSED A REDUCTION IN GROSS SAVINGS GENERATED IN THE 2015 AA.

ACTUAL OPERATING EXPENDITURE, TOTALLING €7,653, INCREASED BY 1.7% ON THE 2014 AA (COMPARED TO +2.8% ON AVERAGE BETWEEN 2010 AND 2014 EXCLUDING THE EFFECT OF THE NATIONAL INDIVIDUAL GUARANTEE OF RESOURCES FUND OR FNGIR). EXCLUDING EQUALISATION EXPENDITURE, IT TOTALLED €7,198M, AN INCREASE OF 0.8% ON 2014; THIS VERY MODERATE INCREASE WAS THE RESULT OF THE EFFORTS MADE TO MANAGE EXPENDITURE.

- **Equalisation expenditure (excl. FNGIR)**, a redistribution mechanism that aims to reduce wealth differentials and therefore inequalities between different local municipalities, totalled €456M, i.e. an increase of 18.9% on the 2014 AA (+72M). Since 2010, the increase has been €369M.

In 2015, municipal and departmental equalisation rose to a little more than €2BN. The Paris municipality therefore accounted for nearly a quarter of national equalisation.

VARIATION IN EQUALISATION EXPENDITURE BETWEEN 2010 AND 2015



- **The National Inter-Municipal & Municipal Resource Equalisation Fund (FPIC)** continued to increase in 2015. The FPIC is a national fiscal resource equalisation fund intended for municipalities and public establishments for cooperation between local authorities with their own taxation (EPCI). Its amount is set by law. The City's contribution increased by 36% between the 2014 AA and the 2015 AA, totalling €157M (i.e. + €42M), which represents 20% of the total amount of the Fund and makes Paris the biggest contributor.
- The contribution to the **Ile-de-France Region Municipal Solidarity Fund (FSRIF)** increased by 7.1% on the 2014 AA to €151M, i.e. a contribution representing 56% of the fund. The FSRIF is a horizontal equalisation plan specific to the Ile-de-France region, with the aim of redistributing wealth between the region's municipalities. Its amount is set each year by law. The contribution to national equalisation (via the FPIC) accordingly exceeded the contribution to regional equalisation (via the FSRIF) in 2015.
- The contribution to the **two DMTO (National Property Transfer Duties) Equalisation Funds**, introduced in 2011 and 2014, increased by 19% on 2014, rising from €81M to €97M, i.e. 12% of the amounts collected nationally.
- The Paris municipality also contributed €27M to the **Solidarity Equalisation Fund for the Departments of the Ile-de-France Region (FSDRIF)** in 2015, i.e. a stable contribution in relation to last year representing 44% of the amount of the fund. The amount of the FSDRIF, intended to equalise resources between the region's Departments, has been set by law at €60M since 2014.
- Furthermore, **the contribution to the Business Value-Added Contribution Equalisation Fund (CVAE)** was €24M, compared to €18M in the 2014 AA, i.e. an increase of 29.5%. This increase was particularly accounted for by the changes to the fund calculation method made in the 2015 finance law. Via its contribution, Paris financed 27% of the fund in 2015.

Overall, the increase in equalisation expenditure combined with the reduction in State subsidies had an impact of €274M on the Paris municipality's income in 2015.

- **Personnel expenditure in the Paris municipality's general budget totalled €2,227M¹ in 2015, i.e. 29% of the operating section's overall actual expenditure, an identical share to 2014.**

This expenditure was up by +0.8% on the 2014 administrative account. This extremely moderate increase reflects the measures taken to manage payroll whilst enabling the opening of new facilities and the provision of the human resources required to operate them.

This rise mainly resulted from the following factors :

⁽¹⁾ The amount of €2,227M is given in the financial analysis scope, i.e. by eliminating cross-transfers of funds between the City and the Department.

- **A moderate increase in wage costs (€18M)** driven by external factors, particularly government measures for the revaluation of category C (after +7 points in 2014, allocation of +5 points on average to more than 30,000 category B and C workers), the mechanical effect of the Seniority and Technical Classification (GVT), the raising of rates of contribution (increase in the rate of the Pension Fund for Local Government Employees or CNRACL by 0.1 points) and the postponement of compensation of departmental foster carers from 2014 to January 2015.
- **The impact of the employment plan** with the actual recruitment of 69 additional full-time workers on average over 2015, balance of 499 new jobs particularly for the childhood-youth contract (+270 activity assistants and +107 specialised nursery school staff) and redeployments.
- **Furthermore, the payroll management policy** implemented by the municipality generated a saving of €4.5M in 2015, as a result of management of substitute teaching and overtime expenses.

► **Social expenses excluding overhead costs increased by 1.3% to €1,578M in the 2015 AA (excluding overhead costs).**

- **Expenditure on integration policy and Active Solidarity Income (RSA)** totalled €411M including €354.5M for Minimum Integration Income (RMI) and RSA benefits, up €17M, due to the increase in the number of beneficiaries from 64,700 on average in 2014 to 66,700 on average in 2015 (+3%).
- **Disabled welfare** increased by €9M to €225M, this variation being mainly accounted for by the increase in housing costs (+€7M) due to the revaluation of the daily prices of existing facilities and the opening of new ones and, to a lesser extent, by the increase in expenditure on disability compensation benefits (+€2.4M) due to the increase in the number of beneficiaries (4,050 in December 2015 compared to 3,857 in December 2014).
- **Child welfare expenditure**, excluding costs allocated to Chapter 011, fell on the 2014 AA, from €307M to €301M. This situation was accounted for, firstly, by the fall in the cost of night stays on hotel placements, and secondly, by the application of the national equalisation circular of 31 May 2013 relating to support arrangements for unaccompanied foreign minors (UFM) which led to a reduction in the number of UFM supported by the Paris municipality.
- **Expenditure on elderly people** excluding overhead costs increased by €4M to €288M mainly due to a technical increase in the Personal Autonomy Allowance (APA). Expenditure was indeed lower in 2014 due to the resumption of the management of this allowance by the Department which generated cash flows with the National Pension Fund (CNAV).
- **The contribution to the City of Paris Social Welfare Centre (CASVP)** was €312M in 2015, practically stable in relation to 2014.

► **The amount of overhead costs fell by €6M to €815M.**

These savings were particularly made possible by the efforts made on road maintenance (-€5.3M), postage costs (-€1.4M) and rental fees with the reduction of certain leases (-€1.5M). In contrast, expenditure on temporary child welfare staff rose by €5.6M due to the increase in the number of young people supported. Excluding these child welfare support services, overhead costs totalled €799M, down €12M on 2014.

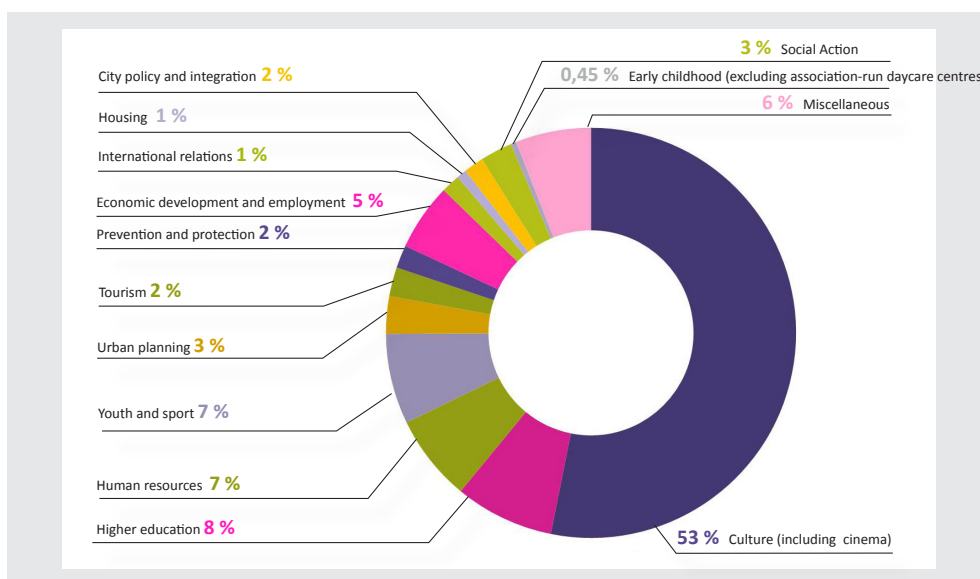
► **The Paris municipality's contributions fell by €10M to €782M in the 2015 AA :**

- **the contribution to the Urban Public Transport Syndicate (STIF)** was €378M, up €3.7M on 2014;
- **the contribution to the Police Prefecture** fell by €6.6M to €285M, this reduction being made possible by the increase in its own income driven by the increase in car pound fees, under the order of 26 November 2014, and the rationalisation of its expenses, particularly due to the optimisation of its purchasing procedures;
- **the contribution paid to the Household Waste Treatment Syndicate (SYCTOM)** fell by €6.8M to €119M driven by the drop in tonnages collected and the reduction of investment expenses

► **Operating grants and contributions excluding social grants** totalled €551M, an increase of €25M on 2014.

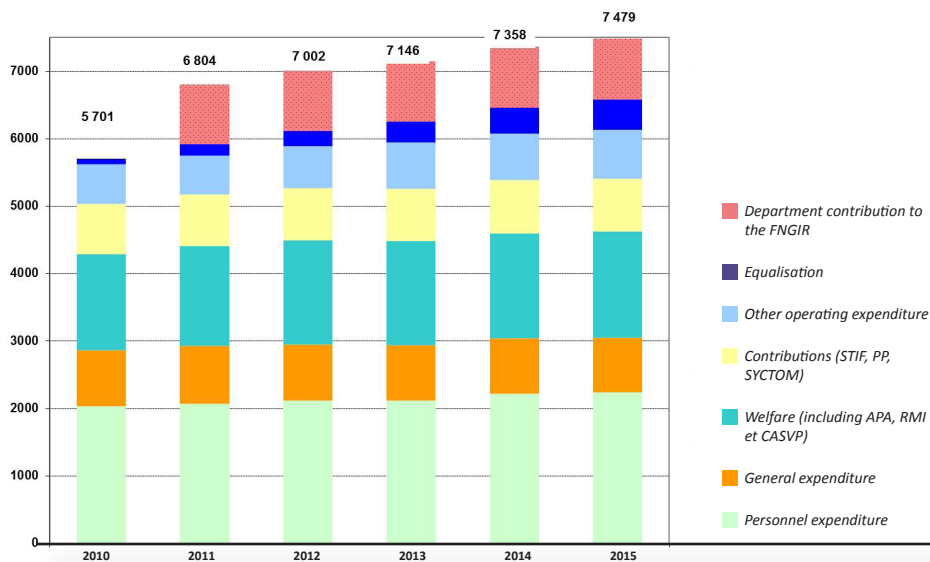
The principal factors in the increase were school grants, which increased by €6M to €81M in the 2015 AA, operating grants to associations that increased by €8M and accounted for €310M in the 2015 AA, particularly driven by the contribution to the "Paris 2024" public interest group for the organisation of Paris's bid to hold the Olympic Games totalling €10M, and the increase of €8M in the contribution paid by the general budget to the annexed sanitation budget.

Operating grants excluding financing of primary schools, middle schools and association-run day-care centres were broken down as follows:



- **Exceptional costs** totalled €50M, an increase of €9M on the 2014 AA, particularly driven by both the allocation of €13.9M of estimated expenditure in the department's budget (compared to none in 2014) and a fall of €3.3M in security cancellation expenses.
- Finally, **financial costs** totalled €124M, compared to €128M in 2014, down €4M on 2014 driven by a favourable rate environment in 2015

CHANGE IN CURRENT OPERATING EXPENDITURE OF THE PARIS AUTHORITY SINCE 2010 IN €M



ACTUAL OPERATING INCOME TOTALLED €7,914M, DOWN 2.4% ON THE 2014 AA (€8,107M).

At a constant tax rate, income from direct contributions increased overall by €240M on the 2014 AA to €3,533M. This increase was primarily due to the rise of €193M in Business Value-Added Contribution (CVAE) income, which returned to its 2013 level (€1,422M in 2015, €1,229M in 2014 and €1,424M in 2013). This increase was particularly due to the financial and insurance sector whose contribution increased by €132M between 2014 and 2015.

Furthermore, €20.9M were received following the vote by the Paris Council for the 20% increase in the residence tax contribution for second homes, intended to encourage owners to place currently under-occupied dwellings back on the rental market, a measure applicable from 1st January 2015.

Finally, income received from property tax and residence tax increased respectively by +€13M (including €6.2M due to actual adjustment of bases and €8.7M for the flat-rate revaluation introduced by the finance law) and +€15.4M (including +€6.5M due to flat-rate revaluation and +€8.9M due the actual adjustment of bases).

	2014 AA	2015 AA	% variation
Contribution on business added value	1,228.9	1,422.1	15.7%
Property taxes	976.4	988.9	1.3%
Residence tax (excluding second homes increase) <i>Second homes increase</i>	722.8	738.2 20.9	2.1% n/a
Business owners property tax	307.8	311.7	1.3%
Commercial floor area tax	15.0	14.6	-3%
Flat-rate tax on network companies	11.4	11.6	2%
Additional rolls	30.8	24.9	-19.2%
TOTAL DIRECT TAXATION	3 293,2	3,532.9	7.3%

TAXATION – COMPARISON OF PARIS RATES WITH NATIONAL RATES OF CITIES OF MORE THAN 100,000 INHABITANTS ⁽¹⁾ AND DEPARTMENTS

		2015 rate	2015 national average rate
CITY AND DEPARTMENT OF PARIS	residence tax	13.38%	25.35%
	developed property tax	13.50%	29.86%
	undeveloped property tax	16.67%	33.45%
	business owners property tax (CFE)	16.52%	26.68%
	household waste collection tax (TEOM)	6.21%	9.23% ⁽²⁾

⁽¹⁾ Source: Observatoire SFL – 2015 FORUM on major local municipality taxation

⁽²⁾ 2014 national average rate. The 2015 national average household waste collection tax rate is not yet known

Paris rates were stable between 2015 and 2014 even though nationally, household waste collection tax rates increased on average by +1.8%.

With a residence tax rate of 13.38%, Paris was accordingly more than 10 points lower than the average rate recorded in France (25.35% in 2015). In terms of tax on developed property, the combined rate (city and department) was 13.50% in Paris, compared to an average of 29.86% over all cities in 2015, i.e. a difference of nearly 16 points.

In comparison, a Parisian family with two children paid €473 in residence tax and €648 in property tax, i.e. considerably less than in Marseille (€1,323 of residence tax and €988 of property tax in 2015) or Bordeaux (€1,227 and €1,261 in 2015).

Street cleaning tax and household waste collection tax were €562.2M compared to €554.8M in 2014. The increase of +1.3%, i.e. +€8M, concerned household waste collection tax.

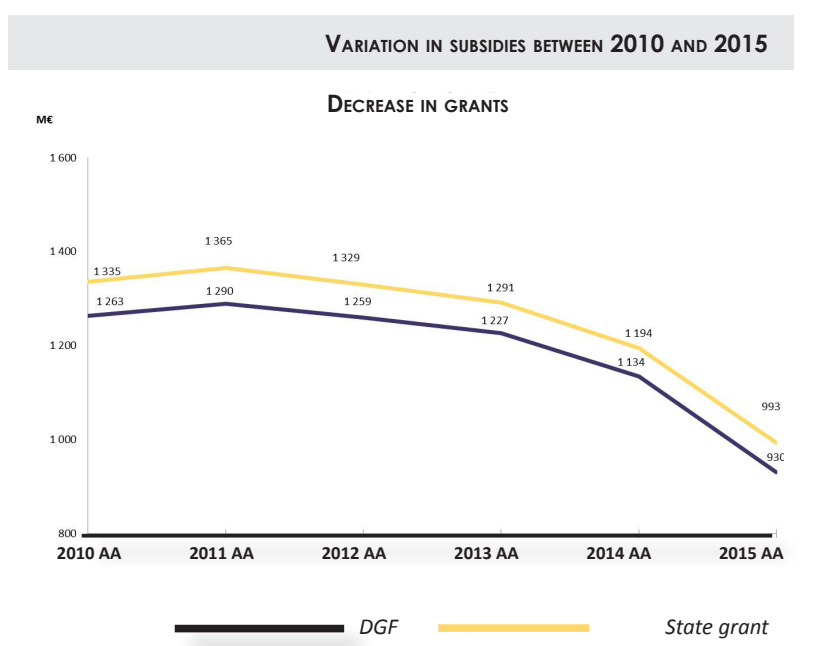
► Income from indirect taxation totalled €1,272M in the 2015 AA, down 1.6% on 2014, driven by a reduction in property tax income partially offset by the increase in parking fee income.

- Income from **property tax** totalled €1,016M in 2015, compared to €1,089M in 2014 (-€73M). This fall was accounted for by the exceptional recovery, in 2014, of an additional month of National Property Transfer Duty (DMTO). Once this effect has been eliminated, pro-

erty tax income reflected a dynamic trend in terms of the recovery of the property market and the number of transactions recorded over the second half of 2015 (+27% on the first half-year).

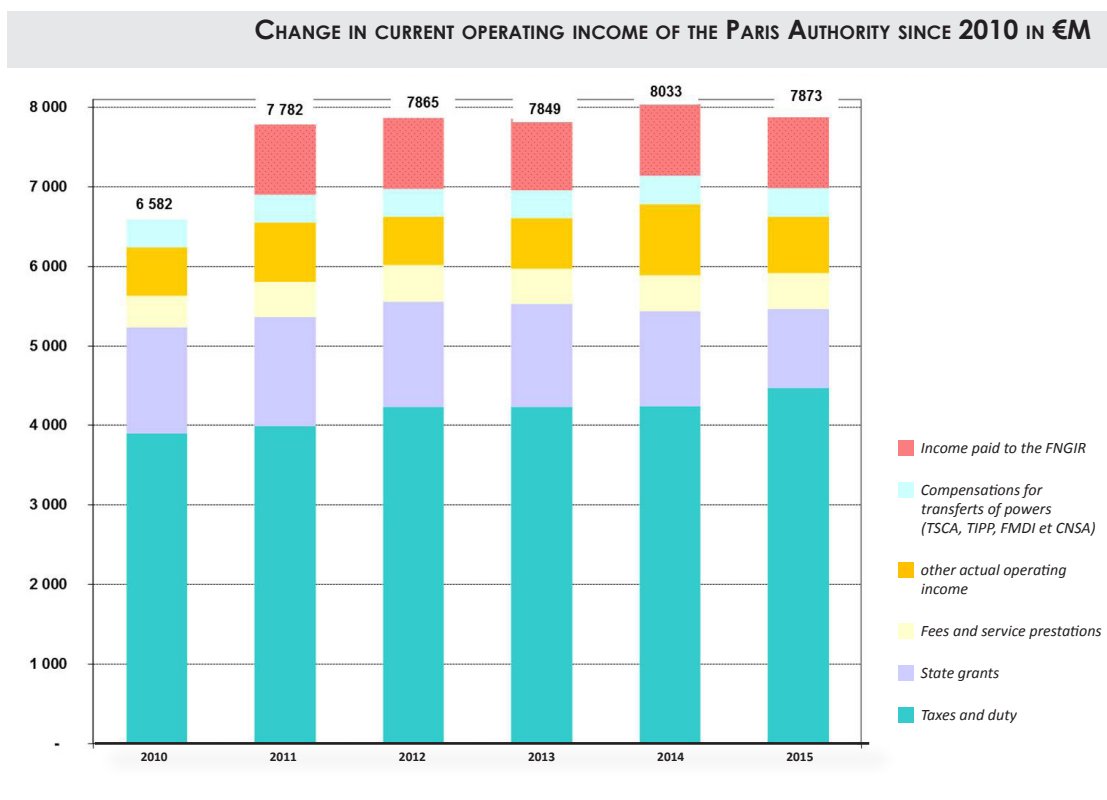
- **Income received from parking** increased by €46M to €110M in 2015 compared to €64M in 2014, driven by the reform, implemented in the 2015 initial budget, of residential, short-term and tourist coach parking rules.
- Income from the **local tax on final electricity consumption** was €68M, down €2M on the 2014 AA, due to the reduction in consumption.
- **Other direct and indirect taxes** totalled €78M, an increase of €9M on 2014 AA, due to the change in the terms and conditions of visitors' tax made in the 2015 finance law and the introduction of a departmental surcharge, total income from visitors' tax amounting to €66M in 2015 compared to €41M in 2014.

- **State subsidies** continued to fall, and dropped by €201M (i.e. €993M in 2015 compared to €1,194M in 2014), primarily due to the change in the General Operating Subsidy (DGF). The DGF totalled €930M compared to €1,134M in 2014. From 2010 to 2015, the loss of resources for the Paris municipality represented €342M.



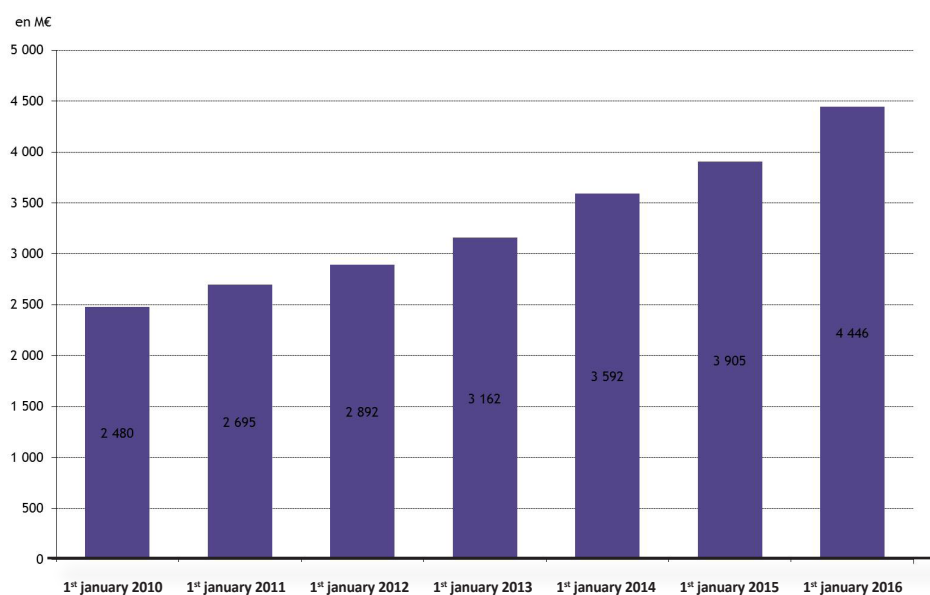
- Income recovered for **compensation for skills transfers** was down by 0.6% on the 2014 AA and totalled €353M compared to €355M in 2014, particularly driven by the €3M fall in the Personal Autonomy Allowance (APA) subsidy notified by the National Solidarity & Autonomy Fund (CNSA).
- **Operating income** was €455M and increased by €10M on 2014: contributions by Paris users increased by €8M to €175M in 2015 (including +€6.4M of family contributions to day-care centre expenses due particularly to the opening of new places) and roadway duties of €4M to €78M in 2015.
 - Fees fell by €2M (€202M in 2015), particularly driven by a combination of the recovery of exceptional income of €19.8M on the Porte de Versailles exhibition centre, the fall in Eiffel Tower fees due to the reduction in exceptional income compared to 2014 (-€5.4M), telephone operators (-€9.2M) due primarily to the receipt of exceptional income in 2014 following disputes, the Paris Water Authority due to the application of rules limiting fees (-€4.7M), as well as energy concessionaire fees due to the mild weather (-€4.7M).
- Income from **contributions and grants** totalled €288M, up €50M on 2014. Contributions from the Family Benefits Fund (CAF) totalled €199M, an increase of €39M on 2014, particularly driven by the modification of its instalment and balance payment schedule for single service delivery to match the equivalent schedule for child and youth welfare services. The following additional income was also recovered: +€5M on contributions from the European Social Fund, +€4M on repayments of universal service employment cheques (CESU) not used in N-1 for Home-Based APA, +€4M of repayments on RSA overpayments +€5M of contributions from the Disabled Persons Integration Fund. In contrast, the resources received from the State contribution to subsidised contracts totalled €10.5M, down €4.2M, and subsidies paid by the National Solidarity & Autonomy Fund (CNSA) for Disability Compensation Benefits (PCH) totalled €12.3M, down €2.4M.

- Income received for **development area surpluses** was down by €202M to €12M in 2015. 2014 income was exceptionally high given the completed development project schedule.
- **Rental income** totalled €170M in the 2015 AA, down €26M on 2014, driven by an exceptional increase in public service contract income in 2014 that led to lower rental income in 2015.
- **Other current operating income** totalled €236M, a reduction of €15M on 2014. This fall was primarily accounted for by the reduction of -€19M in income from work for third parties now recovered as investment; however, exceptional income of +€8M was received for the transfer back to the general budget of the annexed Municipal Automotive Transportation budget surplus.
- **Exceptional income**, amounting to €15M, was down by €27M on the 2014 AA, driven by a lower level of income from cancellation of mandates for previous fiscal years (€27M in 2014 compared to €0.2M in 2015).
- Finally, **financial income**, amounting to €25M was down by €6M on 2014, due to the non-renewal in 2015 of certain exceptional dividends collected in 2014.

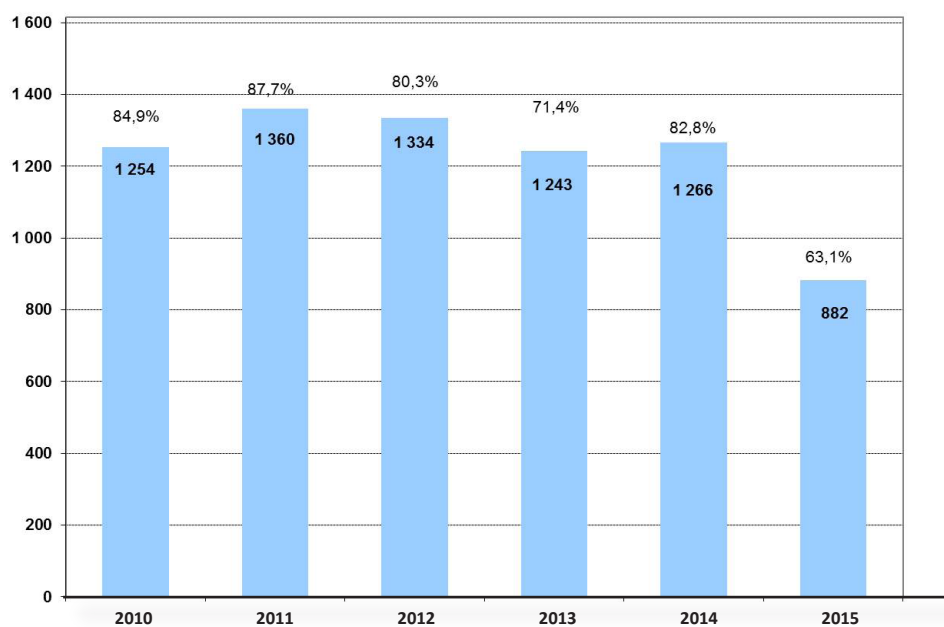


- **Bank and bonded debt on 31 December 2015 totalled €4,446M**, plus "other debts" taken on for development projects and the Philharmonie loan schedule totalling €162M as well as €32M for debts linked to public-private partnerships.

VARIATION IN BANK AND BOND DEBT OUTSTANDING AT 1ST JANUARY 2016 (€M)



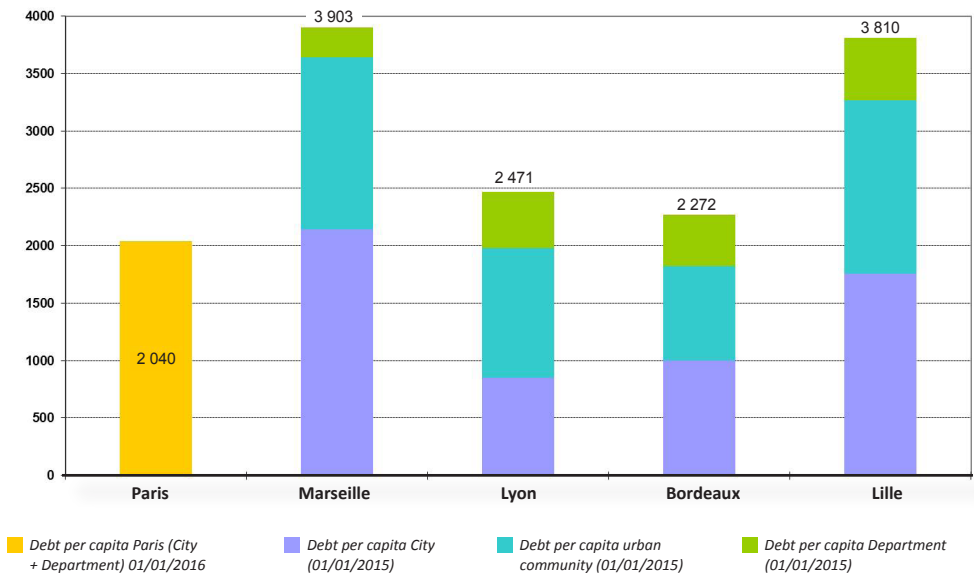
INVESTMENT FINANCING CAPACITY OF THE PARIS AUTHORITY SINCE 2010 IN €M AND AS A % OF THE SUM FOR INVESTMENTS MADE



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.

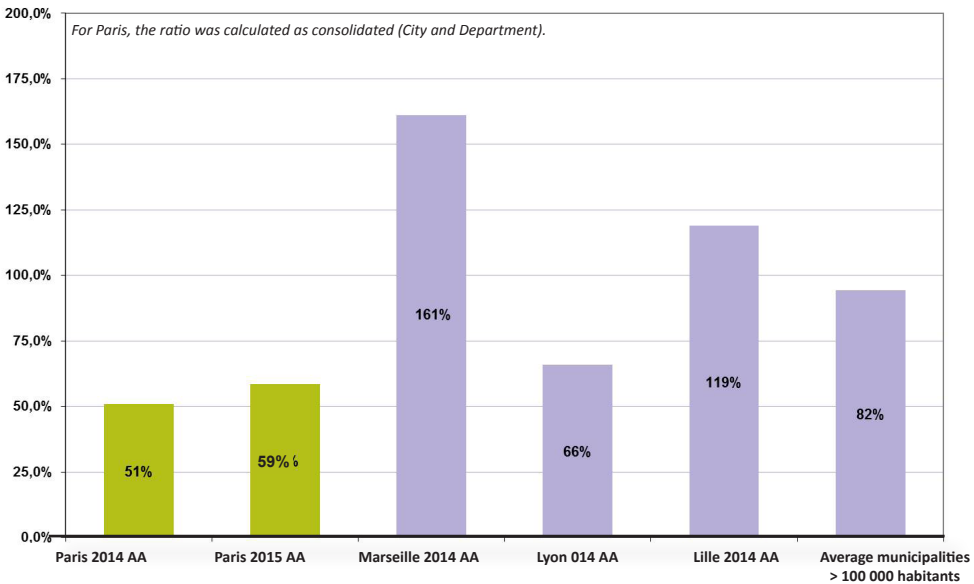
DEBT PER CAPITA – DATA COMPARED

Source: DGCL database / Finance Ministry and online budget documents



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

Source: DGCL / Finance Ministry database



II/ PRÉSENTATION BY POLICY SECTOR

1/	HOUSING
2/	URBAN DEVELOPMENT, SERVICES AND THE ENVIRONMENT
3/	ECONOMIC 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 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 FUNCTION	DEPARTMENT FUNCTION
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 PP (020)	1
General services	0 excl. Halles, embankment roads and PP grants	0

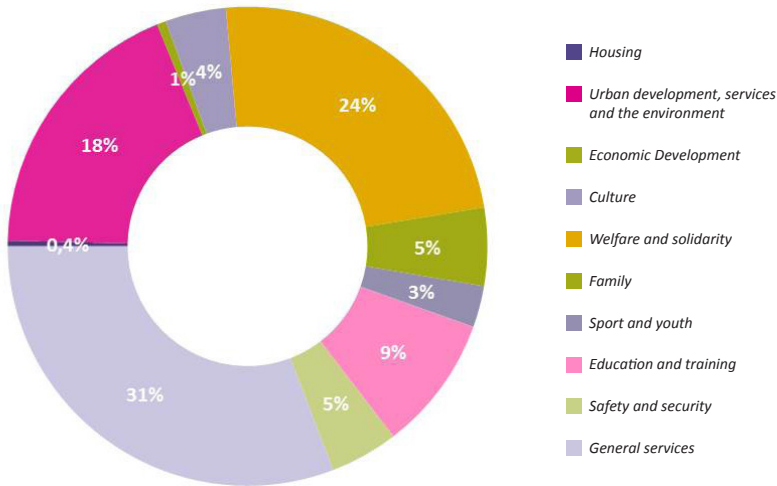
In addition, the following budgets are shown in terms of actual payments and do not include “book entries” used for to accounting entries balanced between expenditure and income, which are generally eliminated in financial analysis. These are given at the end of the report (section III). Cross-transfers of funds between the City and the Department are also eliminated, as well as transactions balanced between expenditure and income to transcribe the municipality's practical financial effort in favour of the different policies implemented.

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; ACCORDINGLY, THE PAYROLL INDICATED FOR EACH PUBLIC POLICY, AS PRESENTED HEREAFTER, IS NECESSARILY UNDERSTATED, WHILE THE SAME ITEM IN FUNCTION 0 IS INCREASED BY THE SAME AMOUNT. WORK IS UNDER WAY TO IMPROVE THE ACCURACY OF THE POLICY SECTOR PRESENTATION OF THESE EXPENSES IN DUE TIME.

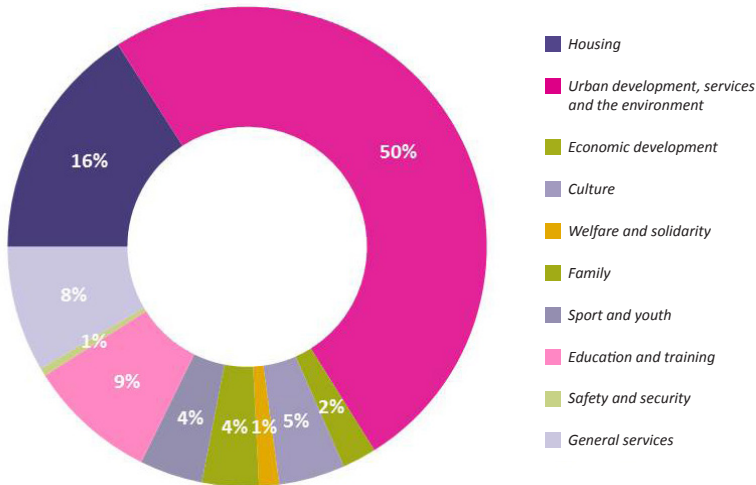
INTRODUCTORY REMARKS

BREAKDOWN OF EXPENDITURE BY POLICY SECTOR IN THE 2015 AA

OPERATING EXPENSES (INCLUDING PAYROLL) - 2015 AA

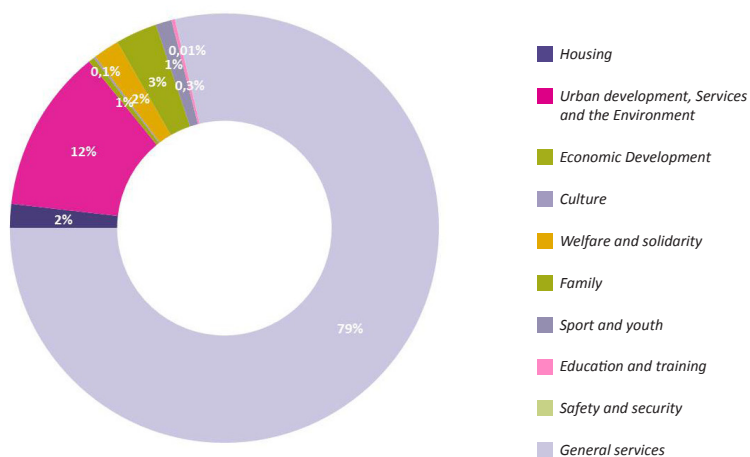


INVESTMENT EXPENSES - 2015 AA

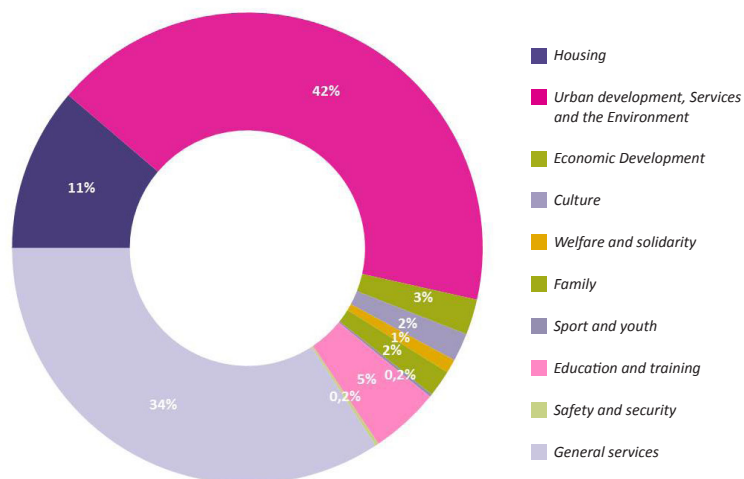


BREAKDOWN OF INCOME BY POLICY SECTOR IN THE 2015 AA

OPERATING INCOME - 2015 AA



INVESTMENT INCOME - 2015 AA



CORRELATION BETWEEN THE GENERAL PRESENTATION (SECTION I) AND THE PRESENTATION BY POLICY SECTOR (SECTION II) IN THE 2015 AA.

The tables below present the correlation between the view by cost element presented in section I and the view by policy sector presented in section II of the report, as well as the transfers of funds that enable switching from the financial analysis scope used in this report to the scope of the budget documents.

(amounts expressed in millions of euros)

OPERATING EXPENSES - 2015 AA

VIEW BY COST ELEMENT			VIEW BY FUNCTION	
Personnel costs	2,227.1	29.0	Housing	
Overhead costs	815.2	1,413.5	Urban development, services and the environment	
Welfare	1,577.8	47.5	Economic development	
Grants and investments	551.5	312.3	Culture	
Contributions	781.7	1,825.2	Welfare and solidarity	
Equalisation expenses	455.6	402.6	Family	
National Individual Guarantee of Resources Fund (FNGIR)	898.2	214.3	Sport and youth	
Other current administrative costs	172.3	699.3	Education and Training	
Financial expenses	124.1	350.4	Security	
Exceptional costs	49.7	2,359.0	General services	
TOTAL ACTUAL OPERATING EXPENDITURE (A)	7,653.3	7,653.3	TOTAL ACTUAL OPERATING EXPENDITURE (A)	

The scope of the budget documents adds to these expenses the transfers of funds detailed below, which are eliminated in the financial analysis as they are balanced between expenditure and income in the consolidated budget :

ELIMINATIONS (B)	1,442.4
Book entry expenditure for transfers between sections (chapter 042)	716.1
Repayment by the City to the Department of the departmental allowance	7.2
Repayment by the Department to the City of elected officials' staff costs	1.4
Contribution by the City to the Department	622.6
Contribution by the department to the recovery of public finances	83.4
Prepaid costs on the Porte de Versailles emphyteutic lease	11.7
BUDGET TOTAL (A) + (B)	9,095.6

OPERATING INCOMES - 2015 AA

VIEW BY COST ELEMENT

Taxes and duties	5,367.2
Compensation for skills transfers	352.9
Government subsidies	992.8
Grants and investments ³	288.1
Operating income	454.7
Development area surpluses	11.7
Other actual operating income	405.9
Financial income	25.1
Exceptional income	15.4

TOTAL ACTUAL OPERATING INCOME (A) 7,913.8

VIEW BY FUNCTION

143.1	Housing (including account 778)
975.6	Urban development, services and the environment
34.9	Economic development
11.9	Culture
155.1	Welfare and solidarity
247.7	Family
96.0	Sport and youth
20.5	Education and training
1.0	Security
6,228.0	General services

7,913.8 TOTAL ACTUAL OPERATING INCOME (A)

The scope of the budget documents adds to these expenses the transfers of funds detailed below, which are eliminated in the financial analysis as they are balanced between expenditure and income in the consolidated budget :

ELIMINATIONS (B)

1,127.2

Book entry income from transfers between sections (chapter 042 excluding account 778)	88.4
Repayment by the City to the Department of the departmental allowance	7.2
Repayment by the Department to the City of elected officials' staff costs	1.4
Contribution by the City to the Department	622.6
Deduction from the City's General Operating Subsidy (DGF)	83.4
Prepaid income on the Porte de Versailles emphyteutic lease	11.7
Sales income	312.4

BUDGET TOTAL (A) + (B)

9,041.0

³ State, Department, Region, ESF, Social Security, recovery of overpayments, etc....

INVESTMENT EXPENDITURE - 2015 AA

VIEW BY COST ELEMENT

Intangible assets	11.4
Capital grants	377.2
Acquisitions	243.7
Works	626.1
Transactions for third parties	3.9
Loans granted	6.1
Other actual investment expenditure	128.6
TOTAL ACTUAL INVESTMENT EXPENDITURE (A)	1,396.8

VIEW BY FUNCTION

222.5	Housing
700.6	Urban development, services and the environment
32.1	Economic development
62.4	Culture
19.0	Welfare and solidarity
53.4	Family
59.3	Sport and youth
121.4	Education and training
7.6	Security
118.3	General services
1,396.8	TOTAL ACTUAL INVESTMENT EXPENDITURE (A)

The scope of the budget documents adds to these expenses the transfers of funds detailed below, which are eliminated in the financial analysis as they are balanced between expenditure and income in the consolidated budget :

ELIMINATIONS (B)

654.7

Book entry expenditure for transfers between sections (chapter 040 excluding 1068)	88.4
Capital transactions (chapter 041)	186.3
Eliminated balanced transactions (including 1068)	180.1
Revolving credit lines (cost element 16449)	0.0
Loan repayments	199.9

BUDGET TOTAL (A) + (B)

2 051,4

INVESTMENT INCOME - 2015 AA

VIEW BY COST ELEMENT

Grants and subsidies received	355.6
Income from sales of capital assets	155.6
Transactions for third parties	27.0
Loan repayments	19.1
Other financial assets	56.6
Other actual investment income	7.1
TOTAL ACTUAL INVESTMENT INCOME (A)	620.9

VIEW BY FUNCTION

69.9	Housing
262.4	Urban development, services and the environment
15.1	Economic development
12.1	Culture
5.8	Welfare and solidarity
11.4	Family
1.2	Sport and youth
29.4	Education and training
1.4	Security
212.2	General services
620.9	TOTAL ACTUAL INVESTMENT INCOME (A)

The scope of the budget documents adds to these expenses the transfers of funds detailed below, which are eliminated in the financial analysis as they are balanced between expenditure and income in the consolidated budget, as well as the amount of the loan :

ELIMINATIONS (B)

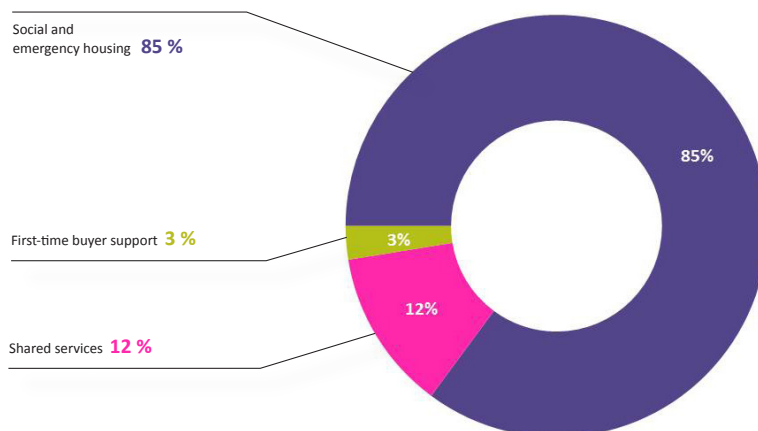
1,757.2

Book entry income for transfers between sections (chapter 040)	403.7
Capital transactions (chapter 041) including correction of issue premiums (5.3)	186.3
Eliminated balanced transactions (including 16878)	432.0
Revolving credit lines (cost element 16449)	0,0
New loans excluding issue premium (cost elements 16311 and 1641)	735.2

BUDGET TOTAL (A) + (B)

2 378.1

CONSOLIDATED BUDGET FOR HOUSING - 2015 AA - BF



IN €M	2013 AA	2014 AA	2015 AA
Operating expenditure	60.3	32.0	29.0
of which payroll	17.9	18.2	18.3
Investment expenditure	388.8	316.1	222.5
Operating income	188.2	177.5	143.1
Investment income	110.9	81.3	69.9

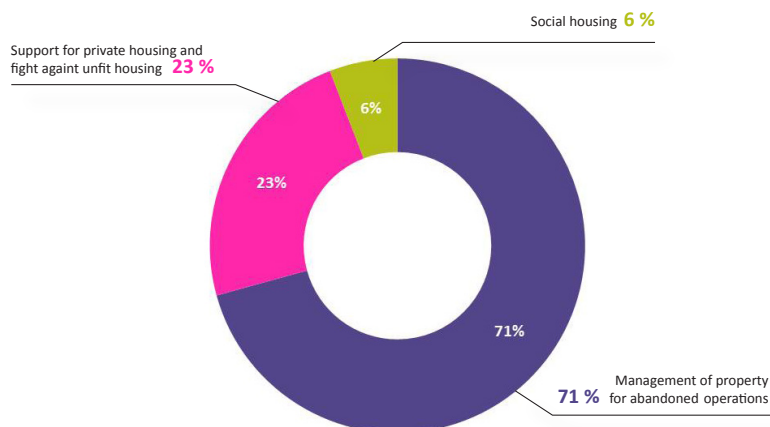
OPERATING SECTION

IN 2015, THE OPERATING BUDGET FOR HOUSING WAS €29.0M, OF WHICH €18.3M WAS ACCOUNTED FOR BY PAYROLL.

In order to improve the clarity of payroll by policy sector, expenditure on the Department's subsidised contracts (Emplois d'Avenir and Contrat Unique d'Insertion) and the City's trainees were allocated to the relevant functional fields, leading to an increase of +€100k in payroll in the housing field.

Excluding payroll, **operating expenditure for housing was €10.7M down €3.2M (i.e. -22.8%) on the 2014 AA**, primarily due to an exceptional security cancellation expense in 2014. For the record, the amount allocated in the 2013 AA was particularly high (€42.4M) due to exceptional expenditure of €23.7M, following 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 via the National Housing Agency (ANAH), has been transferred to the investment section.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2015 AA



The **shared services** of the Department of Housing accounted for most of the operating expenditure, amounting to €9.9M in the 2015 AA, stable in relation to 2014.

Operating grants for housing stood at €2.4M in the 2015 AA, particularly including a payment of €1.1M to Soliha Paris-Hauts-de-Seine-Val-d'Oise, an association specialised in the improvement of housing and of €0.8M to the Departmental Housing Information Association.

Expenditure on the management of land purchased by the Paris municipality for projects that have since been abandoned accounted for €7.5M, i.e. an increase of €0.1M. These costs primarily consisted of €1.9M of property taxes, €1.1M of building maintenance expenses and €1.4M of condominium costs.

Grants to the rental sector totalled €0.7M in the 2015 AA down €3.1M on 2014, due to an exceptional security cancellation expense in 2014.

OPERATING INCOME FROM HOUSING AMOUNTED TO €143.1M IN THE 2015 AA, DOWN €34.3M (I.E. -19.4%) ON 2014.

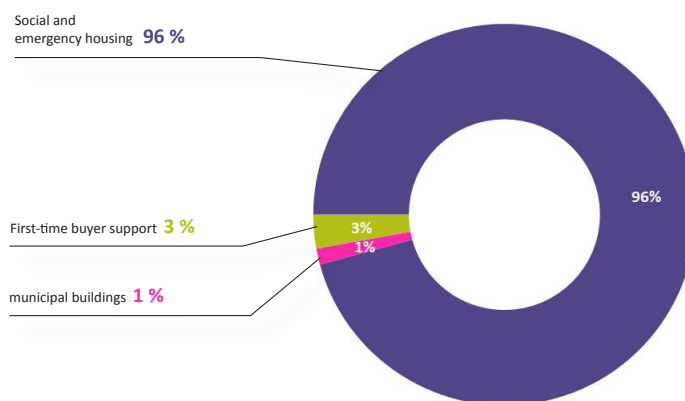
Rental income was €92.5M in the 2015 AA, down 14.3% on 2014, particularly taking account of changes to rental stock.

Income from **capitalised rent** also fell (-€13.2M) and totalled €40.4M in the 2015 AA.

Other income from housing totalled €10.3M, down €5.7M on 2014 particularly due to the receipt in 2014 of dividends from the City of Paris Public Housing Agency on previous fiscal years.

INVESTMENT SECTION

INVESTMENT EXPENSES - 2015 AA



THE TOTAL INVESTMENT BUDGET ALLOCATED TO HOUSING IN 2015 WAS €370.9M COMPARED TO €388.0M IN 2014.

Social housing investment was €212.6M to finance 7,388 additional dwellings (compared to 7,166 in 2014) including €148.0M in grants to social housing bodies and €64.6M of delegated State funding. For the record, in order to show the full investment made in housing by the municipality, land acquisitions relating to this sector should also be included, totalling €148.4M (compared to €71.9M in 2014), included in the municipal property account. Overall, expenditure in favour of social housing represented an amount comparable to last year. Accordingly, though grant expenditure has fallen, investment, at the start of this term, has been focused very specifically on the acquisition of property with the objective of continuing pre-emptions in the individual sector, combating condominium conversions and increasing the amount of available social dwellings in areas where there is a shortage.

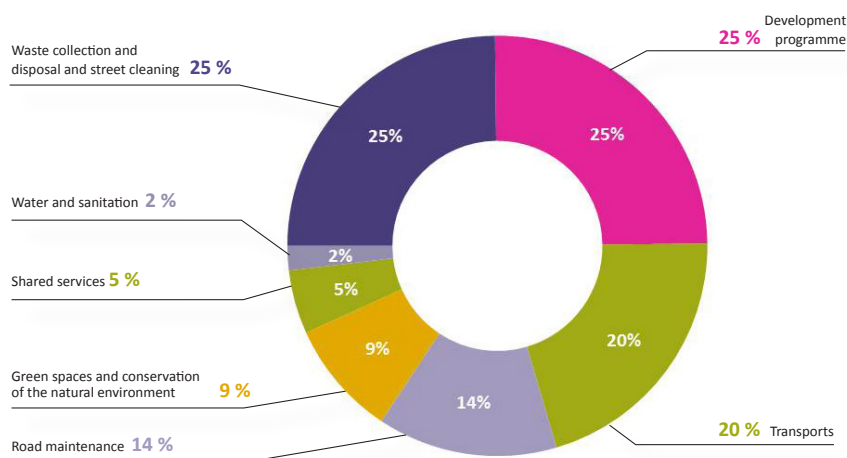
In addition, the grant paid to the emergency housing centres was €0.3M in 2015, this expenditure being intended to be written off and incorporated into grants for social housing.

First-time buyer support accounted for an investment of €6.4M in 2015, with the Prêt Paris housing measures.

Finally, €3.0M was invested in the **maintenance of public buildings**.

€69.9M OF INVESTMENT INCOME WAS RECEIVED FOR HOUSING, MOST OF WHICH COVERED PAYMENTS FROM THE STATE FOR THE POWERS IT DELEGATES. THE REDUCTION IN INCOME RECEIVED IN RELATION TO 2014 WAS ACCORDINGLY ACCOUNTED FOR BY THE REDUCTION OF THE AMOUNT OF FUNDS ALLOCATED BY THE STATE.

2/ URBAN DEVELOPMENT, SERVICES AND THE ENVIRONMENT

CONSOLIDATED BUDGET FOR URBAN DEVELOPMENT, SERVICES
AND THE ENVIRONMENT - 2015 AA

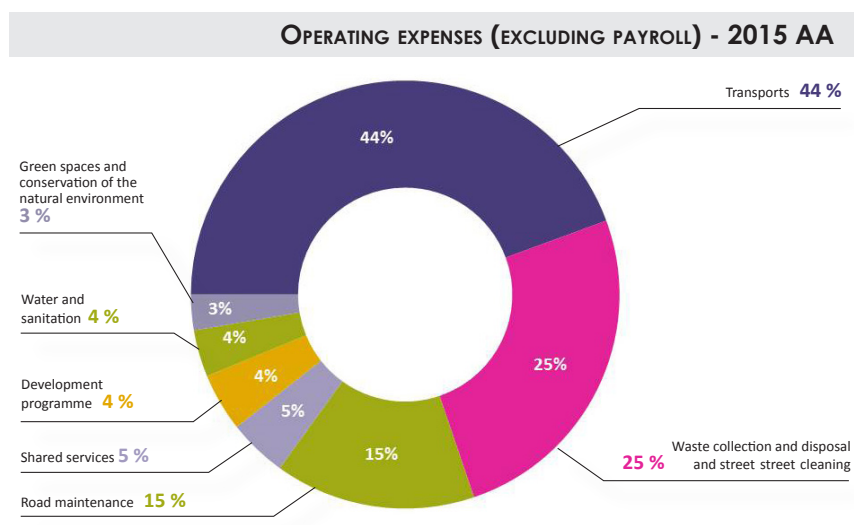
IN €M	2013 AA	2014 AA	2015 AA
Operating expenditure	1,382.8	1,408.8	1,413.5
of which payroll	494.2	507.7	514.7
Investment expenditure	667.2	687.0	700.6
Operating income	916.8	1,155.3	975.6
Investment income	308.9	372.2	262.4

OPERATING SECTION

IN 2015, THE OPERATING BUDGET FOR URBAN DEVELOPMENT, SERVICES AND THE ENVIRONMENT AMOUNTED TO €1,413.5M, INCLUDING €514.7M FOR PAYROLL.

Expenditure on personnel increased by 1.38% on 2014 and was focused on property and green spaces. These changes primarily reflect the effects of the revaluation of the national indexing of grids for category B and C employees (+ 5 points in 2015 after +7 points in 2014), present in high numbers in these two sectors.

The operating budget excluding payroll for this sector was €898.9M, down 0.25% on the 2014 AA.



Transport was the largest expenditure item, amounting to €398.9M, compared to €395.3M in 2014. This consisted principally of a contribution of €377.8M to the Île-de-France Transport Syndicate (STIF), an increase of €3.7M on 2014, as part of a drive to improve public transport services. The second biggest expenditure item was transport benefit for disabled people, with €14.2M spent on the "Help with Mobility" (PAM) service. Finally, electric buses were the third biggest item of expenditure: €6.6M in 2015 compared to €6.9M in 2014.

Expenditure on **waste collection, disposal and sanitation** was €228.4M, down €7.3M on 2014. This change was primarily accounted for by the readjustment of the contribution paid to the Inter-Municipal Household Waste Treatment Syndicate (SYCTOM) that amounted to €118.8M compared to €125.6M in 2014, due to the reduction in tonnages collected.

Expenditure on **waste collection and sanitation contracts** amounted to €107.7M, including €55.3M on domestic household and multi-material private waste collection (-€0.9M on 2014), €13.2M on mechanical cleaning, €12.8M on collection of sanitation containers, €9.2M on glass collection, €5.3M for the provision of containers and €5M on waste collection centres (details of expenditure are given in the table below). Other collection and sanitation expenses amounted to €1.9M, including €0.9M on roadway supplies and €0.4M on sanitation grants.

2015 AA / 2014 AA VARIATION IN EXPENDITURE ON COLLECTION AND SANITATION CONTRACTS

	2014 AA	2015 AA	% / 2014 AA
Collection of waste baskets	12,603,843	12,835,606	1.84%
Domestic household and multi-material waste private collection	56,263,314	55,326,309	-1.67%
Provision of collection bins	5,364,834	5,348,914	-0.30%
Pneumatic collection of household waste	41,148	459,603	ns
Glass collection	9,816,820	9,216,425	-6.12%
Waste collection centres	5,029,977	4,988,284	-0.83%
Receptacle and bin maintenance	244,297	302,494	23.82%
Graffiti removal	4,456,591	4,467,241	0.24%
Roadway and network maintenance	712,338	777,502	9.15%
Maintenance of tourist areas	745,903	746,927	0.14%
Mechanical cleaning	13,379,006	13,217,374	-1.21%
TOTAL	108,658,072	107,686,679	-0.89%

Expenditure on **roadway maintenance**⁴ amounted to €99.1M, down €3.6M on 2014 due to the optimisation measures implemented. €16M were allocated to road and network maintenance expenditure; €8.1M were allocated to maintenance of traffic lights, under the energy performance contract, €3.3M for tunnel maintenance work and operation of the ring road, €1.6M to pavement and roadway maintenance and €0.98M were allocated to signage and painting of street furniture. Vélib services totalled €18.8M in expenditure, up €1.7M. Expenditure on other services (Superloos, public toilets, retractable bollards, etc.) amounted to €17.4M. Expenditure on public lighting totalled €37M including €21.8M under the Energy Performance Contract and €15M in electrical consumption. Work for third parties accounted for expenditure of €37.5M.

Operating expenditure on **urban development projects** amounted to €39.5M, i.e. a €2.4M decrease on 2014. These incorporated:

- Maintenance work on public facilities and the Forum des Halles, as well as operating costs relating to the redevelopment project (for a total amount of €8.8M, compared to €11.4M in 2014). Payments of compensation managed by the amicable settlement commission particularly fell by €1.7M due to the completion of the La Canopée construction work;
- €6.3M for the banks of the Seine, down €0.3M. €5.5M were spent on delegated production contracts and €0.4M on the rental of buildings at Paris's ports ;
- Grants paid to public associations including €6.4M to the Paris Urban Planning Agency (APUR) and €2.5M to the Pavillon de l'Arsenal. In addition, grants paid to developers for development areas, to help balance the accounts of their projects, amounted to €4.8M ;
- €3.8M were invested in the performance of private housing service contracts ;
- Finally, fee expenditure in the urban planning field was €4M.

Expenditure on **water and sanitation** totalled €31.8M, compared to €23.9M in 2014. In order to guarantee the conditions for the balancing of the annexed sanitation budget, the mandatory contribution from the general budget was increased €8.4M to €25.6M. The contribution to the budget of the Seine Grands Lacs local public basin establishment totalled €6.2M, down €0.3M on 2014, due to the improvement in SGL's self-financing capacity.

Expenditure on shared services (other expenses) relating to urban development was €24.5M, which was €0.6M less than in 2014. €12.9M were spent on paid street parking, an increase of €0.4M. This increase was primarily driven by the performance of the coach parking operating contract, which totalled €3.5M, i.e. +€0.5M on 2014. This expenditure was more than offset by income of €12.3M from the sale of coach passes (Pass Autocars). The supply and distribution of Paris Carte parking meter cards totalled €4.3M; i.e. down €0.1M on 2014. Expenditure on Roads and Travel Department support services was €8.4M, including €1.5M for compensation and legal fees, €1.4M in equipment rental, €1.4M in local taxes, €1M maintenance expenses and €0.7M study expenses for the distribution centre project. Expenditure on Green Spaces and Environmental Department support services was €2.8M, including €0.7M of local taxes and €0.5M of compensation and legal fees.

Expenditure on **green spaces** was €16.6M, compared to €17.4M in 2014 due to the rationalisation of maintenance and watering expenses. €3.5M were invested in gardening supplies (tools, plants, materials, etc.), €3.4M in water consumption, €3.2M in land maintenance, €3.1M in upkeep and maintenance of buildings, and €1.4M was allocated to external services (green waste, cleaning, etc.).

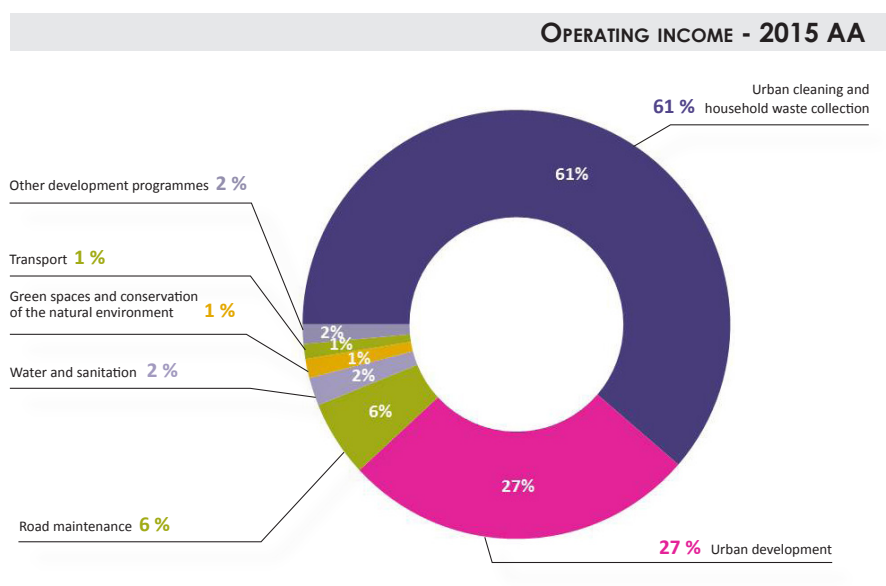
Furthermore, €3.1M were spent on **conservation of the natural environment**. The grant for sustainable development and the Climate Plan was €1.1M. Studies accounted for expenditure of €1M, in the fields of the environment, architecture, sanitation and urban planning.

Expenditure on **canal** upkeep was €4.2M, down €0.3M. This included €2.2M of upkeep and maintenance expenses, primarily on roads and networks (€1.1M) and €1.2M in local taxes, particularly €0.8M for use of public rivers.

Shared services linked to other urban services amounted to €15.4M, i.e. a €0.5M decrease on the 2014 AA. Fuel expenditure accounted for €6M, expenditure on the supply of small equipment €5M and on maintenance and upkeep €2M.

⁽⁴⁾ In the section "general balance", roadway maintenance expenditure covered all the fields of intervention of the Paris municipality whereas, in this section, expenditure specifically covered municipal roadways, roads and related roadway equipment

OPERATING INCOME ENTERED ON THIS FUNCTION TOTALLED €975.6M. THIS INCOME DECREASED BY €179.7M ON 2014 (-15.6%). This sharp fall was accounted for by the exceptionally high level of development area surpluses entered on the 2014 fiscal year (€213M recorded in the 2014 AA compared to €12M in 2015), due to the development project completion schedule.



Income from "shared services" linked to urban development and services amounted to €261.3M, an increase of €42.7M on the 2014 AA. €71.7M charges paid by tenants and concessionaires constituted the main resource. Parking duties amounted to €110M, an increase of €45.6M. Roadways duties totalled €46.5M and service deliveries €6M. Finally, income received from local street advertising tax was €9.3M.

Income from road maintenance was €56M, down €21.4M. Repayments to third parties totalled €39M, i.e. a decrease of €20.4M (due to a deferred income effect regarding income not entered in previous fiscal years, the amount received in 2014 was exceptionally high). Furthermore, €20.6M of Vélib' bike-share income was entered in 2015, i.e. a fall of €2.4M.

Income from transport totalled €10.9M, down €0.3M on 2014. This included €4.7M in contributions by STIF, €4M in contributions by the Ile-de-France region and €2.2M in contributions from users of the "PAM 75" service.

In terms of street cleaning and household waste collection, income was €598.4M, income from household waste collection tax (TEOM) totalled €458M, up €7.5M on 2014 (including +€3M due to the actual adjustment of bases, +€4M due to the flat-rate revaluation introduced by the finance law and +€0.5M due to additional rolls). In the 2015 AA, the TEOM annex showed a slight deficit, expenditure on the collection of household waste accounted for €458.3M compared to income of €458M. Income from street cleaning tax, €104.1M, was stable in relation to 2014. Income from the charge for domestic waste (RDNM) came to €19.8M, as in 2014.

Income from urban green spaces was €6.7M in 2015, up €1.3M on 2014. This income was primarily comprised of €2.5M of income from works for third parties (+€1M on 2014) and €1M of fees paid by tenants and concessionaires (+€0.3 on 2014).

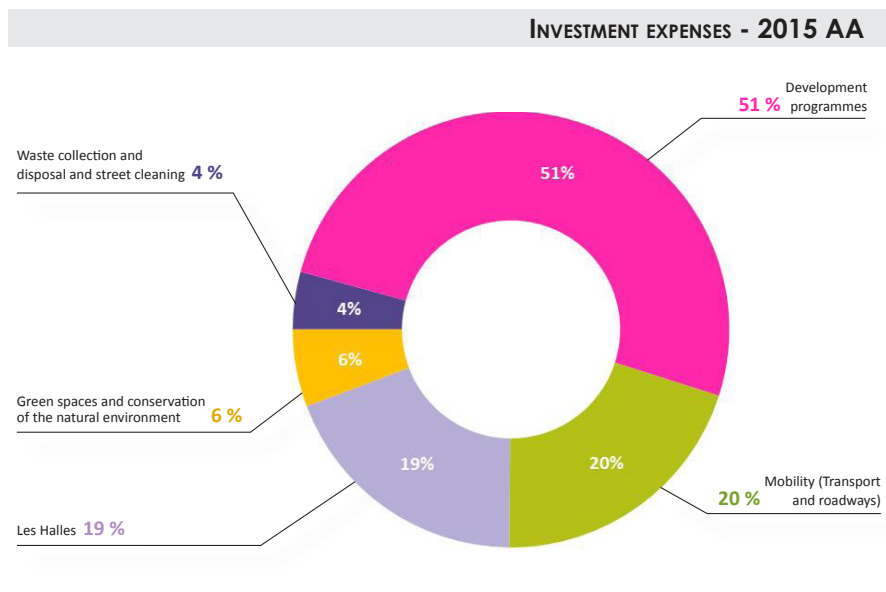
The City's actions for conservation of the natural environment generated income of €1.4M (- €0.2M on 2014), consisting mainly of contributions paid by the Environment & Energy Management Agency (ADEME) under the Local Waste Prevention Programme (PLPD), which amounted to €1.3M.

Income from the operation of **canals** was €6M, down €0.5M on 2014, consisting mainly of €3.1M from the sale of non-potable water.

Income from **water and sanitation** services fell by €4.5M to €20.7M. This reduction was primarily accounted for by the fall of €4.7M in the network occupancy fee (excluding Paris sewers) paid by the Paris Water Authority, which stood at €5.3M in 2015, due to the application of a regulation capping the public domain occupancy fee for public water and sanitation service facilities. The contribution of the Annexed Sanitation Budget for repayments of costs to the general budget was maintained at the 2014 amount, i.e. €7.5M; this was up €0.2M for the Annexed Water Budget. Finally, the repayment of fees for leasing of employees from the Paris Inter-Departmental Sanitation Syndicate (SIAAP) as well as the Inter-Departmental Dam and Reservoir Syndicate (SIIBRS) respectively accounted for €7M (+€0.1M) and €0.6M (stability).

Finally, income from **urban development projects** amounted to €14.2M, down €205M on 2014, including €11.7M on development areas: €6.3M of recovery of the surplus on the Réunion development area, €2.3M on the Moskowa development area and €3.1M for the Montparnasse development area. More than €2M in income was from sales of and compensation for easements.

INVESTMENT SECTION



EXPENDITURE ON PUBLIC SPACES IN 2015 WAS €700.6M COMPARED TO €687.0M IN 2014.

Development projects and property purchases totalled €354.9M. €89.9M was spent on urban planning projects, principally on the development work on the Clichy-Batignolles and Paris Rive Gauche development areas, but also the Saint-Blaise and Eole Evangile districts. €151.2M were spent on property purchases, including a budget of €148.4M for housing and €102.8M for new facilities, particularly including €62.1M for the construction work on a building in the Joseph Bédier development area at Porte d'Ivry (13th arrondissement), which will enable the relocation and consolidation on a single site of employees of Paris's different municipal services to reoccupy the city gates of Paris and renovate a building located in the centre of Paris via innovative invitations for bids.

For the **Les Halles project**, €134.0M were spent in 2015 on construction work, compared to €260.2M in 2014.

In terms of **travel (transport and roads)**, investment amounted to €141.6M. Part of this investment was in public transport including €33.7M on metro line 14 (extension and adaptation of stations) and €21.3M for the extension

of the T3 tramline. In addition to this, €19.5M were spent on development projects including €7.6M on Paris-Nord-Est (PNE) and more particularly the Eole Evangile district including Rosa Parks station, €6.2M for the contribution to the Porte Rouchet development area road assessment (17th) and €3.1M on Paris-Rive-Gauche (PRG). €12.6M were spent on public lighting, particularly under the energy performance contract and €6.8M financed tunnelling and civil engineering works. Finally, €5.8M financed sustainable transport, and an equivalent amount was allocated to expenditure on the upkeep and operation of the ring road, particularly including €3.5M on the laying of noise-reducing asphalt.

The municipality invested €40.2M in **green spaces, canals and the environment**. €2.4M were spent on the Martin Luther King park for the opening of 2.2 hectares of new green spaces in the Clichy-Batignolles development area. €1.9M were invested in the promenade along the Petite Ceinture railway. €6.0M were also spent on the redevelopment of the Buttes-Chaumont park. Replacement of roadside trees cost €2.9M. Finally, €5.3M was spent on canals, particularly the closure and renovation of the Canal Saint-Martin.

Investment in **street cleaning** amounted to €29.9M, including €10.0M for the modernisation of waste collection and cleaning vehicles. €9.0M were invested in the Paul Meurice district for the relocation of part of the Sanitation & Water Department teams. €2.4M were invested in bulky waste collection and recycling centres. The vast street bin modernisation programme launched in 2013 was completed with €1.4M invested in 2015.

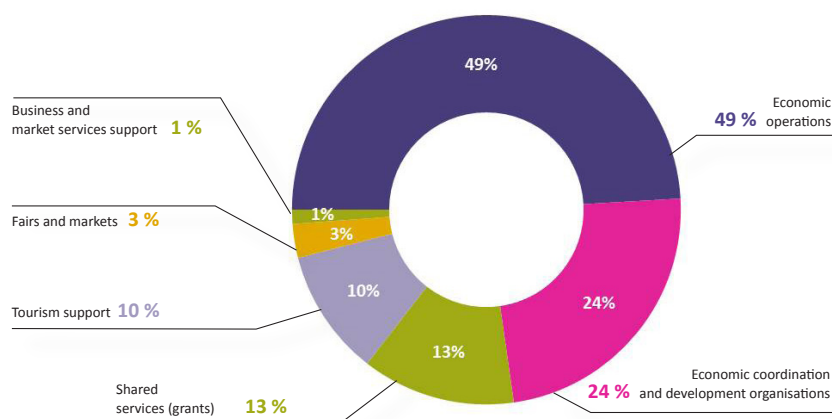
ACTUAL INVESTMENT INCOME FROM PUBLIC SPACES AMOUNTED TO €262.4M.

This was primarily comprised of **income from disposals**, amounting to €155.5M for 2015. In addition, there was income from sales with a payment schedule signed in previous fiscal years, amounting to €50.8M. This gave a total of **€206.3M for the property account**.

Transport received investment from **income from fines** (€34.6M) as well as a range of regional co-funding for travel policy, such the €0.6M package for the development of the Mobilien network, with which the STIF is also associated. Finally, there was a €5.0M repayment for the extension of the T3 tramline.

3/ ECONOMIC DEVELOPMENT

CONSOLIDATED BUDGET FOR ECONOMIC DEVELOPMENT - 2015 AA



IN €M	2013 AA	2014 AA	2015 AA
Operating expenditure	53.1	48.8	47.5
of which payroll	20.8	18.1	12.1
Investment expenditure	16.2	13.3	32.1
Operating income	32.7	36.3	34.9
Investment income	37.1	0.6	15.1

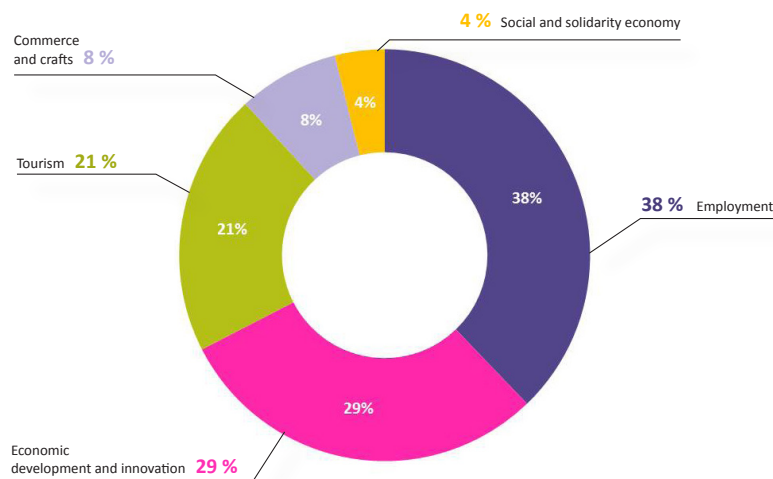
OPERATING SECTION

IN THE 2015 AA, THE OPERATING BUDGET FOR ECONOMIC DEVELOPMENT WAS €47.5M, OF WHICH €12.1M WAS FOR PAYROLL EXPENDITURE.

In the field of economic development, there was a fall of -€6M in payroll expenditure, as a result of a change in the scope taken into account. Indeed, to improve the clarity of personnel expenditure per policy sector, funding related to subsidised contracts (*Emplois d'Avenir* contracts and *Contrats Unique d'Insertion*) and trainees were allocated to the relevant fields whereas they were previously centralised on the economic development function. Furthermore, 40 budgeted jobs were redeployed in this sector, which accordingly contributed to overall payroll management.

Excluding payroll, operating expenditure on the economic development and attractiveness of Paris amounted to €35.4M, up 15.1% on 2014.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2015 AA



The largest item of expenditure was **employment** support policy, amounting to €13.4M in the 2015 AA, an increase of 17.6% (i.e. €2M) on 2014.

The Departmental Plan for Access to Employment totalled €3.0M compared to €1.7M in 2014: the amount of expenditure in the 2014 AA was particularly low due notably to a large number of courses starting late, which meant the expenditure was only liquidated in the 2015 fiscal year. Grants amounted to €3.3M for local missions and €3.2M for access to employment. €0.3M was also invested in access to employment assistance programmes. In addition, €3.3M were invested in training trainees, subsidised contracts and civilian service volunteers.

Expenditure on **tourism** amounted to €7.3M in the 2015 AA and primarily consisted of grants, including €6.6M to the Paris Tourism and Congress Office and €0.2M to Unis-Cité.

Economic development and innovation accounted for €10.5M, up €2.2M on 2014. Grants represented the main item of expenditure, including €3.3M in economic development grants and particularly €3.1M for Paris & Co and €1.4M in innovation grants paid to enterprise centres and incubators. €1.3M of current costs was also allocated to economic development, up €0.3M on 2014. Exceptional expenditure of €3.2M was also allocated in 2015: this was for the repayment of rent overpayments, made under the memorandum of understanding relating to the termination of property agreements signed in 1980 with SAGI and RIVP.

Expenditure on **business and the arts and crafts industry** amounted to €2.8M, down 0.6% on 2014. Grants paid to businesses totalled €0.9M including €0.8M for Christmas lights. €0.6M were also invested in supporting the organisation of the Foire du Trône and €0.5M (including €0.2M of grants and prizes), as well as the arts and crafts industry. Finally, current costs relating to business and the arts and crafts industry amounted to €0.8M including €0.3M for the operation of "Frigos" and "Ateliers de Paris".

The **social and solidarity-based economy** accounted for €1.4M (including €1M in grants), up €0.3M on the 2014 AA. Among the expenses incurred, €0.3M were invested in promoting the circular economy.

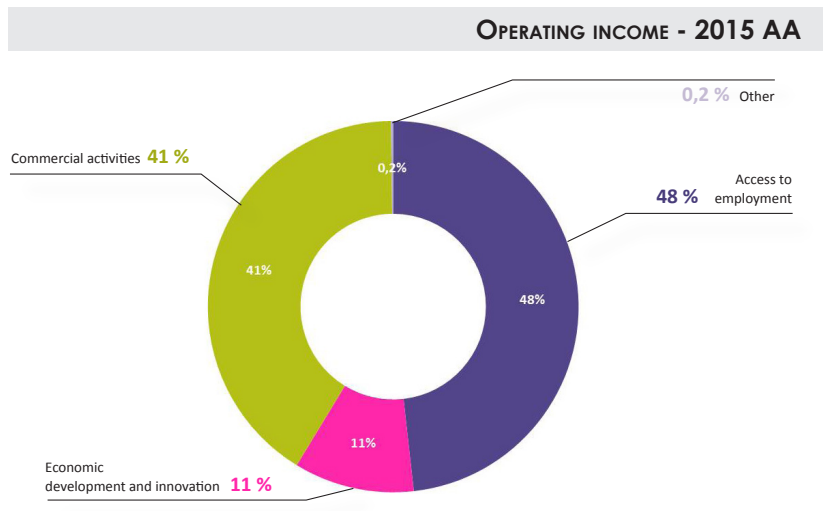
OPERATING EXPENSES FOR ECONOMIC DEVELOPMENT AMOUNTED TO €34.9M IN THE 2015 AA, DOWN 3.8% ON THE 2014 AA.

Expenditure on **businesses and the arts and crafts industry** amounted to €14.3M, down 17.9% (i.e. €3.1M). Parking and public road rental fees (including Christmas Market and Big Wheel fees) totalled €5.4M (i.e. down €2.2M on the 2014 AA). Furthermore, €4.1M of fees paid by markets were received compared to €5M in 2014.

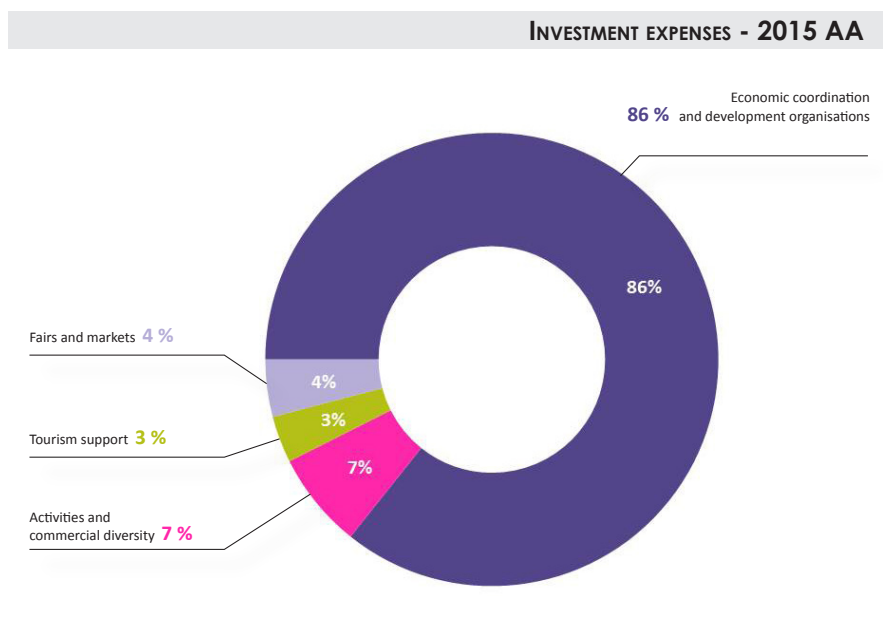
Income from access to **employment** totalled €11.0M, down €4.7M (i.e. -30%) on 2014, primarily due to a fall in resources from the State contribution to subsidised contract schemes (-€4.2M).

Income from **economic development and innovation** totalled €9.5M in the 2015 AA, up €6.4M on 2014. €5.8M of exceptional income was entered in 2015 (compared to none in 2014): this was entirely comprised of income under the aforementioned memorandum of understanding relating to the termination of the 1980 property agreements signed with SAGI and RIVP (balance of rent payments to be received by the City). Furthermore, rental income increased (+€0.8M).

Other income totalled €0.07M.



INVESTMENT SECTION



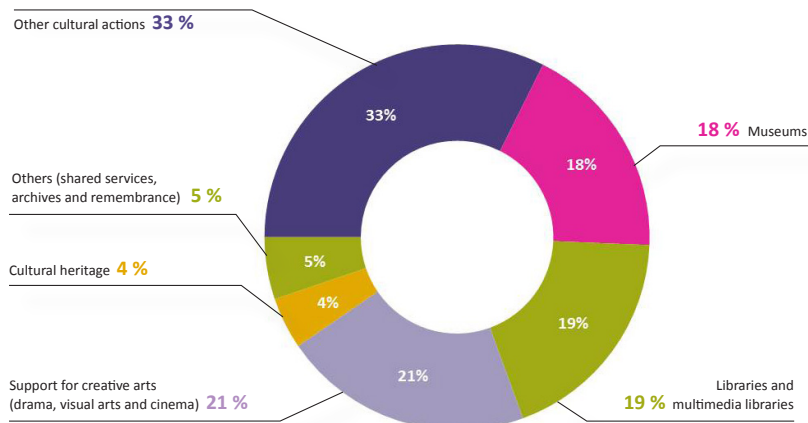
INVESTMENT IN FAVOUR OF ECONOMIC DEVELOPMENT AMOUNTED TO €32.1M, INCLUDING €14.4M UNDER THE MEMORANDUM OF UNDERSTANDING REGARDING THE TERMINATION OF THE PROPERTY AGREEMENTS SIGNED IN 1980 WITH SAGI AND RIVP.

Competitive clusters and innovative businesses received support of €8.8M and €4.2M were invested in commercial development, as well as in business and market development support.

In the field of tourism, the Maison Internationale de Séjour received €1M.

INVESTMENT INCOME AMOUNTED TO €15.1M, INCLUDING €14.8M IN RELATION TO THE TERMINATION OF THE PROPERTY AGREEMENTS SIGNED IN 1980 WITH SAGI AND RIVP.

CONSOLIDATED BUDGET FOR CULTURE - 2015 AA



IN €M	2013 AA	2014 AA	2015 AA
Operating expenditure	298.9	310.8	312.3
of which payroll	116.7	121.7	123.5
Investment expenditure	97.6	60.5	62.4
Operating income	11.0	11.1	11.9
Investment income	3.3	9.5	12.1

OPERATING SECTION

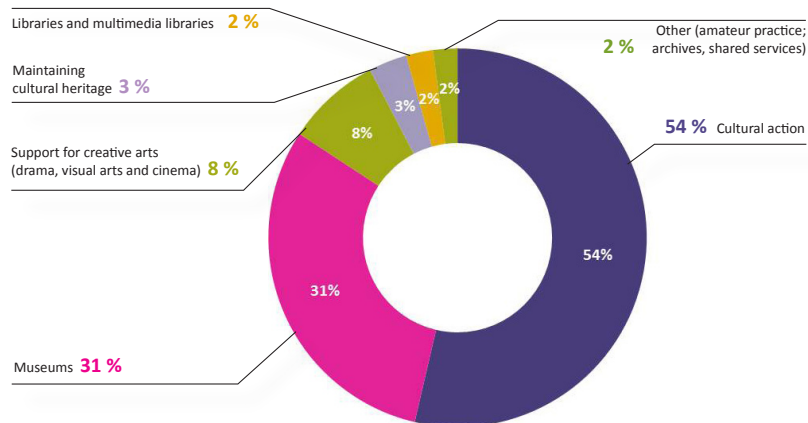
IN THE 2015 AA, THE OPERATING BUDGET ALLOCATED TO CULTURE WAS €312.3M, OF WHICH €123.5M WAS PAYROLL EXPENDITURE.

Personnel expenditure in the field of culture increased by €1.8M, driven by the delivery of new facilities (new Françoise Sagan library, new Municipal District Academies (CMA) in the centre of Paris and the 12th arrondissement).

A little more than €0.8M of this increase in expenditure was also due to a scope effect resulting from the reallocation to the relevant functional fields of expenditure on the Department's subsidised contracts (*Emplois d'Avenir* and *Contrats Unique d'Insertion*) and on the City's trainees.

Excluding payroll, operating expenditure on culture amounted to €188.8M, down 0.2% on the 2014 AA.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2015 AA



The different **cultural actions** totalled €101.3M in the 2015 AA, up 3.9% on the 2014 AA. These primarily consisted of grants to cultural establishments (excluding the grant to the Paris Musées Public Establishment), for a total of €98.0M, of which €93.5M from the City budget (i.e. an increase of €2.6M on the 2014 AA particularly due to the increase in the Philharmonie grant). On the Department's budget, the grants paid to "104" and to "Maison des Métallos" were stable in relation to 2014 and totalled €4.5M.

€1.6M were also allocated to the organisation of the "Nuit Blanche" in 2015, as in 2014.

Totalling €57.8M, **museums** constituted the second largest item of cultural expenditure, down 3.3% on 2014 due to the reduction in the grant to the Paris Musées public establishment. Indeed, of these expenses, €56.1M were allocated to the grant paid to the Paris Musées public establishment, which fell by €1.9M on 2014 AA following the museum price reform adopted in June 2014. This reform enabled the development of Paris Musées' own resources and therefore its financial independence, accordingly limiting the City's contribution to its financing whilst also ensuring the quality of services.

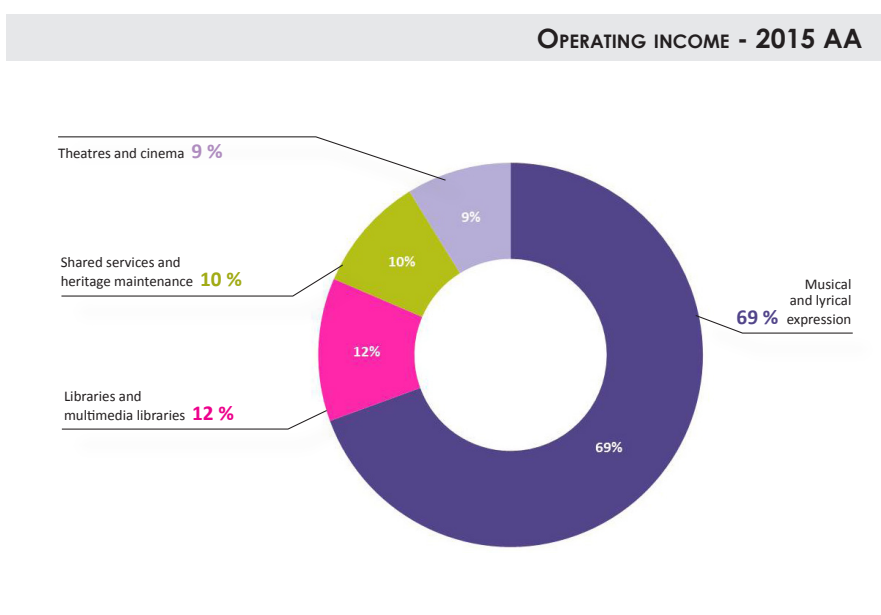
Support for artistic creation totalled €15.3M, including a budget of €7.9M, primarily consisting of cinema grants, down €0.6M on 2014 following the ending of the Paris Cinéma festival. Operational expenditure on theatres was stable compared to 2014 and represented €7.0M. It mainly concerned the public service commissions of the Gaîté Lyrique (€5.8M) and Les Trois Baudets (€0.5M) theatres. €0.4M was also spent on supporting visual arts and other related activities.

€6.2M in expenditure were allocated in 2015 to the **upkeep of cultural heritage** (+€0.2M).

Furthermore, expenditure on the operation of **standard and multimedia libraries**, amounting to €4.4M in 2015, down €0.4M (i.e. -9.3%) on 2014. Expenditure on books, disks and cassettes fell by €0.6M due to the early payment in 2014 of 2015 subscription costs. Expenditure on supplies of small equipment was in contrast up (+€0.3M) due to an exceptional expense incurred in connection with the construction work on the Forney library.

€3.9M was used to finance **other financial expenditure** compared to €5.2M in 2014. Expenditure on memorials totalled €0.7M in 2015, i.e. a fall of €0.9M that was accounted for by the costs incurred in 2014 for the commemoration of the Liberation of Paris. Furthermore, €1.3M were spent on cultural affairs department shared services (down €0.17M), €1.6M for the development of amateur music and art activities, and €0.4M for the archives.

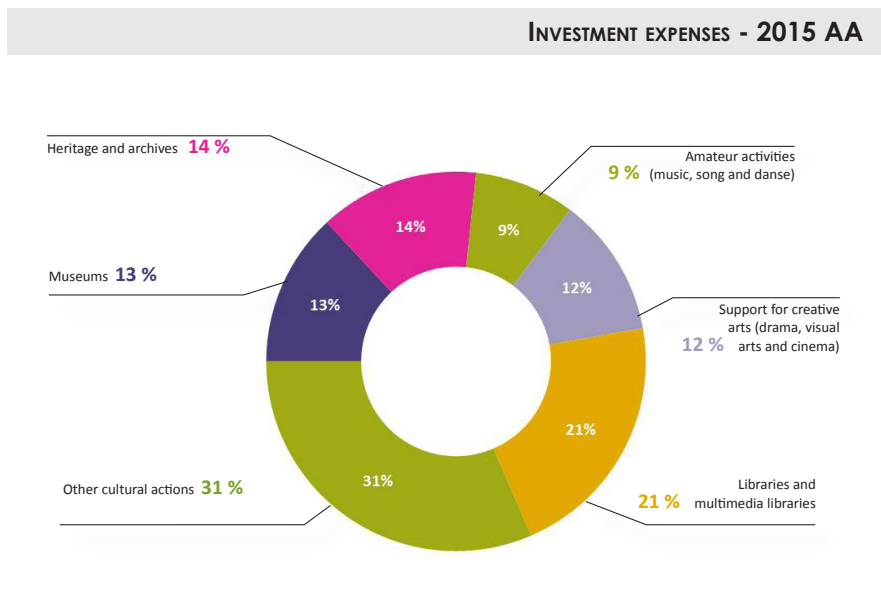
OPERATING INCOME FROM CULTURE CAME TO €11.9M IN THE 2015 AA, A 7.1% INCREASE ON THE 2014 AA. THIS VARIATION IS PRIMARILY ACCOUNTED FOR BY AN INCREASE IN INCOME RECOVERED FOR ACADEMY ENROLMENT FEES.



Operating income from the **artistic expression (musical and choreographic expression, visual arts, theatres and cinemas)** sector amounted to €9.3M in 2015, up 8.7% on the 2014 AA. 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 (€8.3M in the 2015 AA compared to €6.9M in the 2014 AA due to the postponement of the entry of some income from 2014 to 2015).

Income from the activities **of standard and multimedia libraries** amounted to €1.4M in 2015, practically stable in relation to the 2014 AA (-€0.1M).

INVESTISSEMENT SECTION

**IN 2015, INVESTMENT EXPENDITURE ON CULTURE AMOUNTED TO €62.4M.**

In 2015, the total amount invested in standard and multimedia libraries was €13.3M, particularly including the re-opening of the Glacière library and the opening of the Françoise Sagan multimedia library (10th). Regarding **museums**, the City invested €8.2M, particularly including the launch of the renovation of the Carnavalet Museum.

2015 also saw the launch of the Churches plan with €7.1M spent this year, particularly with work beginning on the churches of Notre-Dame-de-Lorette (9th) and Saint-Merri (4th).

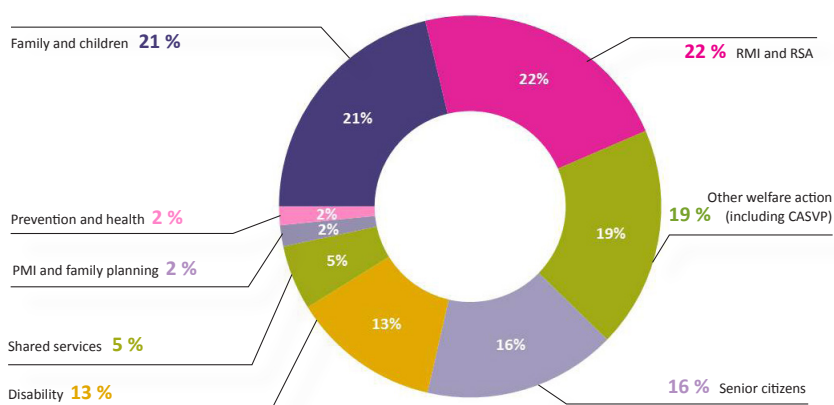
€14.4M was also spent on the work on Théâtre 13 and the grant paid for the Philharmonie.

There was also the start of the initial studies on the Théâtre de la Ville and Théâtre du Châtelet rehabilitation projects, as well as the continued work on Théâtre Marigny, totalling €1.3M.

IN 2015, INVESTMENT INCOME FROM CULTURE AMOUNTED TO €12.1M, OF WHICH €6.4M FOR THE GAÎTÉ LYRIQUE THEATRE AND €3.1M FOR THE LOUXOR CINEMA.

5/ WELFARE AND SOLIDARITY

CONSOLIDATED BUDGET FOR WELFARE AND SOLIDARITY - 2015 AA



IN €M	AA 2013	AA 2014	AA 2015
Operating expenditure	1,773.3	1,796.1	1,825.2
of which payroll	166.7	166.0	171.8
Investment expenditure	53.8	36.3	19.0
Operating income	141.5	138.3	155.1
Investment income	5.4	7.4	5.8

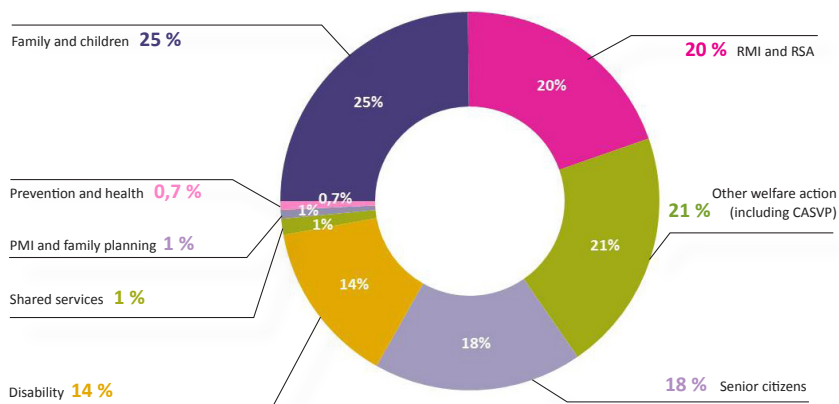
OPERATING SECTION

IN 2015, THE OPERATING BUDGET FOR WELFARE AND SOLIDARITY WAS €1,825.2M, OF WHICH €171.8M ON PAYROLL, EXCLUDING THE CONTRIBUTION FROM THE CITY TO THE DEPARTMENT (amounting to €622.6M in expenditure, this contribution had no impact for the municipality: the income was allocated to the general services item).

Personnel expenditure in the field of welfare and solidarity increased, particularly driven by the postponement of a departmental foster carer bonus from December 2014 to January 2015 (+€2.8M). This increase in expenditure was also due to the allocation of +€2.2M of subsidised jobs and trainees to the relevant sectors.

IN 2015, expenditure on welfare and solidarity, excluding payroll, totalled €1,653.0M, up €23.3M.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2015 AA



The biggest item of expenditure, **expenditure on the Active Solidarity Income (RSA)**, posted at **€410.7M**, including €354.5M paid in RMI/RSA allowances and €50M to the Departmental Integration Programme (PDI), i.e. an overall increase of €11.7M on 2014. RSA allowance expenditure increased by €17.5M, due to the increase in the average number of beneficiaries over the year (66,700 beneficiaries on average in 2015, compared to 64,700 in 2014) and revaluations implemented in January 2015 based on inflation as well as in September 2015 for government assistance provided under the poverty plan (+2%).

Child welfare was the second largest expenditure item with an allocated amount of €327.3M, compared to €328.4M in 2014, i.e. a decrease of 0.3%. Accommodation costs amounted to €215.3M, compared to €211.9M in 2014, i.e. +€3.4M. This situation was the result of three major changes: an increase in children's home accommodation expenditure of €2.8M, a reduction in reception centre accommodation expenditure of €2.3M and an increase in alternative housing scheme costs of €2.7M. In parallel, the number of young people placed by the Child Welfare Service (ASE) fell (4,825 young people placed on 31 December 2015, compared to 5,106 in 2014), primarily due to the fall in the number of unaccompanied foreign minors (UFMs) following the application of the national equalisation circular of 31 May 2013 relating to the terms and conditions for placement of unaccompanied foreign minors, which caused a fall in the number of UFMs placed by the Paris municipality.

€16.7M was also paid for **hotel placements**. These allowances fell by €7.2M on 2014 driven by a combination of the fall in the cost of nights of accommodation and the reduction of the number of families placed (1,700 in November 2015). Expenditure on **temporary child welfare** staff increased by €5.6M due to the increase in the number of young people placed in hotels due to behavioural difficulties.

Contributions to specialised prevention centres remained stable at €25.3M.

Expenditure for "other social programmes" in the City of Paris totalled €313.8M. This expenditure primarily consisted of the contribution paid to the **City of Paris social welfare centre (CASVP)**, which amounted to €312.2M, down €1.2M particularly following the reform of the terms of award of the "Navigo Émeraude Améthyste" pass.

The **Department's other social projects** accounted for €29.1M, up €1.3M particularly following the implementation of the "plan to combat homelessness" which accounted for €1.2M. Social policy expenditure amounted to €27.9M compared to €27.7M in 2014. This particularly included contributions to the Housing Solidarity Fund (€19.85M), Young People's Support Fund (€0.75M), other investments in integration (€4.9M) and priority rights (€0.76M).

Expenditure on elderly welfare and Personal Autonomy Allowances (APA) totalled €294.6M up €3.6M on 2015. The APA totalled €140.2M, up €5.4M on 2014, particularly due to the following changes :

- Increase in Centre-Based APA expenditure: totalling €60.5M compared to €49.8M in 2014, expenditure accordingly fell to a similar amount to 2013 (€59.0M), the 2014 fiscal year having been marked by transfers from the National Pension Fund (CNAV) due to the resumption of management of the Home-Based APA by the Department of Paris: these transfers reduced our expenditure. Furthermore, the number of beneficiaries continued to increase, rising from 12,397 in December 2014 to 12,582 in December 2015 ;
- Reduction of -€4.7M in Home-Based APA expenditure: €77.8M compared to €82.5M in 2014. The number of beneficiaries was overall stable between 2014 and 2015 and the principal factor of variation in expenditure was the reduction of the average amount of aid plans that can be considered to be due to a technical measure (direct payment of Universal Service Employment Cheque (CESU) costs on an actual costs basis to the Social Security Contribution Collection Agency (URSSAF)) and a constant fall over several years of the average amount by beneficiaries.

Aid for accommodation for the elderly amounted to €147.8M, compared to €149M in 2014. Centre accommodation cost expenditure particularly fell by €1.7M in line with the variation in the number of beneficiaries, which has fallen regularly over several years (5,983 beneficiaries at the end of 2008, 5,222 at the end of August and 5,100 at the end of 2015).

Disabled welfare totalled €230.6M, up €9.1M. **Accommodation costs** were the largest expenditure item, totalling €153.7M, up €7.3M on 2014, primarily due to the revaluation of day prices at existing facilities and the opening of new facilities.

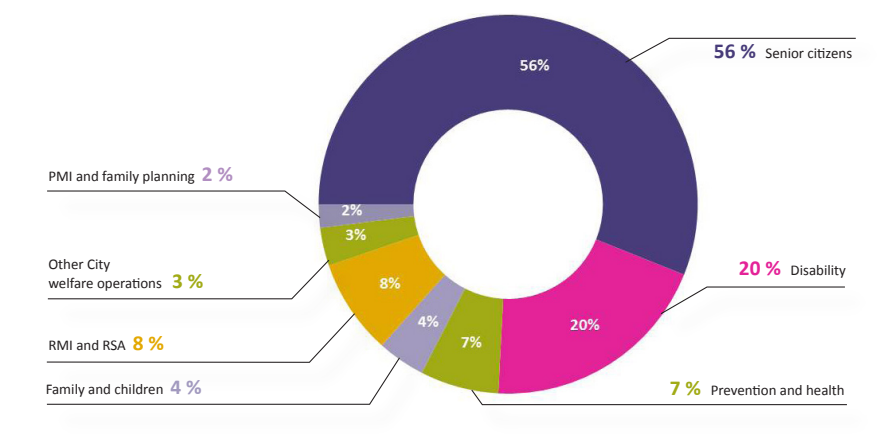
Allowances paid out for Disability Compensation Benefits (PCH) and Third-Party Compensation Allowances (ACTP) totalled €71.5M, i.e. €52M and €19.5M, respectively. The movements of the two line items were opposite, with PCH rising by €2.4M on 2014 and ACTP decreasing by €0.8M (this allowance will eventually be phased out and fully replaced by PCH).

Expenditure on the Department's shared services amounted to €22.6M, up €0.3M on 2014. €19.8M concerned repayments to the CASVP of personnel costs in connection with its management of coordination activities and the Versatile Departmental Social Service (SSDP).

Mother-child protection (PMI) and family planning accounted for expenditure of €12.6M which corresponds to a slight decrease of 2.4% on 2014. Rental account expenditure, medical equipment (including vaccines and serums) and study costs particularly fell by €0.4M. Expenditure on investments in and grants to child protection associations and organisations were, in turn, up €0.25M.

Finally, entries relating to **prevention and health education** amounted to €12.5M, slightly down on 2014. This expenditure covered funds allocated to disease prevention (€7.3M), health-based prevention schemes (€2M), and combating drug addiction (€2M), as well as health centres (€1M).

OPERATING INCOME - 2015 AA



INCOME FROM SOCIAL WELFARE AND HEALTH TOTALLED €155.1M. IT INCREASED BY €16.8M ON 2014.

The main income was from **elderly welfare**. This totalled €87M, including €71.8M in recoveries from beneficiaries.

Income from policies aimed at disabled people totalled €30.6M. This included €14M of subsidies paid by the National Solidarity & Autonomy Fund (CNSA): €12.3M for the PCH and €1.7M for the Departmental Centre for Disabled People (MDPH), i.e. a reduction of €2.3M on 2014. Recoveries from beneficiaries remained stable at €14.4M.

For the **Minimum Integration Income / Active Solidarity Income (RMI/RSA)**, €12.6M of income was recorded, compared to €4.2M in the 2014 AA, particularly following the setting up of two ESF agreements to support Paris RSA beneficiaries with a view to their socio-professional integration totalling €5M.

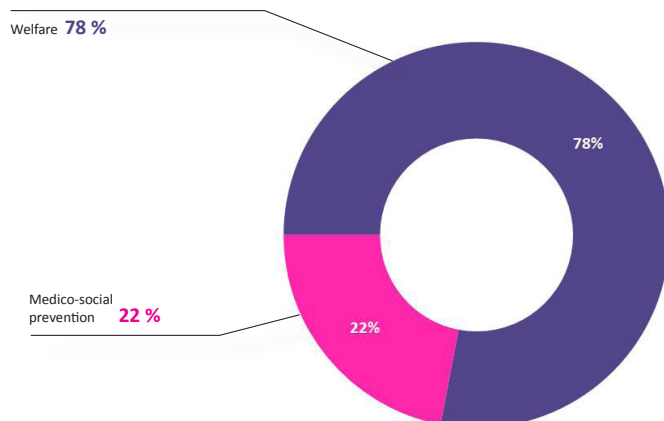
Income from family and childhood programmes totalled €6.3M, an increase of €2.2M on 2014. This increase was particularly due to the repayment, totalling €2.1M, of the amounts received by the Paris SAMU Social (emergency assistance service for the homeless) under the agreement for the management of income from Child Welfare hotel placements.

Income from mother-child protection (PMI) and family planning came from contributions from Social Security and cooperatives. It amounted to €3.1M, stable in relation to 2014.

The Department received €10.4M in income from health education and prevention, an increase of €1.3M on 2014. Income relating to preventive healthcare to combat sexually-transmitted diseases (STDs) increased by €2.3M on 2014 to €6M, particularly due to the instalments received from the principal health insurance fund (CPAM). Furthermore, €5.6M in income was received from preventive healthcare programmes and €4.3M came from health centre users.

INVESTMENT SECTION

INVESTMENT EXPENSES - 2015 AA



INVESTMENT EXPENDITURE ON THE SOCIAL SECTOR TOTALLED €19.0M, WHICH WAS COMPRISED OF €14.8M FOR SOCIAL WELFARE AND €4.2M FOR MEDICAL-SOCIAL PREVENTION.

€6.2M of grants were paid in 2015 including €1.4M for the construction work on the Broussais (14th) and Lourmel (15th) Dependent Elderly Persons Housing Centres (EHPAD). €1.5M were spent on the construction work on the Ilot des Mariniers social centre (14th).

INVESTMENT INCOME CAME TO €5.8M.

IN €M	AA 2013	AA 2014	AA 2015
Operating expenditure	366.0	391.7	402.6
<i>of which payroll</i>	289.7	310.1	319.6
Investment expenditure	91.1	54.9	53.4
Operating income	202.7	203.2	247.7
Investment income	1.7	4.8	11.4

OPERATING SECTION

IN THE 2015 AA, THE OPERATING BUDGET FOR FAMILIES WAS €402.6M, OF WHICH €319.6M WAS PAYROLL EXPENDITURE.

The increase in payroll expenses on the family function was accounted for by the implementation of the term's priority aiming to improve the services provided to children in Paris. The creation of 83.5 budgeted jobs, as well as the revaluation of the national indexing of grids for category B and C employees (+ 5 points in 2015 after +7 points in 2014) led to an increase in payroll of +€9.5M. Accordingly, 40 budgeted jobs were particularly created for the opening of new public day-care centres, located on Rue de Gravelle (12th arrondissement) and in the Paris Nord-Est development area (19th arrondissement).

Family expenditure excluding payroll amounted to **€83.0M**, up €1.4M on the 2014 AA.

Expenditure on **day-care centres** totalled €79.6M in 2015 (i.e. +€1M on 2014). This increase was accounted for, firstly, by the financing for a full year of 1,670 places opened in 2014, and secondly, by the opening of 477 new places in 2015 (all management methods included), particularly including :

- in the 7th arrondissement, the opening of 15 new places at Rue Oudinot;
- in the 12th arrondissement, the opening of 66 new places at Rue de Gravelle;
- in the 14th arrondissement, the opening of 64 new places at Rue Giordano Bruno;
- in the 17th arrondissement, the opening of 48 new places at Rue Jacques Ibert;
- in the 18th arrondissement, the opening of 58 places at Impasse du Curé;
- in the 19th arrondissement, the opening of 66 new places at Rue Michel Hidalgo;
- in the 20th arrondissement, the opening of 66 new places at Rue de Ménilmontant.

Furthermore, expenditure on the **family function** amounted to €1.3M, up €0.3M on the 2014 AA primarily due to the increase in expenditure on grants paid to extracurricular associations and on family mediation.

OPERATING INCOME FOR FAMILY PROGRAMMES WAS FROM DAY-CARE CENTRES ONLY. IN 2015, IT TOTALLED €247.7M, UP €44.5M ON 2014.

Family contributions totalled €85.3M. They increased by €6.4M on 2014 primarily due to the increase in the number of places available.

INVESTMENT SECTION

IN 2015, THE CITY INVESTED €53.4M IN EARLY CHILDHOOD.

€10.0M of capital grants were paid to association-run day-care centres (particularly €3.5M to the Fondation Oeuvre de la Croix St- Simon, €1.3M to the Department Union of Family Associations, €1.2M to the Belleville social welfare group) enabling the creation of 267 new places in 2015.

€28.4M were devoted to work on day-care centres, particularly including the opening :

- of the public day-care centre in Rue de Gravelle (12th) at a cost of €5.0M,
- of the Rue Michel Hidalgo day-care centre (19th) at a cost of €1.2M,
- of the Carré Baudouin day-care centre (20th) at a cost of €1.0M.

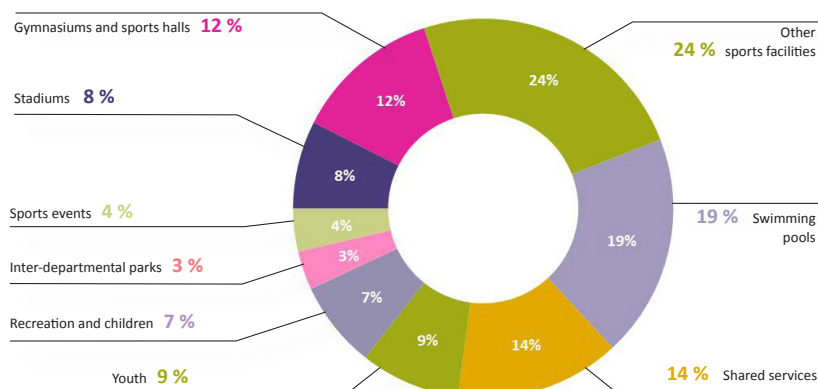
Overall, this work enabled the creation of 210 new places in 2015.

€15.1M was spent on day-care centre maintenance and equipment, including €9.6M on local interest budgets.

INVESTMENT INCOME FOR EARLY CHILDHOOD CAME TO €11.4M IN 2015, MOSTLY FROM FAMILY BENEFITS FUND (CAF) GRANTS.

7/ SPORT AND YOUTH

CONSOLIDATED BUDGET FOR SPORT AND YOUTH - 2015 AA



IN €M	2013 AA	2014 AA	2015 AA
Operating expenditure	197.8	201.8	214.3
of which payroll	113.9	119.7	122.1
Investment expenditure	139.7	70.3	59.3
Operating income	67.9	89.7	96.0
Investment income	3.5	4.2	1.2

OPERATING SECTION

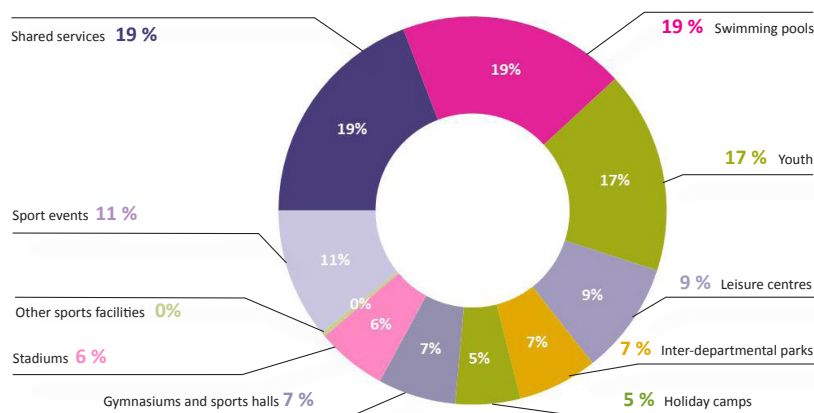
IN 2015, THE OPERATING BUDGET FOR SPORTS AND YOUTH WAS €214.3M, €122.1M OF WHICH WENT TO PAYROLL.

In addition to the effects of the revaluation of the national indexing of grids for category B and C employees (+5 points in 2015 after 7 in 2014), the 2015 fiscal year was characterised by the opening of the new Saussure (17th arrondissement) and Delessert (10th arrondissement) gyms. 2015 also saw the continued implementation of the youth and childhood contract that is intended to increase the quality of extracurricular activities by improving the supervision ratios (1 supervisor for 14 children at nursery school and 1 supervisor for 18 children at elementary school), as well as staff qualifications. The 940 new jobs created in the 2015 initial budget for the childhood and youth contract (CEJ) for 2015 and 2106 enabled the meeting of these objectives by stabilising qualified full-time and substitute staff and, at the same time, limiting use of substitute teaching hours.

The increase in expenditure was also due to the allocation to the relevant functional fields of subsidised contracts and trainees totalling +€1M.

The operating budget excluding payroll for sport and youth amounted to €92.2M up €10.1M on 2014.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2015 AA



Swimming pool activities accounted for €17.5M or nearly 19% of all expenses, up €0.8M on 2014. Costs resulting from contracts signed to manage outsourced swimming pools accounted for €13.9M, i.e. a similar amount to 2013 and an increase of €1.1M on 2014 following the reopening of the George Hermant swimming pool. Costs relating to pools managed by the municipality, particularly for water and chemical use, amounted to €3.6M, a stable amount in relation to 2014.

Youth activities in turn accounted for €15.5M, down €2.3M on 2014, particularly due to the technical transfer of certain recreation centres to the "culture" function: accordingly, €1.8M were transferred to the Department of Cultural Affairs for the Fleury Goutte d'Or Music Centre management contract. More than €7M covered expenditure on youth activities, including expenditure on youth facility management contracts (i.e. primarily Recreation Centres and Youth Centres) totalling €3.2M and to grants paid for Youth totalling €2.2M. Expenditure on sports activities amounted to €7.4M including €3.7M for afterschool sports activities, €1.9M for sports coaching contracts and €1.2M for transport costs. Finally, €0.8M financed prevention and safety grants.

Shared services accounted for €17.7M i.e. an increase of €3.4M on 2014. €10.2M was allocated to grants for :

- **local sport** totalling €5.6M, down €0.3M on 2014 (primarily on municipal sports offices);
- **professional sports** totalling €4.3M, including €1M for Stade Français and €0.9M for Paris Université Club (PUC) Volley Ball. This item fell €0.7M on 2014, particularly due to the fall of -€0.4M on Paris Football Club (from €0.6M in 2014 to €0.2M in 2015);
- **Exceptional grants** for professional sport fell slightly to €0.35M compared to €0.42M at the end of 2014. This included €0.05M for the French Omnisports Federation, €0.05M for the French Athletics Federation and €0.04M for the French Triathlon Federation.

Overhead costs accounted for €7.4M, up €4.7M on 2014. €5.3M were spent on service delivery expenses (compared to €1.7M in 2014). This included €3.8M of new expenditure on the contract for the build-up to and preparation of Euro 2016. Furthermore, €0.5M financed membership of the Olympic & Paralympic Ambition Study Association for Paris's bid to organise the 2024 Olympic and Paralympic Games

Expenditure on **sports facilities, excluding swimming pools**, amounted to €11.4M, including €6M for the maintenance and management of sports facilities and gyms and €5.4M for the management of municipal stadiums.

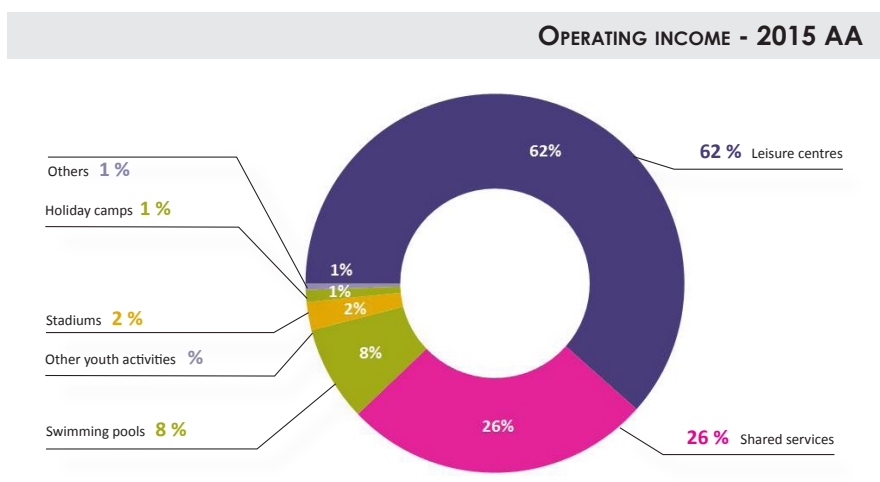
Expenditure on **recreation centres** amounted to €8.7M, falling by €0.4M on 2014. This expenditure was distributed mainly as €2.7M in transport expenses, €2M for supplies, €1.1M in entry fees for children's activities and €0.9M for accommodation costs.

€6.1M were allocated to the management of **interdepartmental parks**, under agreements signed with partner Departments.

In addition, €5.0M was spent on organising **summer camps**, €2.8M of which on accommodation.

Furthermore, €10.0M was spent on membership of the "Paris 2024" public interest group to manage the City of Paris's bid to organise the 2024 Olympic and Paralympic Games as well as to support and promote this bid nationally and internationally preserving the Olympic ideal and spirit.

SPORTS AND YOUTH INCOME TOTALLED €96M, €6.3M MORE THAN IN 2014.



In 2015, **recreation centre** activity generated €56M in income, a €1.9M increase. This amount consisted of a €36.4M contribution from the Family Benefits Fund (CAF), €12.8M of family contributions and €6.7M for the school schedule reform (ARE) seed fund.

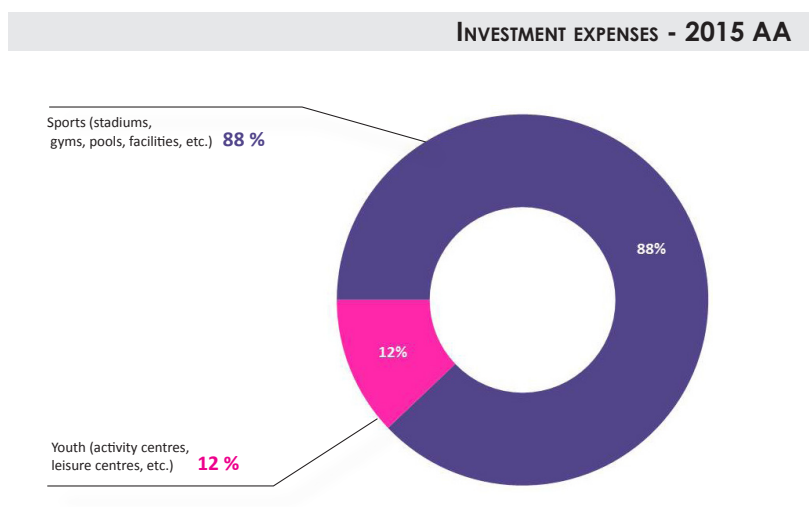
Income from **shared services** amounted to €24M, up €10M on 2014. This increase was particularly accounted for by the transfer of the fee paid by the French Tennis Federation for Roland Garros, up €6.6M (income from the Roland Garros fee increased by €2.7M on a like-for-like basis, but it was previously allocated to the "stadia" function), as well as that paid by Société d'Exploitation des Sports Événementiels (€1.2M) and by Stade Français (€1.2M). Rent payments accordingly totalled €22.3M compared to €12.8M in 2014. Finally, the flat-rate fee paid by Société Anonyme d'Exploitation du Palais Omnisports de Paris Bercy, the operator of the Palais Omnisports, was €1.2M, up €0.3M.

In addition, **swimming pools** made €7.4M in income in 2015, including €6.1M in sports service fees and charges. This income increased by €0.2M on 2014.

Income from the **stadia** activity was €2.2M compared to €7.3M in 2014 driven by the technical transfer of the aforementioned income from fees to the "shared services" function. Finally, €1.4M was from tennis activities.

Finally, income from **other youth activities** amounted to €6.5M, including €4.6M of charges and fees for extracurricular services and €0.8M in Family Benefits Agency (CAF) services.

INVESTMENT SECTION



INVESTMENTS IN YOUTH AND SPORTS TOTALLED €59.3M IN 2015.

Gyms and sports halls represented the main investment with €28.1M and particularly €5.2M in the Clichy-Batignolles development area gym (17th) as well as €3.6M in the Folie Regnault gym (11th).

€15.1M was also spent on stadia, particularly including €6.0M on the extension of Roland Garros, €3.3M on the Parc des Princes and €1.6M on Stade Jean Bouin.

€8.1M was allocated to swimming pools particularly including €2.1M to the Amiraux pool (18th).

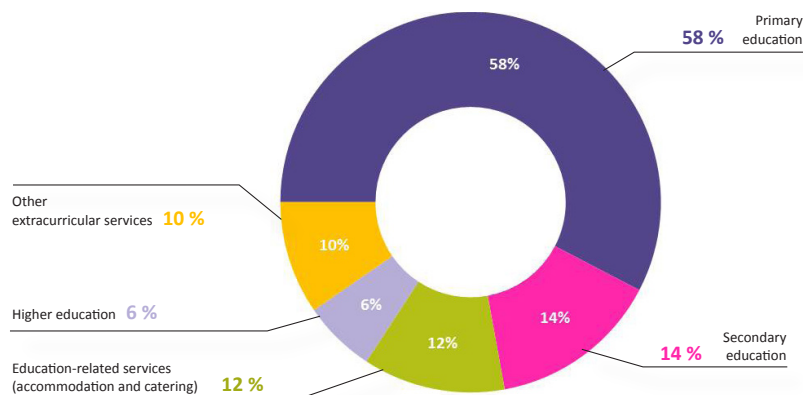
In terms of recreation centres, €1.6M were invested in the Daviel centre in the 13th arrondissement and €1.6M in a recreation centre in the Clichy Batignolles development area (17th).

€19.7M was invested in maintaining and equipping these different facilities, including €10.5M from local interest budgets.

INVESTMENT INCOME CAME TO €1.2M.

8/ EDUCATION AND TRAINING

BUDGET FOR EDUCATION AND TRAINING - 2015 AA



IN €M	AA 2013	AA 2014	AA 2015
Operating expenditure	629.9	679.0	699.3
of which payroll	409.6	459.2	473.3
Investment expenditure	169.2	176.2	121.4
Operating income	21.5	22.0	20.5
Investment income	17.4	19.4	29.4

(*) The sharp increase observed was primarily accounted for by a change in scope with the transfer of expenses for ARE (school schedule reform) and CEJ (childhood and youth contract) from the "sport and youth" function to the "teaching and training" function.

OPERATING SECTION

IN 2015, THE OPERATING BUDGET FOR EDUCATION AND TRAINING WAS €699.3M, INCLUDING €473.3M TOWARDS PAYROLL (I.E. 67.7%), UP 3% ON THE 2014 AA. THE INCREASE IN EXPENDITURE WAS ACCORDINGLY PRIMARILY ACCOUNTED FOR BY THE INCREASE OF PAYROLL BUT ALSO BY THE INCREASE IN GRANTS PAID TO SCHOOLS.

More than three-quarters of the Paris municipality's expenditure on personnel (€18M) was on education and training, i.e. €14.1M. This variation (+3% on the 2014 AA) was accounted for by opening and extension of Parisian primary and middle schools, with the creation of 26 budgeted jobs as a result of the opening of two new comprehensive schools in the districts of Masséna (13th arrondissement) and Clichy-Batignolles (17th arrondissement), and 10 others created for the opening of two new middle schools in the 17th and 10th arrondissements.

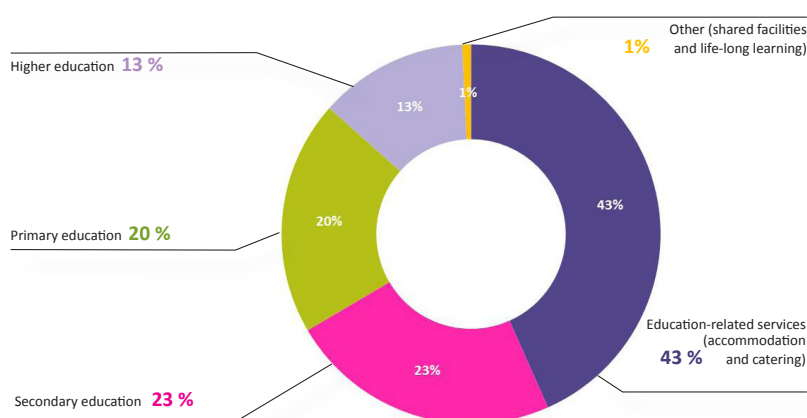
In order to improve the clarity of personnel expenses by policy sector, expenditure on the Department's subsidised contracts (Emplois d'Avenir and Contrats Unique d'Insertion) and on the City's trainees were allocated to the relevant functional fields, leading to an increase of +€3.1M in expenditure in the teaching and training field.

Excluding payroll, operational expenditure on education and training amounted to €226.0M, i.e. +2.8% on the 2014 AA. The utilisation rate was 98.3% for €230.0M of available funds.

Education-related services included a wide variety of services (including school catering) and represented the biggest operational expenditure item, accounting for €97.9M in 2015. This expenditure increased by 6.2% on the 2015 AA, primarily driven by the increase of €6.2M (+8.9%) in grants paid to schools for primary school meals.

Grants paid to primary schools accordingly totalled €76M in the 2015 AA, compared to €69.9M in 2014. This increase was accounted for by the new terms and conditions for the calculation of the subsidy ⁽¹⁾.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2015 AA



Excluding school catering, other expenditure amounted to €21.9M, and fell by €0.5M. Expenditure on school activities and field trips totalled €20.3M in 2015 (€20M in 2014), including €10.7M on afterschool activities, €5.8M on accommodation and €1.2M on transport. €1.9M was also allocated to launches of calls for projects as part of school schedule reforms (ARE) and €0.5M to school health.

The operating budget for **primary education** was €45.2M, up 1.7% on the 2014 AA. Support for private education totalled €27.8M, relating to the flat-rate municipal contribution, up €0.5M on 2014. Current operating costs (cleaning, minor repairs and maintenance of premises, school supplies, etc.) totalled €15.4M, including €2.9M under the energy performance contract. €1M were also allocated to computer maintenance, €0.4M to grants to school life support associations and €0.6M to optional support for private schools.

Expenditure on **secondary education** totalled €52.4M in 2015, a 5.4% rise on 2014 (+€2.7M). €26.5M were allocated to public middle school operating expenditure, including €20.6M of subsidies, €1.9M for building repairs and €1.2M of grants and €0.9M of repayments of maintenance and construction contracts to the Ile de France Region. Grants paid to State-accredited private middle schools totalled €19.6M at the end of 2015, up €1.4M on 2014, following the revaluation of the "capital share" of the flat-rate contribution to day schools. School catering expenditure at middle schools totalled €5.5M. Finally, Breuil School operating costs came to €0.6M.

Higher education operating expenditure came to €28.7M in 2015, a fall of 8.9% on 2014 (€31.5M). €22.6M were spent on research and higher education, including €13.4M allocated to the Ecole Supérieure de Physique et de Chimie Industrielle (ESPCI) (-€0.6M on 2014), €4.7M to the Ecole d'Ingénieurs de la Ville de Paris (EIVP) (stable), €2.9M for the Emergences programme (-€0.2M on 2014) and €0.9M to the Paris Institute for Advanced Study (-€0.1M). The Research in Paris grant was €0.5M in 2015, compared to €1.4M in 2014. Support for student life total-

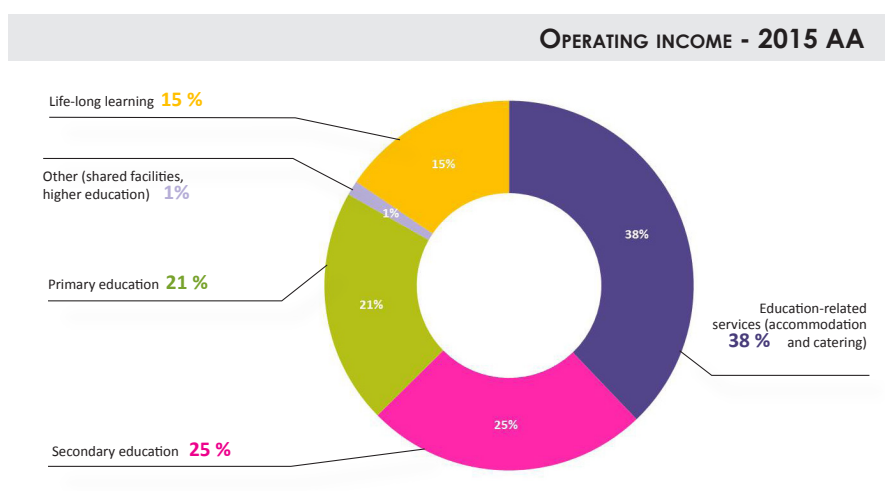
⁽¹⁾ The 2015 reference cost price was established based on 2013 expenditure, adjusted according to the INSEE school catering index. Schools were divided into three sub-sets according to the number of meals that they produced in 2013, and for each sub-set, a "reference price" was determined for the period 2015-2017. It is equal to the average cost price of meals in 2015 for the schools included in the sub-set.

EDUCATION AND TRAINING

led €3.8M, down by -€0.2M on 2014, including €1.4M for the Erasmus Scholarship programme. Finally, €2.3M went to funding for art schools (amount stable compared to 2014).

The budget allocated to the **shared services** of the Educational Affairs Department totalled €1.2M, down by €0.1M. Finally, current operating expenses for courses run by the municipality for adults as part of **further education** totalled €0.5M

IN 2015, €20.5M OF OPERATING INCOME WAS RECEIVED IN THE FIELD OF TEACHING AND TRAINING. THIS INCOME WAS DOWN BY €1.5M (-6.9%) ON 2014



€7.8M was received in operating income relating to **education-related services**, including €5.7M in family contributions for afterschool activities, field trips and supervised studies (+€0.4M on 2014) and €2.1M in State contributions to school health costs.

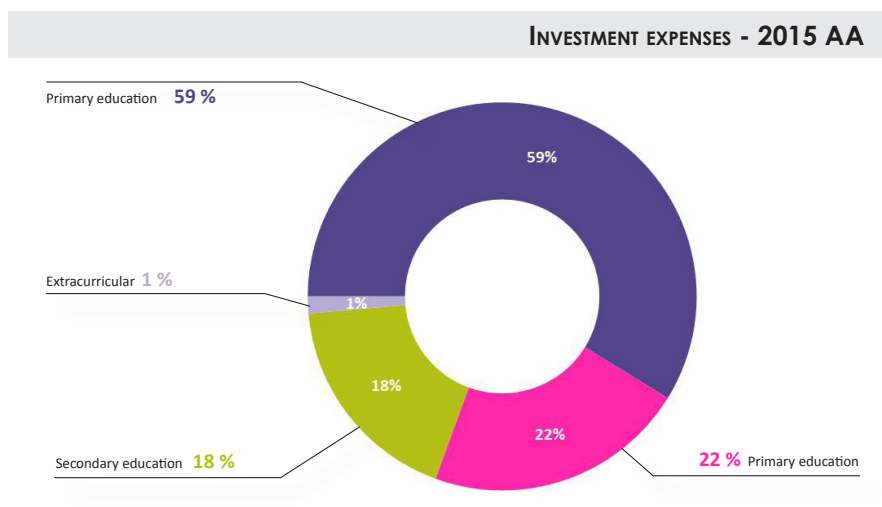
€4.2M in income was from **primary education**, including €2.8M rent income from the rental of school head teacher service accommodation, €1.1M from cost repayments and €0.2M from the rental of school premises for different activities.

Secondary education generated nearly a quarter of income, totalling €5.1M. €3M was received in family contributions for middle school catering and €1.7M in income was associated with the Breuil School, including €1.3M in State and regional contributions.

€3.2M of income was also from enrolment fees for **further education** provided via classes for adults organised by the municipality, down €0.2M on 2014.

Finally, there was €0.2M in **other operating income** from education and training, including fees paid by the Ecole Professionnelle Supérieure d'Arts Graphiques et d'Architecture and contributions to the pooling of resources for the Boule School.

INVESTMENT SECTION



IN 2015, THE MUNICIPALITY'S INVESTMENT EXPENDITURE FOR EDUCATION AND TRAINING TOTALLED €121.4M.

€97.9M was invested in primary and secondary education.

Primary education accounted for nearly 60% of investment in education, with €71.4M in expenditure.

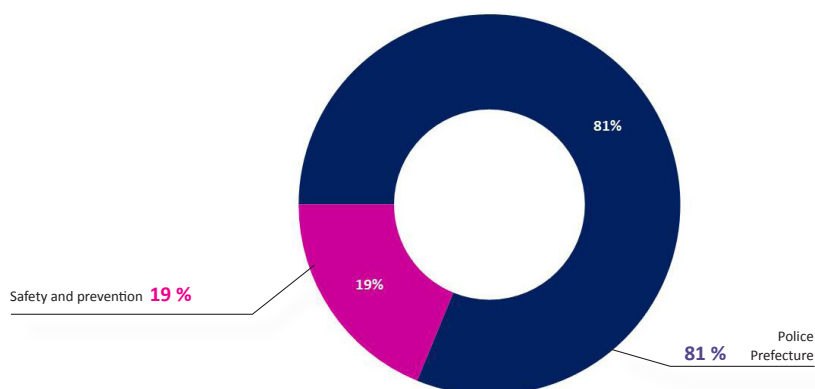
€35.2M went to nursery and primary school facilities and maintenance (of which €22.6M from local interest budgets). Security work totalled €3.5M in 2015 and energy renovation work on 100 schools under the energy partnership contract totalled €1.6M.

€36.1M was spent on the creation and renovation of nursery and elementary schools, including:

- Two primary schools in the Clichy Batignolles development area (17th) at a cost of €12.8M;
- The elementary school in Rue de Torcy (18th) at a cost of €6.7;
- The Monceau comprehensive school in the Beaujon district (8th) at a cost of €6.0M.

Expenditure on **secondary education** came to €26.5M.

BUDGET FOR SAFETY AND SECURITY - 2015 AA



IN €M	AA 2013	AA 2014	AA 2015
Operating expenditure	350.9	356.0	350.4
of which payroll	44.3	47.5	50.4
Investment expenditure	14.1	24.6	7.6
Operating income	1.0	0.8	1.0
Investment income	0.2	0.8	1.4

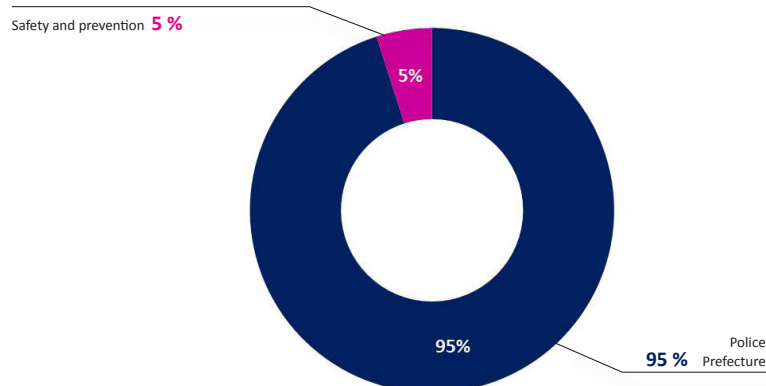
OPERATING SECTION

THE 2015 OPERATING BUDGET FOR SECURITY WAS €350.4M, OF WHICH €50.4M WAS PAYROLL EXPENDITURE.

Payroll for security policies increased due to a change of scope. In order to improve the clarity of personnel expenditure by policy sector, expenditure on the Department's subsidised contracts (Emplois d'Avenir and Contract Unique d'Insertion) and on the City's trainees were allocated to the relevant functional fields, particularly security, causing an increase of +€3M. Staff numbers in this field were stable.

Operating expenditure, excluding payroll, on security came to €300.0M in the 2015 AA, down €2.8M on 2014.

OPERATING EXPENSES (EXCLUDING PAYROLL) - 2015 AA



The main expenditure incurred by the City on security was the **contribution paid to the Police Prefecture**, totalling €285.2M in the 2015 AA, down 2.2% on 2014. This contribution was paid in return for the Police Prefecture performing municipal services on a special basis.

The reduction of this contribution was due to the early increase in the Police Prefecture's own resources driven by the increase in car pound rates.

Excluding the contribution to the Police Prefecture, **expenditure on security and public sanitation** was €14.8M, down €2M on the 2014 AA.

Security **personnel expenses** totalled €7.6M, down by 18% (i.e. €1.7M) on 2014 driven by measures for the optimisation of these expenses partially offset by additional costs incurred in connection with the management of migrants.

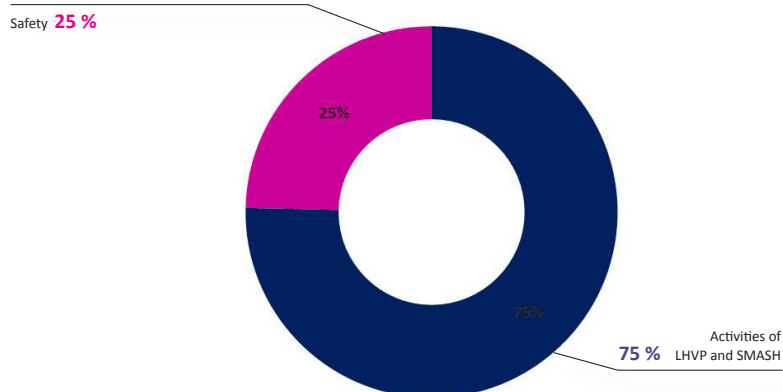
The grant paid in 2015 to the **Paris Property-Owners Surveillance Cooperative (GPIS)** totalled €4.8M (compared to €4.9M in 2014).

Expenditure on **health and sanitation** totalled €1.1M in 2015, down by €0.1M on 2014. This 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 security totalled €1.3M.

OPERATING INCOME FROM SECURITY AMOUNTED TO €1.0M IN THE 2015 AA, UP 34.5% (I.E. €0.2M) ON THE 2014 AA.

OPERATING INCOME - 2015 AA

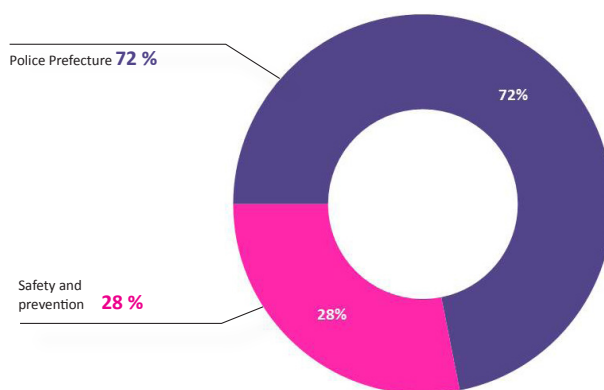


The majority of this income was from health and public sanitation with €0.8M entered in 2015. This income, stable in relation to 2014, came from the activity of LHVP and SMASH.

€0.25M of income from shared services was entered in 2015. This consisted of a grant of €0.08M from the Inter-Ministerial Fund for Crime Prevention (FIDP) as well as a repayment of €0.17M of security personnel expenses paid by Paris Musées.

INVESTMENT SECTION

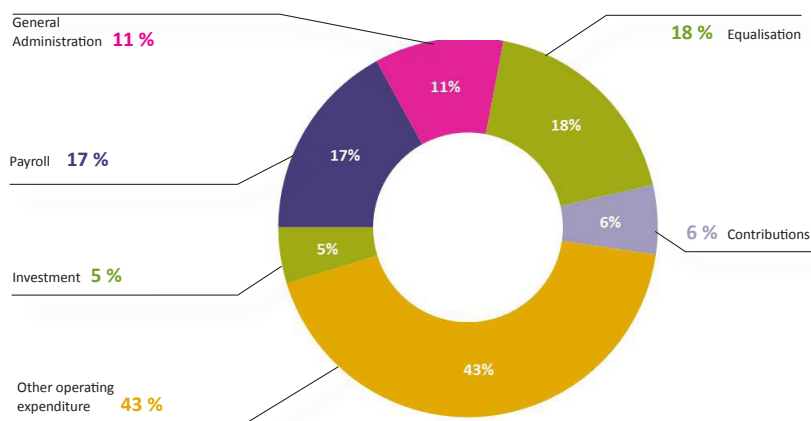
INVESTMENT EXPENSES - 2015 AA



INVESTMENT EXPENDITURE ON SECURITY TOTALLED €7.6M IN 2015 including €5.5M in capital grants to the Police Prefecture to cover work in fire stations and €1.5M allocated to public health work.

INVESTMENT INCOME CAME TO €1.4M.

CONSOLIDATED BUDGET FOR GENERAL SERVICES - 2015 AA



Budget (excluding balancing contribution to the Department in income)

IN €M	AA 2013	AA 2014	AA 2015
Operating expenditure	2 211.4	2 301.5	2 359.5
of which payroll	436.9	441.0	421.2
Investment expenditure	102.2	90.1	118.3
Operating income	6,313.8	6,272.9	6,228.0
Investment income	182.2	185.4	212.2

METHODOLOGY NOTE :

The "0 General Services" item is very broad and includes "non-allocable transactions", along with expenditure for "general administration", in accordance with budget and accounting instructions. Also included are expenditure book entries ¹, **operating expenditure on municipal public facilities and services**, **equalisation expenditure** (excluding National Individual Guarantee of Resources Fund or FNGIR) and **subsidies to specific arrondissement accounts**. These three expenditure categories are detailed below.

Expenditure on the renovation of Les Halles and the embankment roads, which were allocated to function 0, have been removed from the presented scope and added to the "Development" function. The Police Prefecture grant was also transferred to the "security" function for greater clarity.

OPERATING SECTION

THE OPERATING BUDGET IN 2015 FOR GENERAL SERVICES WAS €2,359M, OF WHICH €421.2M WAS PAYROLL EXPENDITURE.

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

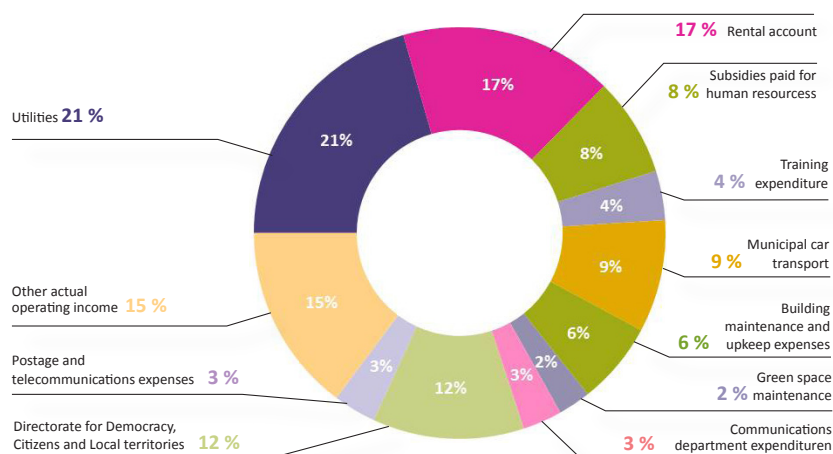
⁽¹⁾ However, all the expenses presented in this section of the report are actual expenses, expenditure book entries being in turn detailed in section III of the report. All expenditure book entries are accounting transactions (including amortisation expenses and contingency reserves), are strictly balanced and therefore have no financial impact.

► GENERAL ADMINISTRATION EXPENSES

Excluding payroll and exceptional costs, the operating budget for general administration was €272.4M, down 2.3% (-€6.6M) on the 2014 AA. This reduction was due to the adoption of measures aiming to manage municipal facility and service upkeep and operating costs.

Below is all of the expenditure from operating municipal public facilities and services. These were highly diverse: utilities expenditure, rental fees, computer maintenance expenditure, training costs, municipal automotive transport rental, etc.

MAIN EXPENDITURE ITEMS (EXCLUDING PAYROLL) - 2015 AA



The biggest expenditure item was for **utilities**, in particular costs relating to water, electricity, gas and fuel to operate municipal facilities (day-care centres, schools, municipality-run cultural and sports facilities, etc.). This item totalled €56M, up €2.6M on 2014; this increase was accounted for by the particularly favourable weather conditions in 2014 and the variation in energy costs.

The second biggest expenditure item was **rental fees**, which included all rental costs and rent paid by the municipality. Rental fees represented €45.7M, i.e. down €1.5M on the 2014 AA, due to the savings made as a result of the reduction of leases.

The third biggest expenditure item was the new **Department of Democracy, Citizens and Territories**. This amounted to €32.4M, compared to €31.6M in 2014, i.e. a variation of +€0.9M. This increase was accounted for by a change of scope, expenditure regarding local cooperation skills now being allocated to this Department. This item also includes **compensation payments, travel expenses and training costs for mayors, assistants and advisers**, totalling €16.9M as well as the grant paid for **Paris Council organisation and operations** (€3.8M).

Vehicle hire for municipal transportation purposes (costs were stated separately in an annexed budget) amounted to €24.0M, compared to €24.8M in 2014.

Grants paid for human resources, for the financing of catering and social services, totalled €21.2M, including €12.1M for the Social Welfare Association for Employees of the City and Department of Paris (ASPP), i.e. +€0.8M on 2014.

Maintenance expenditure (computer maintenance and upkeep of buildings, primarily) accounted for €17.7M, a fall of -€2M on 2014 (€19.7M).

Municipal **training expenditure**, except for costs incurred on access to employment (see "Economic Development" function) totalled €10.6M, a slight drop of €0.7M on the 2014 AA.

Postage and telecommunications expenditure totalled €9.2M, i.e. a saving of €2.1M on 2014, particularly due to the fall in expenditure on mobile phones.

Department of Communications expenditure for 2015 totalled €8.4M, an increase of €0.25M. This sum included expenditure on service contracts with businesses (€2.8M), catalogue and printing costs (€1.9M), as well as contributions to fairs and exhibitions (€0.6M). The increase in expenditure was firstly due to the financing of the event on 31 December 2015 on the Champs Élysées, and secondly the financing of COP21 (printing of a COP21 special edition of A Paris magazine, COP21 marketing campaigns, etc.)

Cemetery management costs were also allocated to this function and totalled €6.8M in 2015, slightly up €0.3M on 2014; they particularly included €1.4M for the funeral service, which monitors funeral contracts (funeral services and crematorium at the Père Lachaise cemetery).

The **legal expenses** of the Paris municipality totalled €3.7M. They primarily consisted of €1.4M of legal fees and lawyers' and notaries' fees.

The **grant paid for unions** is also allocated to this function and totalled €2.8M in 2015, i.e. a stable level in relation to 2014.

This function also includes expenditure on the purchase of **work clothes** for employees of technical departments, amounting to €6.1M. It also includes **other current administrative management costs**, such as insurance costs (€2.5M), premise cleaning costs (€1.9M) as well as property taxes and other local duties paid for equipment (€0.9M).

► EQUALISATION EXPENSES

Equalisation expenditure (net of the National Individual Guarantee of Resources Fund or FNGIR) totalled €455.6M, versus €383.3M in the 2014 AA. This increased by 18.9% (+€72.3M) as a result of :

- the ramp-up of the **National Municipal and Inter-Municipal Resources Equalisation Fund (FPIC)** with an increase of €41.6M to €157.2M;
- the increase of €15.4M in the contribution to both the **property transfer duty (DMTO) equalisation funds**, totalling €96.7M, in accordance with the variation of DMTO income in 2014;
- The increase of €10M in the **contribution to the Île-de-France Regional Municipal Solidarity Fund (FSRIF)** to €151.4M;
- The increase of €5.4M in the **contribution to the Business Value Added Contribution (CVAE) equalisation fund**, to €23.8M;
- The stability of the contribution to the **Solidarity Equalisation Fund for the Departments of Île-de-France Region (FS-DRIF)**, created in 2014, at €26.5M (-0.08M).

► SUBSIDIES TO SPECIAL ARRONDISSEMENT ACCOUNTS

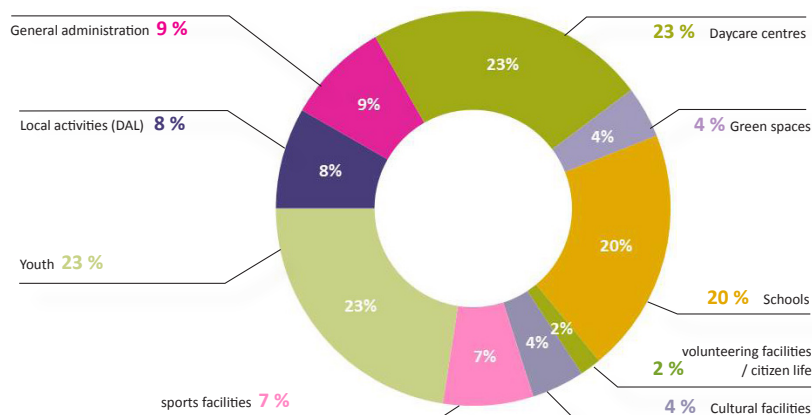
Subsidies paid to special arrondissement accounts are entered under "General Services". They amounted to €141.8M (up €2.2M on the 2014 AA).

This variation was accounted for by an increase in utility expenditure of €1.5M (scope effect linked to experimentation with the simple entry of utilities in the 11th and 18th arrondissements) and a volume effect linked to the opening of new facilities (increase in stock of youth facilities and creation of new youth facilities).

Furthermore, the amount of funds allocated to urgent operating work carried out on local facilities and allocated to the local recreation subsidy increased by €0.2M.

Accordingly, the special arrondissement account local management subsidy was €130.1M versus €128.1M in 2014. The local recreation subsidy amounted to €11.7M compared to €11.5M in 2014.

BREAKDOWN OF OPERATING GRANT EXPENSES PAID TO SPECIAL STATEMENTS IN 2015



► PARIS'S INTERNATIONAL INFLUENCE

The budget allocated to **international relations** totalled €6M, compared to €5.1M in 2014. It primarily consisted of €4.6M of grants, of which €2.6M are allocated to associations combating AIDS, international medical aid, etc. The organisation of COP21 accounted for this increase in expenditure (+€0.9M).

► EXCEPTIONAL COSTS

Exceptional costs amounted to €27M, i.e. up €11.9M on 2014. €13.9M were particularly spent on depreciation of debts on the department's budget due to work carried out on unrecoverable debts in connection with the auditing of the financial statements. Furthermore, cancellations of securities on previous fiscal years totalled €9.5M (down -€2M on 2014). Finally, compensation paid in connection with disputes totalled €13.1M (stable level in relation to 2014) and the sum of €1.3M was allocated for contingency funds and endowments, as in 2014.

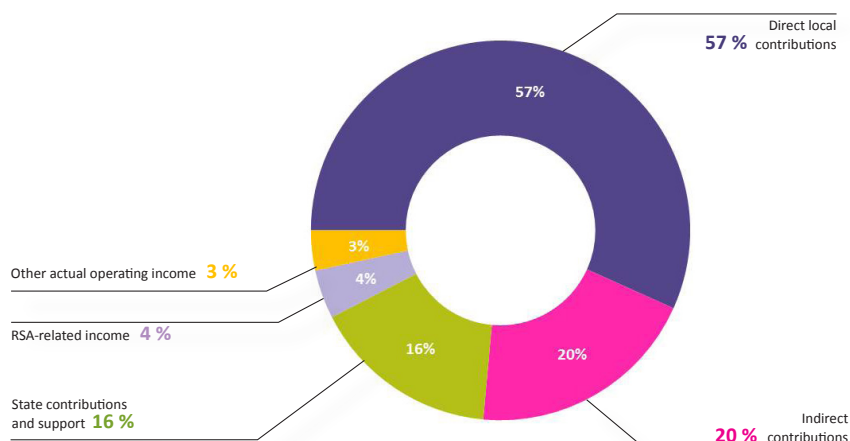
► OTHER OPERATING EXPENDITURE

Other expenditure amounted to €1,041.5M in 2015 and primarily consisted of the amount of the contribution paid to the National Individual Guarantee of Resources Fund (FNGIR), which remained stable at €898.2M. This expenditure also included financial costs that totalled €122.7M compared to €126.8M in 2014, the contribution paid to the National Retired Local Municipal Employee Fund (CNRACL) of €4.3M as well as unrecoverable debts of €5.1M.

The majority of tax income and operating subsidies paid by the State are allocated to the "0" activity, "Non-Allocable Transactions". However, some taxes such as the Household Waste Collection Tax (TEOM) as well as parking fees and many contributions are allocated to other functions and do not appear in this section.

TOTAL INCOME FROM GENERAL SERVICES AMOUNTED TO €6,228M, DOWN 0.7% ON THE 2015 AA (-€44.9M), PRIMARILY DUE TO THE FALL IN STATE SUBSIDIES.

DISTRIBUTION OF OPERATING INCOME - 2015 AA



Overall income from direct contributions increased by €240M on the 2014 AA to €3,533M. This increase was primarily due to the rise of €193M in Business Value-Added Contribution (CVAE) income, which returned to its 2013 level (€1,422M in 2015, €1,229M in 2014 and €1,424M in 2013). This increase was particularly due to the financial and insurance sector whose contribution increased by €132M between 2014 and 2015.

Furthermore, €20.9M were received following the vote by the Paris Council for the 20% increase in the residence tax rate for second homes intended to encourage owners to place dwellings that are currently under-occupied back on the rental market, a measure applicable from 1st January 2015.

Finally, income received from property tax and residence tax increased respectively by +€13M (including €6.2M due to actual adjustment of bases and €8.7M for the flat-rate revaluation introduced by the finance law) and +€15.4M (including +€6.5M due to flat-rate revaluation and +€8.9M due to the actual adjustment of bases).

	AA 2014	AA 2015	% VARIATION
Contribution on business added value	1,228.9	1,422.1	15.7%
Property taxes	976.4	988.9	1.3%
Residence tax (excluding second homes increase)	722.8	738.2	2.1%
Second homes increase		20.9	n/c
Business owners property tax	307.8	311.7	1.3%
Commercial floor area tax	15.0	14.6	-3%
Flat-rate tax on network companies	11.4	11.6	2%
Additional rolls	30.8	24.9	-19.2%
TOTAL DIRECT TAXATION	3,293.2	3,532.9	7.3%

Indirect contributions (excl. financing of the Active Solidarity Income or RSA) totalled €1,228.9, down -5.8% on the 2015 AA, i.e. a fall of €65.6M, primarily due to the decrease in property tax income.

	AA 2014	AA 2015	% VARIATION
Property transfer duties	789.2	743.8	-6.9%
Surcharge on certain registration rights	16.4	13.8	-12.3%
Surcharge on registration rights (TADE)	283.7	258.7	-10.4%
Tax on electricity	70.2	67.6	-3.6%
Special tax on insurance policies	59.7	60.5	1.4%
Tourist tax	41.2	65.7	60.5%
Entertainment tax	17.4	1.9	-90.6%
Domestic tax on energy product consumption (TICPE)	15.7	15.9	1.4%
Other tax repayments	0.7	0.7	1.3%
Funeral taxes	0.3	0.3	11.6%
TOTAL	1,294.5	1,228.9	-5.8%

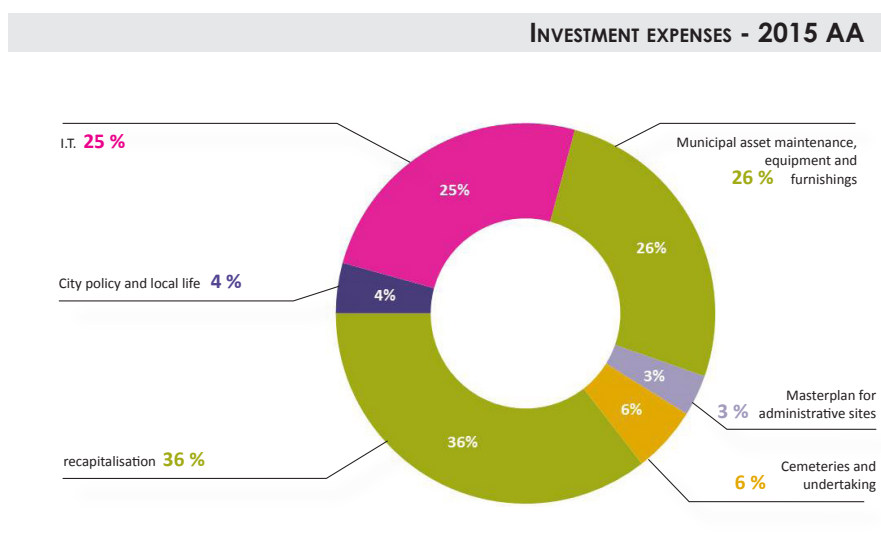
- **Transfer duties** paid to the Department generated income of €743.8M, i.e. a fall of €45.4M on 2014. This variation was due to the exceptional entry in 2014 of a 13th month of property tax.
 - The **surcharge on certain registration fees** received by the department represented €13.8M in income.
 - The **surcharge on registration fees (TADE)**, received by the city amounted to €258.7M, down €24.9M, due to the exceptional entry in 2014 of a 13th month of income.
 - Overall, **income from property taxes amounted to €1,106M** versus €1,089M in the 2014 AA. The number of transactions recorded by the Regional Public Finance Department increased significantly: it was 43,690 in 2015, compared to 40,360 in 2014 on a like-for-like basis (12 months). In 2014, 13 months were entered in order to enable the adjustment requested by the Regional Department of Public Finances (DRFIP) between entry and receipt. Furthermore, over 12 months, income totalled €908M, i.e. a variation between 2015 and 2014 of +11.9% and €108M. According to the INSEE database, the rent reference index was 125.28 in the final quarter of 2015, compared to 125.29 at the end of 2014.
 - **Residence tax** amounted to €65.7M, up 60.5% on 2014 due to the increase in rates and the introduction of the departmental surcharge from 1st March 2015.
 - Given the end of the application of **entertainment tax** to income from sports event tickets as decided by the 2015 finance law, income from this tax called "tax on gambling clubs and casinos" was €1.75M in 2015, compared to €17.4M in 2014. The loss of income was subsidised by the State by €9.2M (see subsidies and contributions).
 - The income from the **tax on final electricity consumption (TCFE)** recovered by the City and Department amounted to €67.6M, down €2.6M on 2014, due to the reduction in consumption.
 - **Subsidies and contributions** amounted to €1,254.6M, down €200M on 2014, i.e. -14%, primarily due to the reduction of the general operating subsidy of -€204.7, i.e. -18%.
 - After having increased according to inflation until in 2010, the value of **State support** for all local municipalities has been stable since 2011. Furthermore, since 2014, the State has reduced every year its subsidies to local municipalities in order to finance reductions in costs for businesses (Competitiveness and Employment Tax Credit and Responsibility Pact) and make territorial municipalities contribute to the recovery of public finances (contribution of municipalities on a national level totalling €12.5BN between 2014 and 2017).
 - The **General Operating Subsidy (DGF)** was down 18% (-€204.7M) on the 2014 AA, falling from €1,134.5M to €929.8M;
 - **Subsidies in lieu of taxes** increased by €3.5M on 2014. This increase was primarily accounted for by the receipt from 2015 of the subsidy-in-lieu of the old entertainment tax on sports events. Without this subsidy, subsidies-in-lieu fell by €4.2M. Subsidies for exemptions on property and residence taxes increased by €2.6M (due to the exemption measures applicable to people with low income in 2014). Subsidies-in-lieu of the local economic contribution, which for some constitute an adjustment variable within the State aid budget, fell by €6.8M, in order to finance the increase in vertical equalisation.
 - The **General Decentralisation Subsidy (DGD)** and the special subsidy for teachers (DSI) remained stable to stand respectively at €15.8M and €0.2M.
- Other contributions** totalled €2.5M versus €2.1M in 2014. Payments to offset the loss of surcharge on registration fees (TADE) on businesses were stable (€1.1M).

Income from the Active Solidarity Income (RSA) amounted to €259.3, a stable amount in relation to 2014. The assumption of the Minimum Integration Income (RMI) and then Active Solidarity Income (RSA) by the Department is 70% offset by the commensurate transfer of a portion of the Domestic Tax on Consumption of Energy Products (TICPE). The amount collected under this heading was €246.6M and corresponds to the right to offsetting based on expenditure incurred by the State for the RMI as of December 2003 then adjusted with the creation of the RSA at the end of 2008. It is supplemented by income from the "Departmental Mobilisation Fund for Integration" (FMDI), €12.7M received in 2015.

INVESTMENT SECTION

► GENERAL ADMINISTRATION EXPENSES

INVESTMENT EXPENDITURE UNDER GENERAL SERVICES TOTALLED €118.3M.



€42.0M was allocated to the recapitalisation of Crédit Municipal de Paris.

Mergers of services as part of the administrative organisation master plan represented an effort of €4.1M.

€29.2M was invested in the maintenance of municipal buildings, equipment and furniture, including €6.5M for boiler modernisation, €4.1M for maintenance of arrondissement town halls, and €2.6M to implement regulatory standards for lifts.

Furthermore, €6.7M was invested in funeral services and cemeteries.

Investments in equipment and IT maintenance totalled €29.5M, of which €5.1M was for renovating local facilities, €1.5M for upgrades to user relations systems and €0.9M for upgrades to financial systems.

► INVESTMENT SUBSIDY FOR THE ARRONDISSEMENTS

The investment subsidy for the arrondissement town halls totalled €5.0M in 2015, stable relative to 2014.

INVESTMENT INCOME

► GENERAL ADMINISTRATION

This income totalled €1.3M, of which €0.4 M in repayments to third parties.

► SUBSIDIES

Subsidies are charged on function 01, totalling €210.9M. In addition to the VAT Compensation Fund (FCTVA) (€136.7M) and the advance on the 2016 FCTVA (€72.6M) granted by the Caisse des Dépôts & Consignations for 2015, Local Equipment Tax (TLE) totalled €1.1 and income from fines, paid to the Department, amounted to €0.5M.

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 €312.4M in account 775 as income from sales, noted in operations before being immediately reintegrated in the investment section ¹: **these are therefore shown in the investment income section.**

To this is added €716.1M in book entry expenses, and €88.4M in book entry income detailed below.

The following entries in the administrative account are added to the authority's net investment expenses (€1,397M) :

- €65M in debt amortisation and the right to draw on revolving credit lines from the municipal budget; the remaining €35M has not been repaid and will remain as is while net rates stay at 0%;
- €134.9M in other debt amortisation;
- €180.1M in the municipal budget, corresponding to the balanced expense and income items in planning operations and the property account;
- €274.7M in book entry operations (€191.5M for the City and €83.2M for the Department), described below (cf. 3) ;

These account entries are added to net investment income (€621M) :

- €253.4M corresponding to the allocation of the previous result from the operations section (€164.5M for the City and €88.9M for the Department);
- €740.5M of new loans, including €5.3M of issue premiums corrections and €100M corresponding to the €100M Dexia revolving credit which remained in effect throughout the year and was subject to a partial amortisation of €65M on 31 December 2015;
- €178.6M in the municipal budget, mirroring expenses, corresponding to the balanced entries in planning operations and sales with payment schedules;
- €716.1M of section to section transfer book entry operations as described below. (cf. 3);
- €181M in book entry operations inside the investment section (€180.7M for the City and €0.3M for the Department), devoted to heritage operations in chapter 041, and described below (cf. 3).

2/ OPÉRATIONS RELATED TO DEBT

TRADE DATE	TYPE	CAPITAL (€M)	MATURITY	MATURITY IN YEARS	TAUX DE RENDEMENT À L'ÉMISSION (%)	SPREAD / OAT (PB)	Dealer
05/03/15	Schuldschein	50	13/03/40	25	1,543	20	Helaba
05/03/15	Private bond issue	110	25/05/30	15,2	1,214	20	Société Générale
11/03/15	Schuldschein	40	18/03/39	24	1,200	19	Helaba
07/09/15	Private bond issue	50	16/09/30	15	1,724	22	HSBC
09/09/15	Private bond issue	40	25/05/30	15	1,800	25	Goldman Sachs
11/09/15	Schuldschein	15	25/10/38	23	2,103	25	Helaba
15/09/15	Private bond issue	20	29/09/35	20	2,006	25	Crédit Agricole
15/09/15	Private bond issue	20	29/09/37	22	2,080	25	Crédit Agricole
14/10/15	Private bond issue	35,5	23/10/45	30	2,100	25	HSBC
10/11/15	Public bond issue	300	25/05/31	15,5	1,807	30	Crédit Agricole / HSBC / Société Générale
07/12/15	Supra-national	60	22/12/22	7,0	0,492	9	BEI
TOTAL		740,5					
		WEIGHTED AVERAGE	17	1,59	24		

Interest rates have remained quite low in 2015 following the launch of the "Quantitative Easing" policy by the Central European Bank.

⁽¹⁾ 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. 68 of this report: the initial purchase value and the gains (€314.4M), decreased by losses (€2M), corresponding to the product held (€312.4M).

The City of Paris has made the most of this favourable context to fix its financial costs over a long period of time by extending the maturity of its new loans (17 years vs. 12 years in 2014) and by positioning them all at the new low fixed rate (1.59% vs. 1.91% in 2014, and 2.95% in 2013).

Continuing its policy of diversifying sources of financing, in November the City issued a "green loan", intended to fund projects aimed at fighting climate change. This loan, the first of its kind by a local authority in France, has had great success with investors from all over Europe.

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 2015 in the City and Department budgets are as follows (operations and investment) :

CHAP	CITY	INVESTMENT				OPERATIONS			
		EXPENDITURE		INCOME		EXPENDITURE		INCOME	
		BUDGET ENTRIES	PROCEEDS	BUDGET ENTRIES	PROCEEDS	BUDGET ENTRIES	PROCEEDS	BUDGET ENTRIES	PROCEEDS
040	Book entry transfers between sections (investment)	4,460,000	5,508,120	346,562,416	633,950,637	0	0	0	0
042	Book entry transfers between sections (operations)	0	0	0	0	346,562,416	633,950,637	4,460,000	5,508,120
041	Heritage operations	336,894,514	185,986,575	336,894,514	185,986,575	0	0	0	0
021	Transfer from the operation section	0	0	7 574 554	0	0	0	0	0
023	Transfer to the investment section	0	0	0	0	7 574 554	0	0	0
TOTAL CITY		341,354,514	191,494,695	691,031,483	819,937,212	354,136,970	633,950,637	4,460,000	5,508,120
CHAP	DEPARTMENT								
	040	Book entry transfers between sections (investment)	86,500,000	82,933,735	85,100,000	82,143,584	0	0	0
	042	Book entry transfers between sections (operations)	0	0	0	0	85,100,000	82,143,584	86,500,000
	041	Heritage operations	11,284,000	274,590	11,284,000	274,590	0	0	0
	021	Transfer from the operation section	0	0	79,902,049	0	0	0	0
	023	Transfer to the investment section	0	0	0	0	79,902,049	0	0
	TOTAL DEPARTMENT	97,784,000	83,208,324	176,286,049	82,418,173	165,002,049	82,143,584	86,500,000	82,933,735
TOTAL BOOK ENTRY CITY AND DEPARTMENT		439,138,514	274,703,019	867,317,533	902,355,386	519,139,019	716,094,221	90,960,000	88,441,855

A - BUDGET BOOK ENTRY MOVEMENTS BETWEEN SECTIONS IN 2015 (CHAPTERS 040 AND 042)

CHAP	CITY	INVESTMENT		OPERATIONS	
		EXPENSES generated	INCOME generated	EXPENSES generated	INCOME generated
040	Book entry transfers between sections (investment)	5,508,120	633,950,637	0	0
042	Book entry transfers between sections (operations)	0	0	633,950,637	5,508,120
DEPARTMENT					
040	Book entry transfers between sections (investment)	82,933,735	82,143,584	0	0
042	Book entry transfers between sections (operations)	0	0	82,143,584	82,933,735
TOTAL 040 ET 042		88,441,855	716,094,221	716,094,221	88,441,855

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 2015, 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 €378.3M, of which €296.2M was in the municipal budget and €82.1M 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).

Sixteen issues launched since 2005 (annual amortisation over the term of the loan) justified expenditure of €1M in 2015 :

- 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)
- V561 - HSBC Private Placement (€50M in April 2014)
- V562 - Schuldschein Helaba (€25M over 9 years in April 2014)
- V563 - Schuldschein Helaba (€25M over 15 years in April 2014)
- V566 - HSBC Placement (€70M in July 2014)
- V569 - Schuldschein Helaba (€40M over 15 years in December 2014)

En accordance with the amending decision of October 2015, two provisions were revised, one covering bad debts (€8.2M) and the other litigation risks (€14.2M). These revisions led to adjustment of provisions with monitoring by the Regional Department of Public Finances (DRFIP). **The allocations were thus adjusted from €12.6M to €20.7M for bad debts and from €2.4M to €16.6M for litigation risks for a total of €37.3M 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 2015, 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 €314.3M under the municipal budget and €70,274 under the departmental budget, a total of €314.4M ;**
- revenue : **the losses recorded (chapter 77) for €2M under the municipal 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 €314.3M under the municipal budget and €70,274 under the departmental budget, a total of €314.4M ;**
- expenditure : **the losses recorded (chapter 19) for €2M.**

The main sales of property assets in 2015 concern :

- the plot at 2-6 rue Gerty Archimède (12th) €49.7M
- the plots at 14-26 rue Bouvier (11th) €21.6M
- the building at 56-64 bd Davout (20th) €14.9M
- the building at 63-65 bd Masséna (13th) €12.1M

• the plots at rue Gaston Tessier Ouest (19 th)	€7.9M
• the housing complex at 83 avenue de la Paix, Fresnes (94)	€6.5M
• the plot at 46 rue Ardouin, St-Ouen (93)	€6.4M
• the volumes at 60-80 bd Jourdan (14 th)	€4.1M
• the plots at (1049) Aqueduc Dhuys Amont	€4.0M
• the building at 11 rue Francis De Croisset (18 th)	€3.9M
• the plots at 120-124 rue de Saussure (17 th)	€3.5M
• the Émile Borel plot and volume in the Pouchet ZAC (17 th)	€3.0M
• the plots at 218 avenue de Paris, Villejuif (94)	€2.1M
• the plots at 145-147 bd Davout (20 th)	€2.0M
• the plot in the Binet sector (18 th)	€1.7M
• the plots at 52 bd Berthier (17 th)	€1.6M
• the building at 95 rue Alexandre Dumas (20 th)	€1.5M
• lot 4 at 28 rue Jacob (6 th)	€1.5M
• the volume at 56 rue Stephenson (18 th)	€1.5M
• the building at 22 rue Santos Dumont (15 th)	€1.2M
• the plot at 35-37 rue Archereau (19 th)	€0.7M

Salaries with payment schedule include :

• the commercial volumes of the Canopée Les Halles (1 st)	€51.2M
• the lots in the Paul Bourget Sector (13 th)	€15.5M
• the lots at rue Gaston Tessier Est (19 th)	€14.7M
• the Achères lots (78) Phase 1 Lot 2	€11.7M
• right of ways at rue Paul Meurice (20 th)	€11.5M
• circulation volumes at Forum des halles (1 st)	€4.6M
• L'échange foncier avec l'Etat portant sur plusieurs terrains et emprises de voirie de la Cité Internationale Universitaire de Paris (14 ^e)	45,5 M€

Furthermore, disposals of legacy-related investments amount to €70,274 and concern the Departmental budget only.

3. CAPITAL GRANTS - TRANSFERABLE

Transferable capital grants apply primarily to the departmental budget in 2015 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 €77.1M. Furthermore, the Departmental Secondary School Equipment Grant (DDEC) is renewed each year for at least the depreciation expense for academic buildings (€5.8M).

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 €2.9M under the municipal budget in 2015.

B - HERITAGE OPERATIONS (CHAPTER 041)

	CHAP	DESCRIPTION	INVESTMENT	
			EXPENSES generated	INCOME generated
City	041	Heritage operations	185,986,575	185,986,575
Dept	041	Heritage operations	274,590	274,590
TOTAL 041			186,261,165	186,261,165

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 €151.9M**, (chapter 23), including €144.9M for redevelopment of Les Halles and €3.9M for establishments for young children, and €3.1M on the Louxor Cinema (VAT deduction);

- **acquisitions of public right of way** free of charge for €13.7M (expenditure chapter 21 and income chapter 13), this mainly relates to :

• Rue Pajol (18 th).....	€4.5M
• Amandiers ZAC (20 th).....	€3M
• Citroën Cévennes ZAC (15 th).....	€2.4M
• Château des Rentiers ZAC (13 th).....	€1.4M
• Olympiades ZAC (13 th).....	€1M
• Rue de la Gare (19 th).....	€0.5M

- **VAT deduction** concerning the Gaité Lyrique project (€4.5M) and the Louxor Cinema (€3M);

- **integrating investment expenditure** within municipal assets in the Special Arrondissement Accounts made in 2015, for €4.7M (expenditure chapters 20 and 21 and income chapter 21) ;

- **integrating study expenses and integration fees with public works expenditure** for €2.8M (expenditure chapters 21 and 23 and income chapter 20). In 2015, 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 €3M in the category of investment expenditure eligible for FCTVA, which generates revenue of €0.45M for 2016.

In addition, two bond issues completed in 2015 were subject to issue premiums in the amount of €3M (loan V574 "Tap" Goldman Sachs €40M of October and V579 "climate" issue HSBC-CA-SG €300M of November).

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 €0.1M. In 2015, study and integration fees followed by actual investments were transferred to expenditure made in 2013 and 2014.

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

The provisional budget for 2015 for the transfer from the operations section to the investment section was €87.5M, of which €7.6M was in the municipal budget and €79.9M 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) PROGRAM AUTHORISATIONS

At 1st January 2015, current programme authorisations amounted to €16.5Bn. The €1.2Bn in PAs for completed operations is recorded in the administrative account, bringing to the current PA at the end of 2015 to €15.4Bn.

In 2015, €1.7Bn was mandated through programme authorisations (actual appropriations and book entry operations) bringing the cumulative total of orders on current PAs at the end of 2015 to €10Bn. The net PA thus amounts to €5.4Bn for the end of 2015.

	GROSS PA AS OF 1/1/2015	2015 ISSUED UNDER PA	PA TERMS RECORDED	BALANCE GROSS PA AS OF 31/12/2015	MULTI-YEAR ACCUM IN PA
City	14,306,893,239	1,568,443,160	1,014,901,199	13,291,992,040	8,939,710,097
Department	2,208,438,847	180,198,917	141,636,829	2,066,802,018	1,061,561,061
CONSOLIDATED	16,515,332,086	1,748,642,077	1,156,538,028	15,358,794,058	10,001,271,158

2015 CITY ADMINISTRATIVE ACCOUNT

FINANCIAL BALANCE

OPERATING SECTION			
EXPENDITURE		INCOME	
ACTUAL OPERATIONS		ACTUAL OPERATIONS	
Chapters 011, 012, 65, 656, 014	4 994 573 497,42	Accounts 70 to 75 + 013	5 358 267 287,47
66 Financial expenses	124 065 803,01	76 Financial income	24 294 264,47
67 Exceptional expenses	45 491 526,71	77 Exceptional income	338 221 147,70
Total actual expenditure	5 164 130 827,14	Total actual and mixed income	5 720 782 699,64
Balance of actual operations		556 651 872,50	
BOOK ENTRIES BETWEEN SECTIONS		BOOK ENTRIES BETWEEN SECTIONS	
Total book entry expenditure	633 950 637,35	Total book entry income	5 508 120,09
Total (actual and book entry operations)	5 798 081 464,49	Total (actual and book entry operations)	5 726 290 819,73
002 Previous deficit brought forward	0,00	002 Previous surplus brought forward	132 154 427,72
TOTAL OPERATING EXPENDITURES	5 798 081 464,49	TOTAL OPERATING REVENUE	5 858 445 247,45
OPERATING INCOME		SURPLUS	60 363 782,96
INVESTMENT SECTION			
EXPENDITURE		INCOME	
ACTUAL OPERATIONS		ACTUAL OPERATIONS	
Financial expenses		Own external resources	
10. Miscellaneous grants and funds	42 000 000,00	10. Miscellaneous grants and funds (except 1068)	205 822 145,07
13. Subsidies	1 102 161,69	138. Unallocated investment subsidies	0,00
16. Repayment of loans (excluding revolving credit)	255 111 336,49	27. Repayment of loans	76 257 035,10
16449 Revolving credit	0,00	Other permanent external resources	
26 Shareholdings	210 000,00	20 Intangible assets	61,57
27 Other financial fixed assets	141 194 864,15	204 Capital grants	67 500,00
Capital expenditure		21 Tangible fixed assets	4 200 739,15
20 Intangible assets	10 306 573,61	23 Assets under construction	2 060 946,36
204 Capital grants paid	253 167 585,22	26 Sale of shareholdings and related receivables	0,00
21 Tangible fixed assets	292 314 969,32	13 (except 138) investment grants	63 615 512,86
23 Assets under construction	597 816 419,21	Other non-permanent external resources	
Operations for third parties	3 365 121,96	163 Debenture loans	570 221 000,00
Total actual expenditure	1 596 589 031,65	164 Loans with credit establishments ¹	165 000 000,00
		16449 Revolving credit	
		165 Deposits and other guarantees received	46 914,85
		168 Other loans and similar debts	45 443,00
		Operations for third parties	17 419 868,13
		Total actual income	1 104 757 166,09
SELF-FINANCING REQUIREMENT (EXPENSES - INCOME)		491 831 865,56	
BOOK ENTRIES WITHIN A SECTION		BOOK ENTRIES WITHIN A SECTION	
Total	185 986 575,01	Total	185 986 575,01
BOOK ENTRIES WITHIN A SECTION		BOOK ENTRIES WITHIN A SECTION	
Total	5 508 120,09	Total	633 950 637,35
Total (actual and book entry operations)	1 788 083 726,75	Total (actual and book entry operations)	1 924 694 378,45
D001 Income brought forward n-1	114 496 212,86	R1068 Allocation n-1	164 534 684,09
TOTAL INVESTMENT EXPENDITURE	1 902 579 939,61	TOTAL INVESTMENT INCOME	2 089 229 062,54
BALANCE OUT-TURN OF INVESTMENT SECTION		SURPLUS	186 649 122,93

¹ (excluding C. revolving)

2015 DEPARTMENT ADMINISTRATIVE ACCOUNT

FINANCIAL BALANCE

OPERATING SECTION

EXPENDITURE		INCOME	
ACTUAL AND MIXED OPERATIONS		ACTUAL AND MIXED OPERATIONS	
Chapters 011, 012, 65, 6586, 014	2 648 646 926,31	Accounts 70, 73, 74, 75, 013	2 942 739 286,96
016 Personalised autonomy allowance (APA)	140 156 318,75	016 Personalised autonomy allowance (APA)	15 035 007,45
015/017 Active Solidarity Income (RSA)	410 671 451,49	015/017 Active Solidarity Income (RSA)	271 872 394,61
66 Financial expenses	16,65	76 Financial income	821 423,30
67 Exceptional expenses	2 002 402,94	77 Exceptional income	1 327 656,44
68 Allocations for provisions	13 935 527,00	78 Reversals of provisions	
Total actual and mixed expenditure	3 215 412 643,14	Total actual and mixed income	3 231 795 768,76
BALANCE OF ACTUAL AND MIXED OPERATIONS		16 383 125,62	
BOOK ENTRIES BETWEEN SECTIONS		BOOK ENTRIES BETWEEN SECTIONS	
Total book entry expenditures	82 143 583,87	Total book entry revenues	82 933 734,82
Total (actual and book entry operations)	3 297 556 227,01	Total (actual and book entry operations)	3 314 729 503,58
D002 Deficit brought forward	0,00	R002 Surplus brought forward	27 140 106,14
TOTAL OPERATING EXPENDITURES	3 297 556 227,01	TOTAL OPERATING REVENUE	3 341 869 609,72
OPERATING INCOME		SURPLUS	
		44 313 382,71	

INVESTMENT SECTION

EXPENDITURE		INCOME	
ACTUAL OPERATIONS		ACTUAL OPERATIONS	
DEPARTMENTAL FACILITIES (DIRECTS INVTs.)	46 570 187,07	10 (except 1068) Own funds of external origin	12 921 757,33
Capital expenditure		Capital expenditure	
20 Intangible assets	1 068 048,32	20 Intangible assets	0,00
21 Tangible fixed assets	2 027 019,07	23 Assets under construction	306 272,70
23 Assets under construction	43 181 227,01	27 Other financial fixed assets	4 180 000,00
018 RSA	293 892,67	274. Repayment of loans	210 457,96
NON-DEPARTMENTAL FACILITIES	126 312 359,26	018 RSA	0,00
204 Capital grants paid	126 312 359,26	13 Capital grants received	73 193 384,51
45 Work for third parties	1 509 575,28	165 Deposits and other guarantees received	0,00
Financial expenses		204 Capital grants paid	366 389,96
165 Deposits and other guarantees	0,00	45 Third-party contributions to work carried out for them	26 378 498,47
26 Shareholdings	804 020,00		
27 Other financial fixed assets	4 959 050,00		
10. Miscellaneous grants and funds	0,00		
Total actual expenditure	180 155 191,61	Total actual income	117 556 760,93
SELF-FINANCING REQUIREMENT (EXPENSES - INCOME)		62 598 430,68	
BOOK ENTRIES WITHIN A SECTION		BOOK ENTRIES WITHIN A SECTION	
Total	274 589,56	Total	274 589,56
BOOK ENTRIES BETWEEN SECTIONS		BOOK ENTRIES BETWEEN SECTIONS	
Total	82 933 734,82	Total	82 143 583,87
Total (actual and book entry operations)	263 363 515,99	Total (actual and book entry operations)	199 974 934,36
D001 Income brought forward n-1	86 404 594,87	R1068 Allocation n-1	88 885 188,11
TOTAL INVESTMENT EXPENDITURE	349 768 110,86	TOTAL INVESTMENT INCOME	288 860 122,47
BALANCE OUT-TURN OF INVESTMENT SECTION		SURPLUS	
		60 907 988,39	

CONSOLIDATED FINANCIAL BALANCES 2010-2015 CITY AND DEPARTMENT OF PARIS FROM 2010 AA TO 2015 AA

IN MILLIONS OF EUROS

	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014	AA 2015	Variation 2015/2014
Current operating income	6 582	7 782	7 865	7 849	8 033	7 873	-2%
Operating expenditure	5 701	6 804	7 002	7 146	7 358	7 479	2%
SURPLUS	881	978	863	703	676	394	-42%
Financial balance	-50	-66	-79	-93	-97	-99	2%
Exceptional items balance	-34	-46	-27	-38	2	-34	-1782%
Total actual operating income	6 609	7 816	7 895	7 897	8 107	7 914	-2%
Total actual operating expenditure	5 812	6 950	7 138	7 325	7 527	7 653	2%
GROSS SURPLUS	797	866	757	573	581	261	-55%
Loan repayments (with revolving credit)	125	184	200	200	197	200	2%
NET SURPLUS	672	682	557	373	384	61	-84%
Actual investment income	457	495	577	671	686	621	-9%
INVESTMENT FINANCING CAPACITY	1 254	1 360	1 334	1 243	1 266	882	-30%
Actual investment expenditure	1 477	1 551	1 662	1 740	1 529	1 397	-9%
Financing requirement	348	375	528	697	460	715	56%
New loans	340	381	470	630	510	741	45%
Working capital as of 1/1	293	285	288	230	163	213	
Change in working capital	-8	6	-58	-67	50	20	
Working capital as of 31/12	285	291	230	163	213	233	
Debt outstanding as of 1/1	2 481	2 696	2 892	3 219	3 655	4 120	
Debt outstanding as of 31/12	2 696	2 893	3 219	3 655	4 120	4 640	
Change in debt outstanding	215	197	327	436	466	520	
Financing capacity	84,9%	87,7%	80,3%	71,4%	82,8%	63,1%	

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

	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014	AA 2015
1. NET SURPLUS RATE						
Net Surplus / Actual Operating Income	10,2%	8,7%	7,1%	4,7%	4,7%	0,8%
<i>Measures the municipality's ability to generate a surplus.</i>						
2. DEBT INDICATORS						
Debt capital outstanding / Actual operating income	40,8%	37,0%	40,8%	46,3%	50,8%	58,6%
Debt capital outstanding / Gross surplus	3,4	3,3	4,3	6,4	6,3	15,8
<i>Number of years required to repay debt capital.</i>						
Debt outstanding / Population (in euros)	1 207	1 295	1 426	1 611	1 811	2 040
3. STRUCTURE COST RIGIDITY INDICATOR						
Personnel expenses / Actual operating revenues	30,7%	26,3%	26,7%	26,7%	27,2%	28,1%
<i>Measures room for manoeuvre in terms of expense reduction.</i>						
4. TAX POTENTIAL MOBILISATION COEFFICIENT (CITY ONLY)						
Income from direct contributions of 4 taxes (TH, TFB, TFNB, TP then CVAE)/Tax potential 4 taxes	59,6%	61,1%	53,6%	53,1%	53,3%	52,4%
<i>Measures fiscal room for manoeuvre (opportunity to increase rates and thus income).</i>						
5. TAX EFFORT (CITY ONLY)						
Income from direct contributions from 3 taxes (TH, TFB, TFNB)/ Tax potential of 3 taxes	49,3%	52,0%	45,2%	45,0%	44,9%	44,8%
<i>Measures fiscal room for manoeuvre for household taxes (opportunity to increase rates and thus income).</i>						

* 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 invest-

ment 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.

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ET DE LA COMMUNICATION

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