



DIRECTION DES FINANCES ET DES ACHATS

FINANCIAL REPORT

**20
18**

YEAR

2018

JUNE **2019**

SUMMARY

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FOREWORD

The 2018 administrative account illustrates the relevancy and effectiveness of the budgetary strategy that we have consistently implemented since the beginning of the office term. Stable direct taxes at the service of Parisian purchasing power, an ambitious investment program in favor of improving the quality of the living environment and the public services offered, the performance of operational expenditure and the complete sustainability of the financing of our investments through controlled debt were all part of the equation.

The quality of our municipal management specifically manifested itself through the high level of self-financing for our investments in 2018. Consequently, our own resources covered more than 92% of this expenditure, which was conveyed through growth that was extremely limited in terms of debt.

« PARIS EARMARKED 1.35 BILLION EUROS FOR INVESTMENTS IN FAVOR OF REGIONAL DEVELOPMENT AND PARISIAN PUBLIC SERVICES, INVESTMENTS CONTRIBUTING TOWARDS MAKING PARIS INTO A METROPOLIS THAT IS EVEN MORE UNIFIED, ATTRACTIVE AND RESILIENT. »

Consequently, the City easily respected the clauses from the financial contract concluded in the summer of 2018 with the Government. On the one hand, operational expenditure (excluding equalization) increased by 0.46% over one year compared to 1.14% authorized in the contract. On the other hand, the local authority's debt reduction capability amounted to 9.38 years, e.g. quite below the 12-year limit set by law.

This outcome was obtained by constantly searching for the right balance in expenditure within the administration's daily operations, based on a thorough analysis of needs. Personnel expenditure, once the effects of the Paris status reform was neutralized, were virtually stable.

In parallel, we also benefitted from dynamic operational revenue while still conserving, like the Mayor promised in 2014, stable residential and property tax rates. Consequently, the residential tax rate remained stable at 13.38% compared to more than 25.5% on average in cities with more than 100,000 inhabitants.

Paris earmarked 1.35 billion euros for investments in favor of regional development and Parisian public services, investments contributing towards making Paris into a metropolis that is even more unified, attractive and resilient.

Emmanuel GRÉGOIRE

*Senior Deputy Mayor of Paris
In charge of the budget,
the transformation of public policies
and arrondissement relations*

The table below presents the key figures from the 2018 AA by accounting type.

In M€	2012 AA	2013 AA	2014 AA	2015 AA	2016 AA	2017 AA	2018 AA	Evolution 2018-2017
Direct contributions	3 207	3 456	3 293	3 533	3 559	3 640	3 680	1,1%
Including tax payouts from the Greater Paris Metropolis					527	527	527	0,0%
Including tax payouts from the Ile-de-France region						475	475	0,0%
Direct contributions excluding tax payouts					3 032	2 638	2 677	1,5%
Household waste removal tax	434	446	451	458	467	471	479	1,5%
Street-sweeping tax	104	104	104	104	104	104	104	-0,3%
Indirect tax revenue	1 376	1 124	1 293	1 272	1 532	1 709	1 893	10,8%
Including parking fees	59	63	64	110	109	107	230	116,1%
Including tax on electricity (City + Department)	69	74	70	68	69	71	69	-4,1%
Including real estate tax (DMTO+TADE)	1 177	918	1 089	1 016	1 274	1 441	1 505	4,4%
Including other taxes	71	69	69	78	81	89	90	0,5%
TAXES	5 121	5 130	5 141	5 367	5 663	5 925	6 156	3,9%
Personal Autonomy Allowance Compensation (CNSA)	12	12	10	7	18	17	10	-42,8%
Welfare Compensation (TICPE + FMDI)	266	260	259	259	259	259	258	-0,4%
Other compensations (including TSCA)	74	72	86	86	85	96	96	0,3%
COMPENSATION FOR PROFESSIONAL TRANSFERS	351	344	355	353	362	372	364	-2,2%
Overall operational endowment (DGF)	1 259	1 227	1 134	930	283	124	100	-19,2%
Compensation paid by the Greater Paris Metropolis					453	453	453	0,0%
Compensation endowments (DCTP, DCTH, DCTF)	54	48	44	47	43	45	45	-1,6%
Other endowments (DGD, DSI)	16	16	16	16	16	16	20	23,9%
ENDOWMENTS	1 329	1 291	1 194	993	795	639	618	-3,2%
SUBSIDIES AND SHARES ¹	214	213	238	288	265	318	289	-9,0%
License fees paid by farmers and licensees	226	213	204	202	196	210	206	-2,1%
License fees and usage revenue from the public domain ²	66	67	74	78	81	88	105	20,4%
Shares from Parisian users	169	168	167	175	175	174	171	-1,7%
OPERATING REVENUE	461	449	445	455	453	471	482	2,2%
SURPLUS FROM JOINT DEVELOPMENT ZONES	0	0	213	12	2	59	35	-41,8%
Rental revenue (Building revenue)	171	189	197	170	479	400	337	-15,7%
Collections on beneficiaries	82	86	89	90	81	47	35	-25,3%
Construction for third parties	36	45	61	42	11	8	2	-71,1%
ESA refund	32	36	32	28	25	29	33	17,1%
Reimbursement of personnel fees ³	66	67	68	77	70	66	83	26,3%
Specific revenue (former one-time revenue)	9	29	43	15	31	43	30	-30,4%
TOTAL MISCELLANEOUS ONGOING OPERATIONAL REVENUE	396	451	489	421	697	592	521	-12,0%
ONGOING OPERATIONAL REVENUE	7 874	7 878	8 076	7 889	8 237	8 377	8 465	1,1%
PERSONNEL CHARGES	2 109	2 111	2 209	2 227	2 252	2 324	2 396	3,1%
GENERAL CHARGES	833	823	821	815	776	768	803	4,7%
Social welfare, including:	853	848	845	855	850	817	830	1,6%
Social welfare for children	336	324	307	301	290	295	314	6,6%
Social welfare for people with disabilities (PCH, ACTP)	61	65	70	72	79	77	78	1,8%
Housing assistance for people with disabilities	129	142	146	154	162	150	156	3,8%
Personalized autonomy allowance (APA)	141	133	135	140	128	135	133	-1,4%
Housing assistance for the elderly	149	146	149	148	144	116	107	-7,7%
Welfare, future contracts	366	381	399	411	416	404	406	0,6%
including welfare allowance share	301	318	337	355	362	354	360	1,8%
Contribution to the City of Paris's Social Action Center	323	314	313	312	344	353	356	0,9%
TOTAL SOCIAL WELFARE	1 541	1 543	1 558	1 578	1 611	1 574	1 593	1,2%
Operational subsidy for the City	207	273	273	279	279	292	301	3,2%
Miscellaneous subsidies and shares	249	254	253	273	259	236	235	-0,4%
SUBSIDIES AND SHARES	454	527	526	551	538	527	536	1,6%
Police prefecture	287	290	292	285	284	287	216	-24,8%
Contribution to IDFM	360	367	374	378	382	385	388	0,8%
Contribution to SYCTOM	133	119	126	119	107	104	113	8,3%
CONTRIBUTIONS	780	776	791	782	773	776	716	-7,7%

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).

In M€

	2012 AA	2013 AA	2014 AA	2015 AA	2016 AA	2017 AA	2018 AA	Evolution 2018-2017
Solidarity fund for municipalities in the Ile-de-France region	121	131	141	151	161	171	181	5,8%
DMTO equalization fund	80	88	81	97	91	118	135	14,3%
Municipal equalization fund (FPIC)	22	67	116	157	184	174	187	7,2%
CVAE equalization fund		16	18	24	28	28	19	-32,7%
Solidarity fund for departments in the Ile-de-France region (FSDIF)			27	27	28	28	28	-2,8%
EQUALIZATION EXPENDITURE	223	302	383	456	491	520	549	5,7%
NATIONAL FUND FOR THE INDIVIDUAL GUARANTEE OF REVENUE	892	898	898	898	898	898	898	0,0%
OTHER ONGOING ADMINISTRATIVE CHARGES	206	234	211	222	212	243	225	-7,2%
Including specific charges (former one-time charges)	36	67	41	50	34	42	24	-42,2%
ONGOING ADMINISTRATIVE CHARGES	7 038	7 213	7 398	7 529	7 551	7 630	7 717	1,1%
ADMINISTRATIVE SAVINGS	836	665	678	360	687	747	748	0,1%
Financial revenue	21	19	31	25	27	22	21	-5,7%
Financial charges	100	112	128	124	133	134	138	2,7%
FINANCIAL BALANCE	-79	-93	-97	-99	-106	-112	-117	4,4%
TOTAL ACTUAL OPERATIONAL REVENUE	7 895	7 897	8 107	7 914	8 264	8 399	8 486	1,0%
TOTAL ACTUAL OPERATIONAL EXPENDITURE	7 138	7 325	7 527	7 653	7 683	7 764	7 855	1,2%
GROSS SAVINGS	757	573	581	261	581	635	631	-0,6%
Subsidies and endowments received	266	352	352	356	279	299	323	8,1%
- including investment subsidies received	49	156	143	102	127	133	176	32,5%
- including police fines	37	32	33	35	37	33	38	14,1%
- including FCTVA	173	149	168	209	115	133	109	-17,9%
Revenue from the transfer of fixed assets	107	122	122	156	173	100	262	161,7%
Operations for third parties	18	24	22	27	9	6	10	60,3%
Loan repayments	32	72	15	19	13	5	1	-81,0%
Other financial fixed assets	134	66	168	57	43	8	17	101,5%
Other actual investment revenue	21	34	6	7	21	48	1	-98,8%
ACTUAL INVESTMENT REVENUE	577	671	686	621	538	466	613	31,6%
Intangible fixed assets	18	13	10	11	22	26	37	39,7%
Capital grants	500	507	455	377	460	349	400	14,4%
Acquisitions	210	206	213	244	401	320	193	-39,5%
including Real Estate Account	150	131	-	-	-	-	-	-
Construction	865	949	800	626	619	570	608	6,6%
Operations for third parties	24	23	20	4	15	20	42	106,7%
Loans granted	6	0	-	6	-	9	-	-100%
Other actual investment expenditure	39	41	31	129	111	113	66	-41,2%
ACTUAL INVESTMENT EXPENDITURE	1 662	1 740	1 529	1 397	1 629	1 408	1 346	-4,4%
FINANCING CAPACITY FOR INVESTMENTS	1 334	1 243	1 266	882	1 118	1 101	1 244	13,0%
LOAN REPAYMENTS	200	200	197	200	200	197	199	0,9%
FINANCING NEED ⁴	528	697	460	715	710	504	301	-40,3%
NEW LOANS	470	630	510	741	681	793	374	-52,8%
Working capital on January 1st	288	230	163	213	233	202	485	139,6%
Variation in working capital	-58	-67	50	20	-30	283	73	-74,2%
Working capital on December 31st	230	163	213	233	202	485	558	15,0%
Total outstanding debt on January 1st	2 892	3 219	3 655	4 120	4 640	5 159	5 721	10,9%
Total outstanding debt on December 31st	3 219	3 655	4 120	4 640	5 159	5 721	5 922	3,5%
VARIATION IN OUTSTANDING DEBT	327	436	466	520	518	561	201	-64,2%
FINANCING CAPACITY	80,3%	71,4%	82,8%	63,1%	68,7%	78,2%	92,4%	18,2%

KEY FIGURES PRESENTED BY CATEGORY

Actual operational expenditure amounted to €7.85 billion (actual expenditure).

The investment budget amounted to €1.5 billion. The table below presents the breakdown between expenditure and revenue from the 2018 AA according to the categories representing the different public policies.

In M€	2017 AA	2018 AA	Evolution 2017/2018
ACTUAL OPERATIONAL REVENUE	8 398,9	8 485,7	1,0%
TAXES	4 806,3	4 914,0	2,2%
Direct local taxes	2 638,0	2 677,4	1,5%
Indirect taxes	1 592,7	1 654,0	3,8%
Appointed taxes	575,5	582,6	1,2%
ENDOWMENTS AND COMPENSATIONS	2 017,2	2 005,6	-0,6%
ADMINISTRATIVE REVENUE	1 553,2	1 545,1	-0,5%
Security	3,6	1,6	-56,6%
Education, professional training and traineeships	41,2	37,4	-9,1%
Culture, social life, youth, sports and activities	120,9	124,5	3,0%
Social welfare	358,6	335,2	-6,5%
Regional development and housing	435,1	347,6	-20,1%
Economic development	75,5	74,1	-1,8%
Environment	84,0	120,4	43,3%
Transportation	242,6	335,8	38,4%
General services	191,9	168,7	-12,1%
FINANCIAL REVENUE	22,2	21,0	-5,1%
ACTUAL OPERATIONAL EXPENDITURE	7 763,9	7 854,6	1,2%
PERSONNEL CHARGES	2 321,4	2 396,3	3,2%
ADMINISTRATIVE EXPENDITURE (EXCLUDING PERSONNEL CHARGES)	3 861,7	3 859,8	0,0%
Security	303,1	232,7	-23,2%
Education, professional training and traineeships	241,0	234,3	-2,8%
Culture, social life, youth, sports and activities	268,3	258,8	-3,5%
Social welfare	1 710,3	1 741,0	1,8%
Regional development and housing	103,9	99,8	-4,0%
Economic development	35,8	32,7	-8,8%
Environment	338,5	356,9	5,4%
Transportation	480,5	525,0	9,3%
General services	380,2	378,5	-0,4%
EQUALIZATION AND TAX PAYOUTS	1 446,8	1 460,8	1,0%
FINANCIAL CHARGES	134,0	137,6	2,7%
GROSS SAVINGS (DIFFERENCE BETWEEN OPERATIONAL REVENUE - EXPENDITURE)	635,0	631,2	-0,6%
ACTUAL INVESTMENT REVENUE	465,8	612,9	31,6%
ACTUAL INVESTMENT EXPENDITURE	1 604,8	1 544,9	-3,7%
Loan repayments	197,2	199,0	0,9%
Operational expenditure	1 407,6	1 346,0	-4,4%
NEW LOANS	792,5	373,8	-52,8%
Bank and bond debt on 12/31/N	5 523,4	5 699,3	3,2%
Total outstanding debt on 12/31/N	5 719,7	5 921,5	3,5%
DEBT REDUCTION PERIOD	9,01	9,38	4,2%
ACTUAL OPERATIONAL EXPENDITURE REPROCESSED AS "GROWTH EXPENDITURE NORM"	6 328,9	6 399,6	1,1%
Growth expenditure norm (outsourcing) *	6 328,9	6 442,3	1,8%
Difference in the growth expenditure norm (outsourcing)		- 42,7	
ACTUAL OPERATIONAL EXPENDITURE REPROCESSED UNDER THE PARIS STATUS REFORM	6 328,9	6 358,4	0,46%

* 2018 growth expenditure norm = (17 AA standard scope + 1.14 %) + €41.2 million in virtue of the Paris status reform

I/ GENERAL PRESENTATION

OF THE ADMINISTRATIVE ACCOUNTS (AA) BALANCE FOR 2018

1 / THE AA GENERAL BALANCE FOR 2018

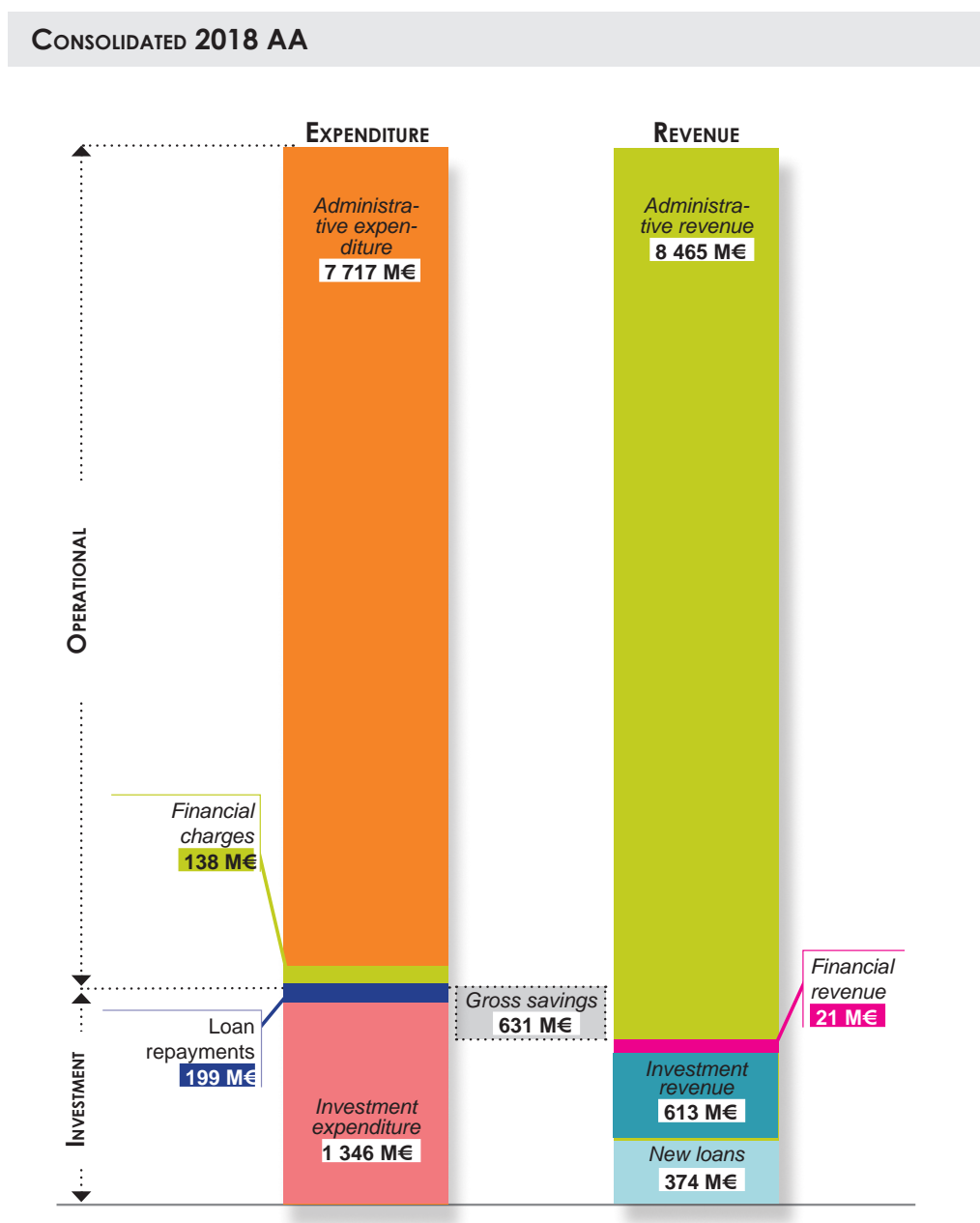
In 2018, actual operational expenditure increased by €90.7 million and actual operational revenue by €86.8 million. Operational expenditure was thus executed at a level of €125.6 million less than the 2018 PB. The local authority's gross savings amounted to €631 million.

Investment expenditure amounted to €1,346 million in 2018, a drop of €61.6 million compared to 2017. This difference can be explained by a drop in real estate purchasing expenditure (€193 million in 2018, compared to €320 million in 2017). Construction expenditure (€608 million) and capital grants (€400 million) increased by €38 million and €51 million, respectively, compared to 2017, in accordance with the term of office investment program (Programme d'investissement de la mandature: PIM).

Loan repayments amounted to €199 million, an increase of €1.8 million compared to 2017. New loans amounted to €373.8 million. Outstanding debt on December 31, 2018 represented 69.8% of actual operational revenue, e.g. a ratio lower than the average for French cities with more than 100,000 inhabitants, excluding the City of Paris, on December 31, 2016 (87%)⁽¹⁾.

The 2018 AA conveyed a budgetary execution that respected the contractualized standards between the State and the City according to the contract signed with the State (see box on page 9). Consequently:

- operational expenditure affected by the financial contract increased by 0.46% for a standard set at 1.14%, excluding the Paris status reform (and by 1.12% for a standard set at 1.79% when including the Paris status reform). The local authority's expenditure thus remained €42.8-million lower than the limit set by the financial contract.
- The local authority's financing need amounted to €300.9 million, at a level clearly lower than the limit set by the financial contract at €552 million;
- The length of the debt reduction period for the local authority (or debt/gross savings ratio) amounted to 9.38 years compared to a 12-year limit indicated in the public finances programming law



⁽¹⁾ Last available figures from General Directorate for Local Authorities as of 31st December 2016.

2 / DESCRIPTION OF THE MAJOR EXPENDITURE AND REVENUE ENTRIES

2.1 2018 INVESTMENT EXPENDITURE WAS COVERED BY 92% THANKS TO THE FINANCING CAPABILITY OF THE PARISIAN LOCAL AUTHORITY .

► 2.1.1. INVESTMENT EXPENDITURE

Investment expenditure reached €1,346 million in 2018. The gross savings released by the operational section (€631.1 million) and actual investment revenue (€612.9 million) covered 92.4% of the fiscal year's investment expenditure (compared to 78.2% in 2017).

Capital expenditure amounted to €837.5 million and represented 62.2% of actual investment expenditure. It breaks down as follows:

- €607.5 million for construction expenditure;
- €193.4 million for acquisitions;
- €36.6 million for research fees.

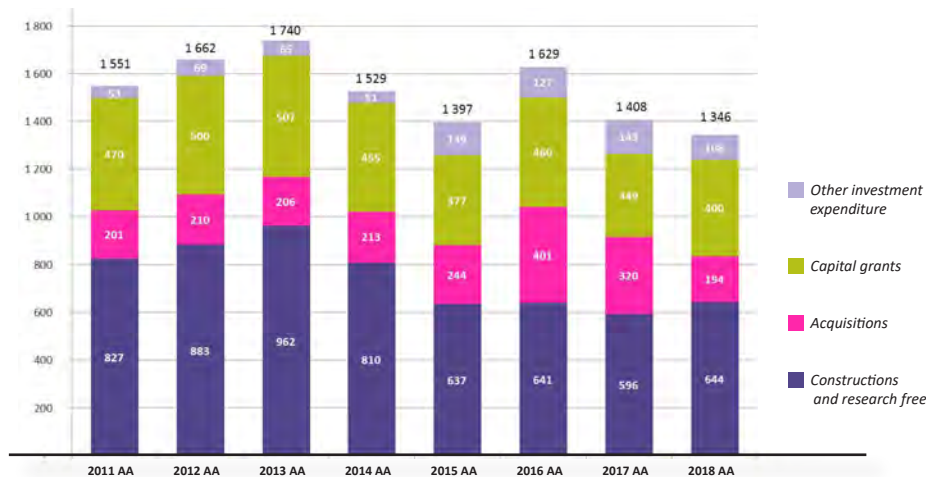
Among this capital expenditure, €130.7 million was allocated to real estate easement purchases, including €121.9 million for social housing.

Capital grants represented €399.8 million, including €194.2 million in favor of social housing.

Other investment expenditure, in an amount of €108.6 million, consisted of:

- €66.5 million in other expenditure, including €21.8 million in financing shares from joint development zones;
- €42.2 million in operations for third parties.

2011-2018 EVOLUTION IN ACTUAL INVESTMENT EXPENDITURE, EXCLUDING LOAN REPAYMENTS FROM THE PARISIAN LOCAL AUTHORITY IN MILLIONS OF €



► 2.1.2. INVESTMENT REVENUE

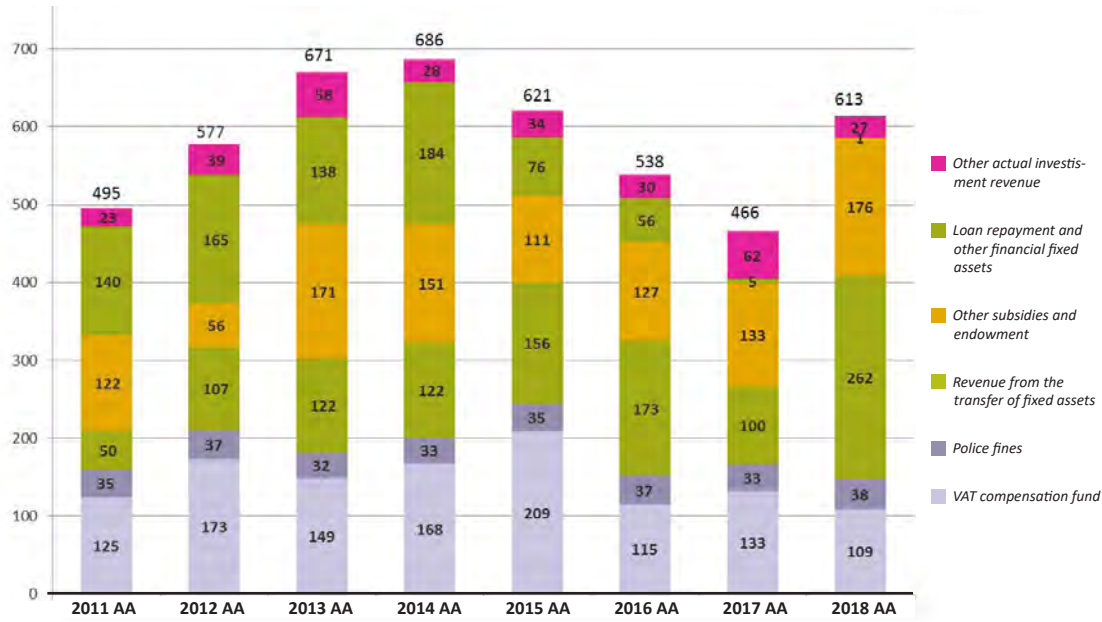
INVESTMENT REVENUE REACHED €612.9 MILLION IN 2018.

This was an increase of €147.1 million compared to the 2017 AA, mainly due to the transfer of the Morland administrative building (€135 million) and the 2018 payment of two advances for brick-and-mortar subsidies by the State in virtue of the 2017 fiscal year.

This consisted of:

- **subsidies and endowments** received in the amount of €322.7 million. They included €108.9 million for the VAT compensation fund (Fonds de compensation pour la taxe sur la valeur ajoutée: FCTVA) as well as €38.2 million in revenue from police fines. The other capital grants collected by the local authority specifically corresponded to €125.1 million paid by the State for brick-and-mortar subsidies, €5.8 million for the departmental middle school endowment and €3 million for the extension of the T3 tramway;
- **revenue from the transfer of fixed assets**, which reached €262.5 million. The main transfers carried out in 2018 specifically concerned the Morland building, plots of land next to Porte d'Aubervilliers meant for the installation of Chanel's "Manufacture de la Mode" (€22.5 million), the Clichy hydraulic station (€16.1 million) and the Custom's office (€14.6 million);
- €17.6 million from **loan repayments and advances**, including €10.7 million under the framework of real estate acquisitions, €5 million in virtue of hotel accommodations for families under the framework of child welfare, €0.7 million in the repayment of advances made in virtue of social housing and €0.2 million in CASVP repayments;
- €10.1 million in **other actual investment revenue**, including €0.3 million for the Aligre Market, €0.05 million in security deposits as well as €0.05 million for nonprofit premises. In addition, €9.5 million in revenue was collected related to operations conducted for third parties.

EVOLUTION IN ACTUAL INVESTMENT REVENUE FOR THE PARISIAN LOCAL AUTHORITY SINCE 2011 (IN MILLIONS OF €)



2.2 CONTROLLING OPERATIONAL EXPENDITURE, COMBINED WITH VIGOROUS REVENUE, MADE IT POSSIBLE TO CLEAR A GROSS SAVINGS OF €631.1 MILLION IN THE 2018 AA

► 2.2.1. OPERATIONAL EXPENDITURE

ACTUAL OPERATIONAL EXPENDITURE REACHED €7,854.6 MILLION IN 2018, AN INCREASE OF 1.17% COMPARED TO THE 2017 AA, INCLUDING 0.46% FOR EXPENDITURE INCLUDED IN THE SCOPE OF THE GROWTH EXPENDITURE NORM.

Consequently, the level of operational expenditure fully respected the limit defined by the financial outsourcing with the State, established by the public financing programming law for the years 2018 to 2022⁽²⁾. Under the framework of this procedure, the local authority proves that the fundamentals of its financial strategy are healthy and controlled over the long term.

RESPECTING THE NORMS OUTLINED UNDER THE FRAMEWORK OF STATE OUTSOURCING

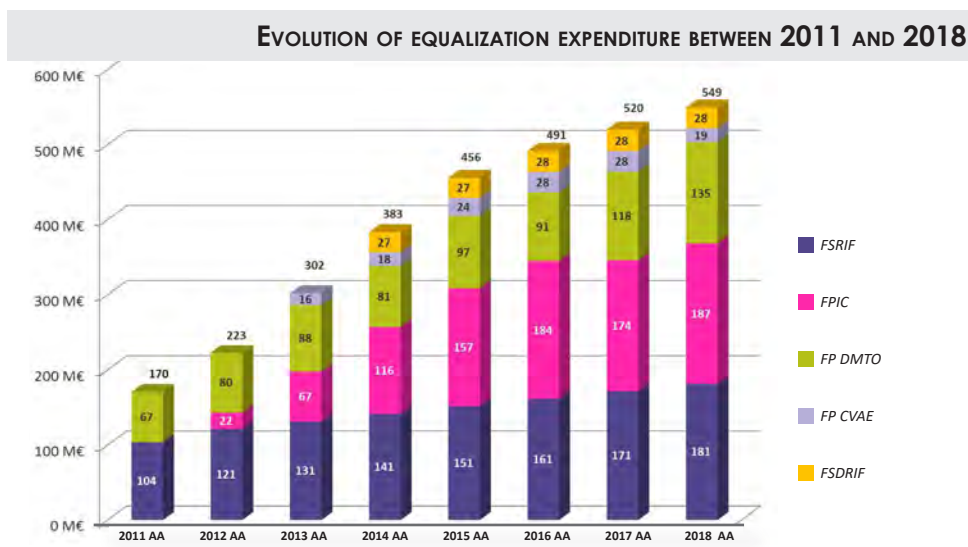
LFinancial outsourcing with the State, established by the public financing programming law for the years 2018 to 2022, is based on three standards set in application of article 29 under law #2018-32 from January 22, 2018 regarding public financing programming for the years 2018 to 2022:

- **The growth expenditure norm**, which implies that the local authority's actual operational expenditure (excluding equalization and expenditure related to the status of Paris) increases at least by 1.14% each year, as of the 2017 AA.
 - In 2018, operational expenditure covered by this norm increased by 0.46% for a norm set at 1.14%, excluding the status of Paris (and by 1.12% for a norm set at 1.79% when including the status of Paris). Consequently, it amounted to €6,399.6 million, compared to a norm set at €6,442.3 million. The stability of this norm demonstrates the local authority's restraint in operational expenditure. It was equalization expenditure that increased the local authority's operational expenditure to 1.17%..
- **The continuation of an annual financing need lower than €552 million**. The financing need consists of new loans minus loan repayments
 - Amounting to €174.9 million in 2018, the local authority's financing need was clearly lower than the limit set by the financial contract. The respect of this norm demonstrates that the recourse to loans is under control.
- **The continuation of a debt reduction period lower than 12 years**. The debt reduction period corresponds to the debt/gross savings ratio, which makes it possible to evaluate the supportability of the debt for regional local authorities.
 - This norm was also respected, with a period of 9.38 years in 2018, demonstrating that the financing strategy for the term of office's program is fully supportable.

- **Equalization** included redistribution mechanisms aiming to reduce inequalities between the different regional local authorities. For the Parisian local authority, equalization expenditure (excluding the FNGIR) reached €549.3 million in 2018, e.g. an increase of 5.7% (€29.5 million) compared to the 2017 AA. Consequently, in comparison to the 2010 fiscal year, Paris's contribution to the national and Ile-de-France solidarity funds increased six-fold, for an amount of €463 million.

In 2018, total equalization for municipalities and departments in France amounted to more than €2.7 billion (compared to €2.5 billion in 2017). Consequently, the Parisian local authority financed more than 20% of this through its contribution to different fund.

⁽²⁾ Section 29 law # 2018-32 from January 22, 2018 related to Public Finances programming for period 2018-2022



- The national equalization fund for inter-municipal and municipal resources (*fonds national de péréquation des ressources intercommunales et communales: FPIC*) is a fund meant for municipalities and inter-municipal cooperation public establishments (*établissements publics de coopération intercommunale: EPCI*) with their own tax system. Its amount is set by law at €1 billion since 2016. The City's contribution to the FPIC reached €187 million in 2018. With a contribution representing nearly 19% of the fund, Paris is its primary contributor. The increase observed in 2018, more than the growth in tax revenue from the local authority, can be explained by the ruling in Parliament, under the framework of the 2018 budget act, which raised the contribution limit to the FPIC, in accordance with fiscal revenue, from 13% to 13.5%⁽³⁾.
 - Paris's contribution to the **solidarity fund for municipalities in the Ile-de-France region** (*Fonds de solidarité des communes de la région Ile-de-France: FSRIF*) increased by 5.8% compared to the 2017 AA in order to amount to €181.4 million, e.g. a contribution representing 55% of the fund. Horizontal equalization measures specific to the Ile-de-France region, the FSRIF's purpose is to ensure a redistribution of wealth between the region's municipalities. Its amount is set each year by law, and amounted to €330 million in 2018.
 - The Parisian local authority also participated in the **solidarity fund for the departments in the Ile-de-France region** (*Fonds de solidarité pour les départements de la région d'Ile-de-France: FSDRIF*) in the amount of €27.5 million in 2018, e.g. a contribution representing 46% of the fund's amount. The amount of the FSDRIF, meant to ensure an equalization of resources between the departments within the region, is set by law at €60 million since 2014.
 - Paris's contribution to the **two equalization funds for transfer rights subject to payment** (*Droits de mutation à titre onéreux: DMTO*), set up in 2011 (historical fund) and in 2014 (solidarity fund), increased by 14.3% compared to 2017, going from €118 million to €134.8 million. The Parisian contribution thus represented 12% of the DMTO's revenue collected by the local authority in 2017 and 11% of the amounts collected at the national level under the framework of equalization measures.
 - Lastly, the contribution to the **equalization fund for corporate added-value contributions** (*Cotisation sur la valeur ajoutée des entreprises: CVAE*) amounted to €18.6 million, e.g. a lower amount compared to 2017 (-€9 million, e.g. -33%). This decrease can be explained by the 2017 transfer of 25 CVAE points from departments to regions, which decreased the tax base and the total amount to distribute (€62.6 million compared to €89.2 million in 2017). Paris maintained its contribution rate to the fund, with up to 30% of the national amount.
- **Personnel expenses for the Parisian local authority** amounted to €2,395.7 million in 2018. Consequently, this increased by 3%, e.g. €71.5 million, compared to 2017.

This evolution mainly resulted from the transfer of 1,898 agents from the Police prefecture to the Parisian local authority, under the framework of the Paris status reform⁽⁴⁾, which was conveyed through an increase of €71.8 million in payroll expenditure.

Excluding the Paris status reform, personnel expenses were stable overall (-€0.3 million, e.g. -0.01%), due to circumstantial factors having caused lower expenditure in 2018 compared to the previous year:

- the transformation of subsidized contracts into "Skill Development through Employment," starting on January 1, 2018, resulted in less recourse to this type of contract during the fiscal year. 1,372 people had been hired under this type of contract on December 31, 2017, compared to 572 on December 31, 2018, e.g. a lower expenditure of €9.7 million compared to 2017;
- the absence of an election in 2018 resulted in lower short-term expenditure by €5.8 million compared to 2017;
- reinstating the waiting day for public agent illnesses (civil and contractual servants) on January 1, 2018 was also conveyed through a decrease in expenditure of €3.9 million.

Overall, these elements neutralized the trend-like increase in certain expenditure, related to Shift-Age-Technical Skills (*Glissement vieillissement technicité: GVT*) (+€2.4 million compared to 2018), contributions paid by the City as an employer (+€3.8 million), social services (+€2.3 million), back-to-work allowances (+€1.7 million) as well as transportation refunds (+€1.1 million).

⁽³⁾ Article 163 under the 2018 budget act. As a reminder, the tax revenue bracket, which serves as a basis for Paris's contribution to the FPIC, included revenue collected by the local authority, as well as revenue collected by the Greater Paris Metropolis (CVAE, TASCOM, IFER).

⁽⁴⁾ Law #2017-257 from February 28, 2017 related to Paris's status and metropolitan development.

► **Social expenditure, excluding general charges, amounted to €1,592.7 million, an increase of 1.2% compared to the 2017 AA.**

- **Expenditure in virtue of welfare benefits (*Revenu de solidarité active: RSA*),** and its 61,583 beneficiaries on December 31, 2018 represented €360.4 million for the allocation share, an increase of €6.3 million compared to the 2017 AA. This evolution can be explained through the revaluation of the allowance in September 2017 (+1.62%) and in April 2018 (+1%), the number of beneficiaries remaining stable.
- **Social welfare to people with disabilities** amounted to €233.8 million, an increase of €7 million compared to the 2017 AA. This evolution can be explained by an increase in the number of beneficiaries receiving housing assistance, which went from 4,300 in 2017 to 4,500 in 2018, as well as disability compensation (*Prestation de compensation du handicap: PCH*).
- **Expenditure related to child welfare (*aide sociale à l'enfance: ASE*)** amounted to €314.4 million in the 2018 AA, e.g. an increase of €19.5 million compared to the 2017 AA. This evolution resulted from the increase in housing and care expenditure for youth presenting serious behavioral issues.
- **Expenditure allocated to the elderly and the personalized autonomy allowance (*allocation personnalisée d'autonomie: APA*)** represented €240 million in the 2018 AA, a decrease of €10.8 million compared to the 2017 AA. This evolution can be explained by a decrease in housing expenditure for elderly people receiving legal social welfare. This expenditure decreased due to the net billing reform, as well as the trend-like decrease in the number of beneficiaries receiving legal social welfare (-3.3% in 2018).
- **The contribution to the City of Paris's Social Action Center (*Centre d'action sociale de la Ville de Paris: CASVP*)** amounted to €355.9 million, an increase of €3 million.

All of these measures are detailed in the presentation per category hereafter (see II. "Presentation by public policy," under the "social welfare" category).

IN 2018, HALF OF THE EXPENDITURE FOR THE SOLIDARITY ALLOWANCE WAS NOT OFFSET BY THE STATE

The remainder to pay for individual solidarity allowances (*RSA, APA and PCH*) corresponded to the expenditure for allowances not covered by compensations from the State.

In 2018, this amounted to €273 million, e.g. 49% of the *AIS* expenditure. Considering the stagnation of State compensation and the increase in welfare (+1%) and *PCH* (+4%) expenditure, the remaining amount to pay increased by 2% (€6 million) compared to 2017.

► **The amount of general charges increased by €35.7 million compared to the 2017 AA in order to amount to €803.3 million.** Excluding the Paris status reform, which represented an expenditure of €11.4 million for impound and parking expenditure, general charges increased by €24.3 million.

This increase conveyed, in the amount of €14.3 million, **the development of services for Parisians:**

- expenditure for opening more day nurseries, which increased by €5.6 million compared to the 2017 AA, in accordance with the office term's objective of opening 5,000 more spots in day nurseries;
- the installation of 37 new coin-operated public toilets and extending their hours of operation, for €3.9 million;
- an increase in coverage for youths presenting severe behavioral issues, for €2.7 million;
- an increase in means allocated for extracurricular activities, in the amount of €2.1 million.

It also resulted in an increase in means mobilized for **the upkeep of roadways and sidewalks** (+€1.6 million), the maintenance of public lighting (+€1.6 million), and the upkeep of bus parking lots (+€2.7 million).

Similarly, the means mobilized for **waste collection** increased by €3.3 million, whether it entailed the private collection of household waste and various materials (+€1.8 million compared to the 2017 AA), the collection of street garbage (+€1.2 million) or the collection of bio-waste (+€0.3 million).

Lastly, the expenditure for liquids in City administrative buildings and nearby facilities increased by €0.8 million.

All of the measures are detailed per category hereafter (see II. "Presentation per public policy").

► **Contributions** from the parisian local authority decreased by €59.6 million compared to the 2017 AA, and amounted to €716.4 million, which can be mainly explained by the implementation of professional transfers related to the law on the Paris status reform:

- the contribution paid to **Ile-de-France Mobilités (*IdFM*)**, amounted to €387.7 million, an increase of €3.1 million compared to the 2017 AA due to the 0.8% increase in Paris's statutory contribution in accordance with the administrative council's ruling;
- the **contribution to the Police Prefecture** amounted to €216.1 million, e.g. a decrease of €71.3 million due to the transfer of a portion of the Police Prefecture's operational fees following the Paris status reform. Within this amount, the contribution paid to the Firefighters Brigade (*Brigade de Sapeurs-Pompiers de Paris: BSPP*) remained stable at €87 million;
- the **contribution to the inter-municipal federation for waste management (*Syndicat intercommunal de traitement des ordures ménagères: SYCTOM*)** amounted to €112.6 million, an increase of €9 million compared to the 2017 AA, mainly due to the early repayment of the advance in December 2018.

The total amount of **operational subsidies paid to private organizations, people and other charities** was €535.8 million, an increase of €8.4 million compared to the 2017 AA. The following played key roles in this evolution:

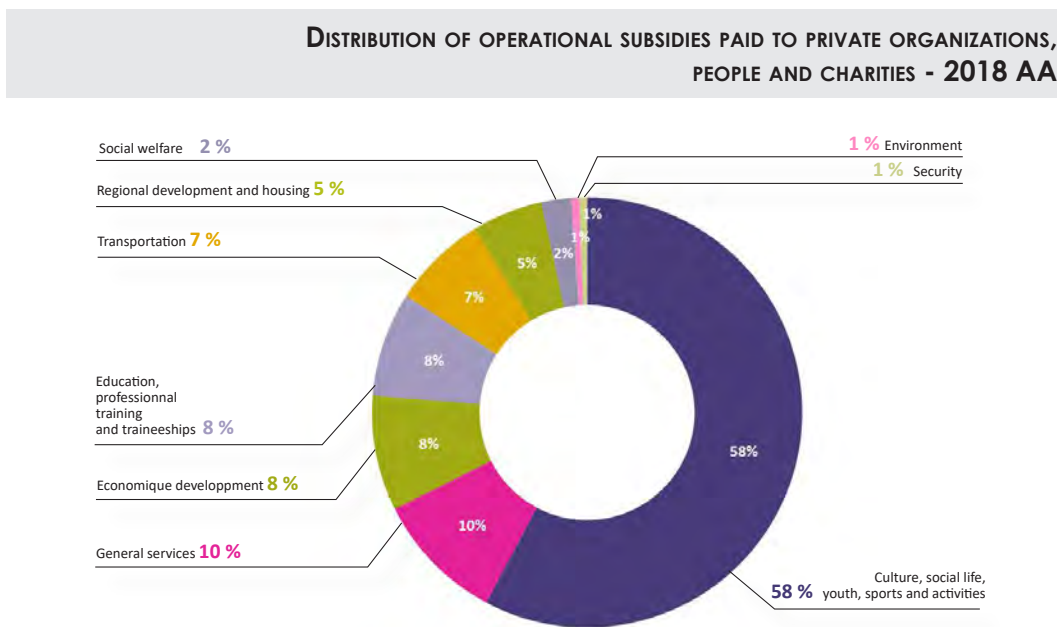
- under the framework of the new "Vélib'2" contract, the contribution from the Parisian local authority to the Autolib' Vélib' Metropolis Syndicate (*Syndicat Autolib' Vélib' Métropole: SAVM*) represented €17.1 million in the 2018 AA, compared to €0.3 million in the 2017 AA, related to the change in management for the self-service bicycles and the transfer of its financing to the SAVM;
- Subsidy expenditure related to the 2024 Olympic and Paralympic Games decreased by €2.6 million due to the non-renewal of one-time measures implemented under the framework of Paris's candidacy in 2017;
- the operational subsidy allocated to the Paris Museums public establishment (*établissement public Paris Musées: EPPM*) decreased by

€1.8 million due to the temporary closing of five museums for renovation work;

- subsidies to Paris school offices decreased by €1 million and amounted to €72.2 million, conveying the strengthened dialogue between the City's services and each school office in Paris.

All of these measures are detailed per sector below (see II. "Presentation per public policy").

Operational subsidies, excluding financing for school offices, middle schools and community day nurseries, were allocated in accordance with the graph below:



► **One-time charges** amounted to €24 million, a decrease of €18 million compared to the 2017 AA. This evolution can be mainly explained through a one-time mandate of €10 million in 2017 related to the implementation of the transactional protocol between the City and the Ministry of Culture regarding the former National museum of folkloric art and traditions (Musée national des Arts et Traditions populaires: MATP). It can also be explained by the non-renewal of one-time measures set up in the summer of 2017 for the 2024 Olympic and Paralympic Games (-€2.1 million) as well as a decrease in one-time expenditure related to disputes involving the City (-€1.8 million).

► Lastly, **financial fees** were estimated at €138 million, an increase of €3.6 million compared to the 2017 AA.

EVOLUTION OF ONGOING OPERATIONAL EXPENDITURE FOR THE PARISIAN LOCAL AUTHORITY SINCE 2011 (IN MILLIONS OF €)



► 2.2.2. REVENUE

ACTUAL OPERATIONAL REVENUE COLLECTED IN THE 2018 AA AMOUNTED TO €8,485.7 MILLION, AN INCREASE OF 1% COMPARED TO THE 2017 AA (€8,398.9 MILLION).

- Total endowments amounted to €618.2 million in the 2018 AA compared to €638.8 million recorded in 2017, e.g. a decrease of €20.6 million (-3.2%). The decrease in endowments can be mainly explained through the equalized suppression of the fixed-rate endowment paid to the local authority by the State and the reduction in tax exemption compensation decided on by policymakers, which specifically financed increases in vertical equalization endowments (endowments for urban and rural solidarity).

Consequently, the overall operational endowment (dotation globale de fonctionnement: DGF) decreased by €23.8 million and amounted to €100 million, and the endowments for tax exemption compensation decreased by €2 million. However, the local authority recorded an increase of approximately €1 million from the FCTVA for road and public building maintenance expenditure, related to the increase in expenditure carried out for this purpose in 2017. Furthermore, for the first time in 2018, the City collected the secure credentials endowment (€1.2 million) after transferring the service for passports and national ID cards from the Paris Police Prefecture to the City on January 1, 2018.

As a reminder, since 2016, the Greater Paris Metropolis (Métropole du Grand Paris: MGP) has collected, instead of the City, the DGF's "salary share compensation." The MGP allocates compensation to the City, representing the difference between transferred resources and charges (€453.1 million).

By incorporating the equalized compensation endowment (administrative fees from the developed property tax reallocated to departments in the form of an endowment), e.g. €10.4 million in 2018, as well as neutralizing the endowment supporting regional investment, paid for by the Greater Paris Metropolis in exchange for the transfer of the CVAE's revenue and representing €3 million in 2018, State endowments amounted to €625 million.

The decrease in State endowments and the increase in equalization expenditure represented a loss of more than €1.2 billion in resources compared to their level in 2010.

THE SCISSORS EFFECT OF STATE ENDOWMENTS AND EQUALIZATION EXPENDITURE BETWEEN 2010 AND 2018



- The revenue collected in virtue of professional transfer compensation decreased by 2.2%, reaching €364.0 million in 2018, mainly due to the €7.4-million decrease in APA compensation by the National solidarity agency for autonomy (Caisse nationale de solidarité et d'autonomie: CNSA), related to the downward trend in the number of beneficiaries for this allowance.

Endowments paid to the local authority by the Greater Paris Metropolis and the Ile-de-France region in virtue of tax revenue transfers amounted to €1,458.6 million in 2018 compared to €1,455.6 million in 2017. The table below provides further details :

	2017 AA	2018 AA
MGP compensation attribution (tax share)	€527.1 MILLION	€527.1 MILLION
MGP compensation attribution (ex-CPS share)	€453.1 MILLION	€453.1 MILLION
RIF compensation attribution (CVAE transfer)	€475.3 MILLION	€475.3 MILLION
Endowment supporting regional investment (DSIT) paid for by the MGP	€0.1 MILLION	€3.0 MILLION
TOTAL	€1,455.6 million	€1,458.6 million

► **Direct contributions** ⁽⁵⁾ amounted to €2,677.4 million in 2018, e.g. an increase of 1.5% (€39.4 million) compared to the 2017 AA.

CHANGE IN LOCAL AUTHORITY TAX REVENUES (IN MILLION EUROS)

	2017 AA	2018 AA	2018/2017 Evolution
Residential tax <i>Including a surcharge on second homes</i>	€806,0 million €63.8 million	€808,1 million €61,6 million	0,3 % -3,5 %
Real estate tax on developed and undeveloped properties	€1,013.0 million	€1,031.5 million	1.8%
Corporate property tax	€325.1 million	€334.9 million	3.0%
Complementary shares (excluding the waste disposal tax)	€1.6 million	€5.4 million	234.9%
Supplementary shares (excluding the waste disposal tax)	€24.4 million	€29.2 million	19.6%
Flat-rate tax on network companies	€2.8 million	€2.8 million	0.1%
Tax on commercial surfaces	€465.2 million	€465.6 million	0.1%
TOTAL DIRECT CONTRIBUTIONS	€2 638,0 million	€2 677,4 million	1,5 %

The taxes based on rental real estate values (residential tax, property taxes and corporate property tax) simultaneously benefitted from an automatic revaluation of +1.2% corresponding to the evolution in the standardized consumer price index between November 2016 and November 2017 ⁽⁶⁾ and spontaneous momentum resulting from constructions, upgrades and physical modifications to premises as well as outgoing exemptions.

The €18-million increase in the City's and Department's **property tax** stemmed from the automatic 1.2% revaluation for €12 million and the physical variation in the bases for €6 million.

The slight increase in revenue from the **residential tax** (+2 million, e.g. +0.3%) can be explained by a decrease in the number of second homes as well as an increase in exempted bases. Consequently, the yield earned from the +1.2% revaluation of the bases amounted to +€9.7 million while the basis variation, specifically related to the decrease in second homes (-5,306, e.g. -5%) and the evolution in exemptions, had a negative effect of -€7.7 million.

Corporate property tax (*cotisation foncière des entreprises: CFE*) increased by €8.3 million, e.g. +3%, in 2018. This evolution was specifically based on the abundance of taxes paid by companies subject to the minimum CFE basis, i.e. companies that do not have their own premises, or have premises whose rental value is lower than the minimum base. This resulted in +€3.2 million, e.g. an impact equivalent to the revaluation of the bases for other premises (+€3.4 million).

The **supplementary and complementary tax shares** were made up of regularizations carried out by the tax services on local taxes, for the ongoing fiscal year or previous fiscal years, sometimes with adjustments over several years.

In accordance with the commitment for stable direct taxation rates in Paris, these rates remained unchanged in 2018, and Paris kept local tax rates largely lower than those applied by other cities and metropolises with more than 100,000 inhabitants, like the table below indicates.

TOTAL RATES FOR LOCAL TAXES VOTED ON BY THE MUNICIPALITY, ITS INTER-MUNICIPAL ASSOCIATION AND THE DEPARTMENT	RATES APPLICABLE IN PARIS IN 2018	AVERAGE RATES FOR METROPOLISES WITH MORE THAN 100,000 INHABITANTS EXCLUDING PARIS	AVERAGE RATES FOR CITIES > 100,000 INHABITANTS
Residential tax	13,38%	31,74%	25,47%
Property tax on developed properties	13,50%	44,39%	35,69%
Property tax on undeveloped properties	16,67%	41,97%	35,71%
Corporate property tax	16,52%	30,01%	27,62%
Waste disposal tax	6,21%	9,23%**	

* Source: SFL-FORUM Watchdog Committee – « 2018 Taxation rate for large local authorities ».

** Source: DGCL - « Local authorities in figures ».

Total revenue from the street-sweeping and household waste disposal tax (taxe d'enlèvement des ordures ménagères: TEOM) amounted to €582.6 million compared to €575.7 million in 2017. This increase of +1.2% (€7.3 million) resulted from a spontaneous evolution in the TEOM.

► **Indirect tax income amounted to €1,893.4 million** compared to €1,708.6 million in 2017, e.g. an increase of €184.9 million (+10.8%), due to the increase in parking fees and revenue from real estate taxes.

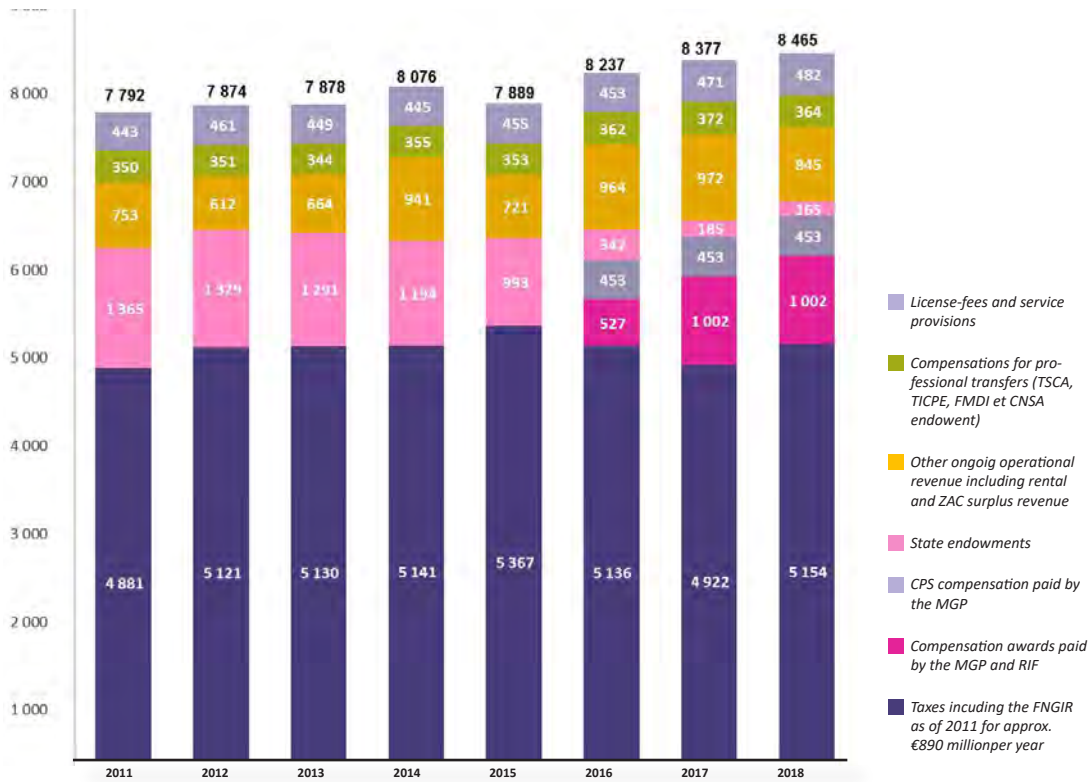
- Revenue from **real estate taxes** reached €1,504.7 million, compared to €1,441.1 million in 2017, e.g. an increase of 4.4% (€63.7 million), related to the increase in real estate prices, even though the number of transactions decreased by 2.3% between 2017 and 2018 (-1,166). Consequently, for older housing, the price per m² reached an average of 9,570 euros in the last quarter of 2018, compared to 9,053 euros in the last quarter of 2017, e.g. +5.7% in one year.
- **Parking fees** amounted to €230.2 million, an increase of €123.7 million compared to the 2017 AA due to the municipal ownership of paying parking implemented as of January 1st, 2018. This evolution is detailed in the presentation per category below (see II. "Presentation per public policy," under the "transportation" category).

⁽⁵⁾ Excluding compensation allocations paid for by the Greater Paris Metropolis and the Ile-de-France region, which form endowments corresponding to the immobilized tax revenue amounts from the year preceding the transfer of this revenue, and which no longer evolves according to the same rules as direct local taxation.

⁽⁶⁾ Law #2016-1917 from December 29, 2016 for 2017 finances (article 99 supplementing article 1518 bis from the General Tax Code).

- **Revenue from the total electricity consumption tax** amounted to €68.6 million, a decrease of 4.1% compared to the 2017 AA (€71.5 million), following a drop in electricity consumption and not updating rates.
 - **Other taxes**, stable compared to 2017, reached €89.9 million, including €79.4 million for the tourist tax.
 - According to the Regional Tourism Committee, hotel stays (excluding Airbnb) increased by +3.9% in Paris between 2017 and 2018 in order to amount to 16.5 million arrivals, and the number of overnight stays increased by 6.4% in order to amount to 37.8 million in 2018. Despite this increase, revenue from the tourist tax increased only slightly compared to 2017 (+€0.02 million). This evolution, not correlated with tourist visits, is related to an exceptional level of revenue in 2017 after setting up an administrative assessment, which generated revenue related to adjustments over 2015 and 2016.
- ▶ **Operational revenue and license-fees** increased by €10.5 million, in order to reach €481.9 million in the 2018 AA. This increase resulted from the following developments :
- on the one hand, a scope effect related to the collection of impound revenue by the local authority as of 2018, due to the Paris status reform, which caused an increase of €25 million in operational revenue compared to 2017;
 - on the other hand, revenue related to activity clubs increased by €1.9 million compared to the 2017 AA, due to a strong increase in visits, specifically over the summer of 2018;
 - however, the transfer of shares paid by Vélib' subscribers to the SAVM represented a drop of €16 million in operational revenue for the City compared to the 2017 AA. This transfer was anticipated in the contract accepted by the new service provider, which now carries out the maintenance expenses related to the service.
- All of these measures are detailed per category hereafter (see II. "Presentation per public policy").
- ▶ **Shares from the State, other local authorities and third parties** reached €289.4 million, compared to €318.1 million in the 2017 AA (-9%). This decrease of €28.7 million was mainly due to the following developments:
- the State's financial coverage in virtue of subsidized contracts dropped by €4.5 million, after redesigning the system. It amounted to €9 million in the 2018 AA;
 - revenue coming from the family benefits office decreased by €4.3 million (-2%) compared to the 2017 AA, including €3.5 million in virtue of postponing payments related to one-time services for spots in day nurseries. It amounted to €216 million in 2018;
 - revenue coming from the reimbursement of universal employment service checks (chèques emploi service universel: CESU) not used in virtue of the APA, decreased by €9.5 million compared to the 2017 AA. This revenue, quite variable, depends on the unused number of CESUs about to expire;
 - the implementation of the new agreement in virtue of the Fund for the Integration of Disabled Persons in Public Services (Fonds pour l'Insertion des Personnes Handicapées dans la Fonction Publique: FIPHP), more restrictive in terms of reimbursing the expenditure for the employment and integration of people with disabilities, caused a decrease of €3.2 million in revenue collected;
 - the non-renewal of certain operations that had received a one-time and non-renewable subsidy in 2017, like the one paid in virtue of making Parisian schools safer via the Interministerial delinquency prevention fund (Fonds Interministériel de Prévention de la Délinquance: FIPD), which amounted to €2.5 million in the 2017 AA;
 - the 2019 postponement of the repayment on the second €1.3-million advance from the FEDER subsidy under the framework of the Cordees project in the Clichy Batignolles joint development zone (€2.2 million in 2017);
 - lastly, the €1.2-million decrease in endowments paid by the CNSA in virtue of the Disability Compensation Benefit (Prestation de compensation du handicap: PCH) and the Departmental Center for Disabled People (Maison Départementale pour les Personnes Handicapées: MDPH).
- ▶ **Rental revenue** reached €336.7 million, a decrease of €62.9 million compared to 2017. In accordance with decree #2015-1546 from November 27, 2015, the City obtained, via a letter on April 12, 2017, the joint authorization from the ministers in charge of the budget and regional local authorities to transfer the surplus from the 2018 investment section coming from the public service contract for available social housing stock to the operational section, e.g. €225 million in 2018. This revenue, also known as capitalized rent, decreased between 2017 and 2018.
- ▶ **Other ongoing operational revenue** amounted to €154.4 million, an increase of €4.7 million compared to the 2017 AA. This increase can be mainly explained by the €4.6-million increase in State reimbursements for the evaluation and housing of unaccompanied minors.
- ▶ **Surplus revenue from the Joint Development Zone** represented €34.6 million compared to €59.4 million in 2017, due to the completion of development operations.
- ▶ **One-time revenue** amounted to €29.7 million, a decrease of €13 million compared to 2017, mainly due to the City of Paris no longer providing premises in the former National museum of folkloric art and traditions (MATP).
- ▶ Lastly, **financial revenue** amounted to €20.9 million, a decrease of €1.3 million compared to the 2017 AA.

EVOLUTION IN ONGOING OPERATIONAL REVENUE FOR THE PARISIAN LOCAL AUTHORITY SINCE 2011
IN MILLIONS OF €



► **2.2.3. CONTROLLED DEBT CONVEYED A DEBT REDUCTION PERIOD OF 9.38 YEARS, MUCH LOWER THAN THE 12-YEAR NORM SET BY THE LAW.**

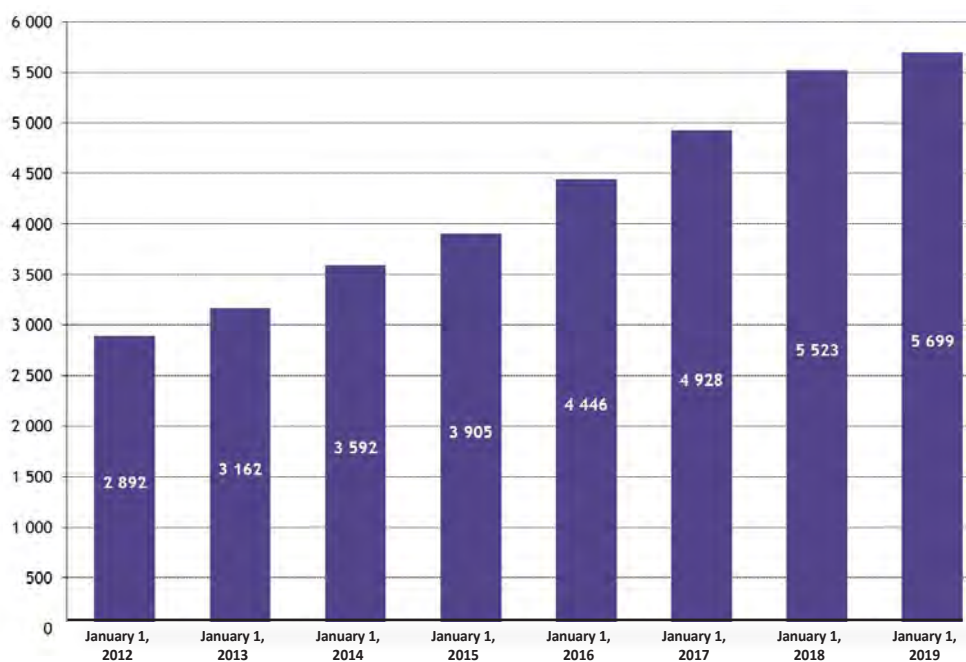
► **ON DECEMBER 31, 2018, BANKING AND BOND DEBT AMOUNTED TO €5,699 MILLION**, to which was added other debt contracted under the framework of development operations (€103 million), and the loan repayment schedule for the Philharmonic (€119 million).

Thanks to maintaining gross savings at a high level (631.1 million in 2018, compared to €635.0 million in the 2017 AA) and the increase in investment revenue (€612.9 million in 2018, compared to €465.8 million in 2017), **the local authority's financing ability for investments increased by 13% compared to 2017 and amounted to €1,244.1 million.**

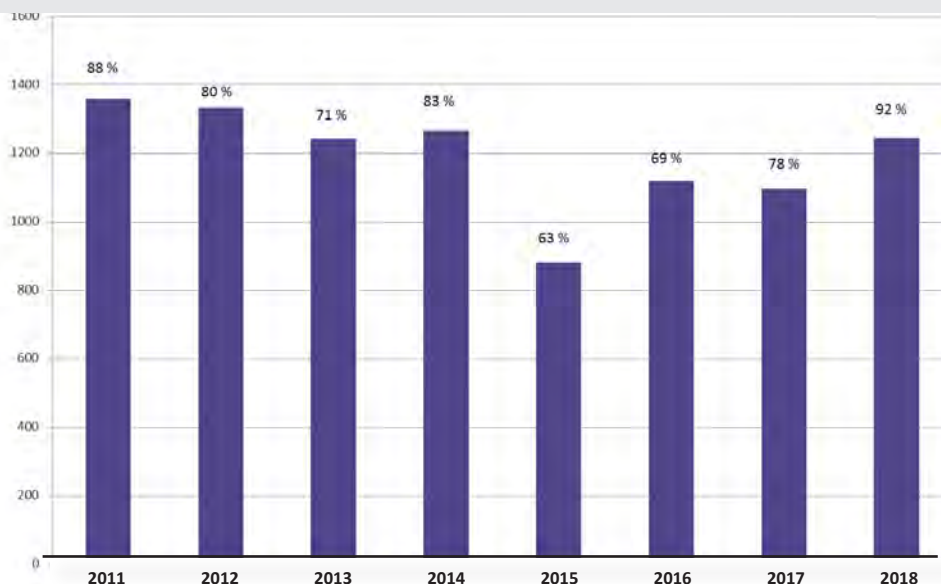
Consequently, the City financed 92.4% of its investments with its own revenue in 2018, compared to 78.2% in 2017. New loans thus amounted to €373.8 million in 2018, compared to €792.5 million the year before, bringing total outstanding debt on December 31, 2018 to €5,921.5 million.

These developments resulted in a debt reduction period of 9.38 years (compared to 9.01 years at the end of 2017), much lower than the 12-year norm set by the law, and conveyed the ability of the Parisian local authority to guarantee the supportability of its debt and financing trajectory for its ambitious investment program.

EVOLUTION OF OUTSTANDING BANK AND BOND DEBT ON JANUARY 1, 2019 (IN MILLIONS OF €)



THE PARISIAN LOCAL AUTHORITY'S FINANCING CAPABILITY FOR INVESTMENTS SINCE 2011 IN MILLIONS OF € AND WITH THE % OF THE AMOUNT OF INVESTMENTS CARRIED OUT



II/ PRESENTATION PER PUBLIC POLICY

1/	SECURITY
2/	EDUCATION, PROFESSIONAL TRAINING AND TRAINEESHIPS
3/	CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES
4/	HEALTH AND SOCIAL WELFARE
5/	REGIONAL DEVELOPMENT AND HOUSING
6/	ECONOMIC DEVELOPMENT
7/	ENVIRONMENT
8/	TRANSPORTATION
9/	GENERAL SERVICES

METHODOLOGICAL CLARIFICATION :

The budgets presented hereafter are expressed in actual payment credits, and do not include “non-budgeted credits” meant for accounting entries balanced in terms of expenditure and revenue, usually neutralized in the financial analysis. These are described at the end of the report (section III).

The cross-flows between the City and Department were also neutralized, as well as the transactions balanced in terms of expenditure and revenue in order to adapt the local authority’s concrete financial effort in favor of the different policies conducted.

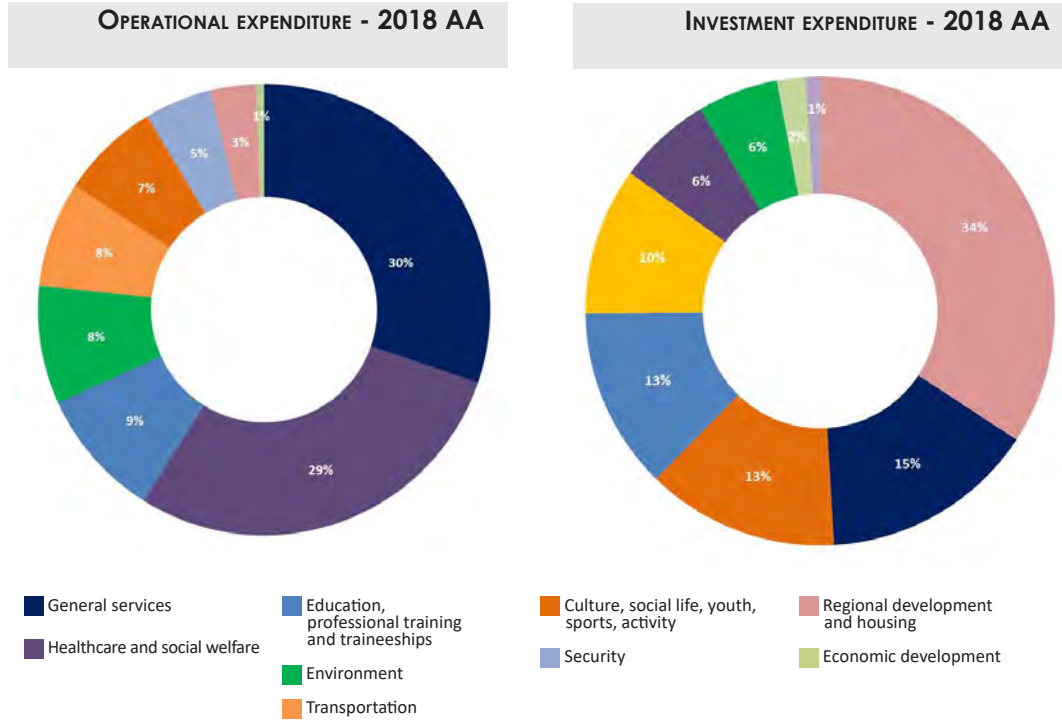
Moreover, the amount of personnel expenditure presented previously (€2,395.7 million in 2018) can be broken down in the following manner:

- €2,373.6 million for payroll and subsidized contracts,
- €15 million for teaching dispensations,
- €7.1 million corresponding to certain “manual” HR personnel expenses (work accidents, pensions, private income).

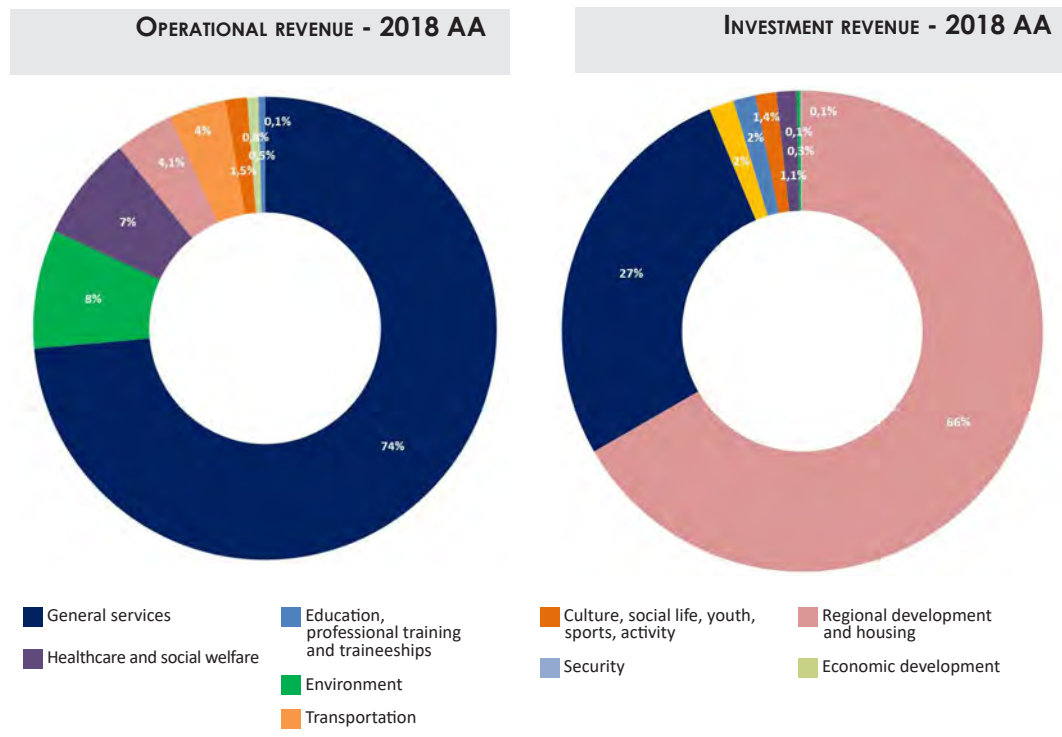
Within this presentation of the 2018 AA per public policy, the amount of the payroll distributed per category thus excludes teaching dispensations and these “manual” HR expenses, which are accounted for and described within operational expenditure.

PRELIMINARY REMARKS

DISTRIBUTION OF EXPENDITURE PER PUBLIC POLICY IN THE 2018 AA



DISTRIBUTION OF REVENUE PER PUBLIC POLICY IN THE 2018 AA



CORRELATION BETWEEN THE GENERAL PRESENTATION (SECTION I) AND THE PRESENTATION PER PUBLIC POLICY (SECTION II) IN THE 2018 AA.

The tables below present the correlation between the financial overview presented in the first section and the public policy overview presented in the second section of the report, as well as the flows that make it possible to go from the scope of financial analysis used in this report to that of budgetary documents.

(amounts expressed in millions of euros)

OPERATIONAL EXPENDITURE - 2018 AA

OVERVIEW BY TYPE

Personnel expenditure	2 395,7
General expenditure	803,3
Social welfare	1 592,8
Subsidies and shares	535,84
Contributions	716,4
Equalization expenditure	549,3
FNGIR	898,2
Other ongoing administrative expenditure	225,4
Financial expenditure	137,6

TOTAL ACTUAL OPERATIONAL EXPENDITURE (A) 7 854,6

OVERVIEW BY CATEGORY

378,6	Security
729,8	Education, professional training and traineeships
557,8	Culture, social life, youth, sports, activities
2 253,0	Healthcare and social work
257,5	Regional development and housing
43,3	Economic development
666,6	Environment
591,9	Transportation
2 376,0	General services

7 854,6 TOTAL ACTUAL OPERATIONAL EXPENDITURE (A)

The scope of budgetary documents adds the flows detailed below to this expenditure, which is neutralized in the financial analysis since it is balanced in terms of expenditure and revenue within the consolidated budget:

NEUTRALIZATIONS (B)

773,2

Transfer of non-budgeted expenditure between sections (chapter 042)	751,1
Reimbursement of the departmental premium by the City to the Department	2,1
Reimbursement of fees for elected official associates by the Department to the City	1,7
Transfer by the City to the Department for the departmental share of the tourist tax	6,6
Charges marked as long-term lease advances for Porte de Versailles	11,7

BUDGETARY TOTAL (A) + (B)

8 627,8

OPERATIONAL REVENUE - 2018 AA

OVERVIEW BY TYPE

Taxes and contributions	6 155,9
Compensation for professional transfers	364,0
State endowments	618,2
Subsidies and shares	289,4
Operational revenue	481,9
Surplus from Joint Development Zones	34,6
Other ongoing operational revenue	520,8
Financial revenue	20,9

TOTAL ACTUAL OPERATIONAL REVENUE (A) 8 485,7

OVERVIEW BY CATEGORY

1,6	Security
37,4	Education, professional training, traineeships
128,4	Culture, social life, youth, sports, activities
620,2	Healthcare and social welfare
347,6	Regional development and housing
65,7	Economic development
703,2	Environment
335,8	Transportation
6 246,0	General services

TOTAL ACTUAL OPERATIONAL REVENUE (A) 8 485,7

The scope of budgetary documents adds the flows detailed below to this revenue, which is neutralized in the financial analysis since it is balanced in terms of expenditure and revenue within the consolidated budget :

NEUTRALIZATIONS (B)

435,1

Transfer of non-budgeted revenue between sections (chapter 042 excluding account 778)	372,0
Reattribution of real estate transfer revenue to the investment section (account 775)	262,5
Reimbursement of the departmental premium by the City to the Department	2,1
Reimbursement of fees for elected official associates by the Department to the City	1,7
Transfer by the City to the Department for the departmental share of the tourist tax	6,6
Revenue marked as long-term lease advances for Porte de Versailles	11,7

AMOUNT OF RENTAL REVENUE ACCUMULATED IN THE OPERATIONAL SECTION (DEROGATION) (C)

221,5

BUDGETARY TOTAL (A) + (B) - (C)

8 920,8

⁷ State, Department, Region, ESF, Social Security, recovery of overpayments, etc....

INVESTMENT EXPENDITURE - 2018 AA

OVERVIEW BY TYPE

Intangible fixed assets	36,6
Capital grants	399,8
Acquisitions	193,4
Construction	607,5
Operations for third parties	42,2
Loans granted	0,0
Other actual investment expenditure	66,5
TOTAL ACTUAL INVESTMENT EXPENDITURE (A)	1 346,0

OVERVIEW BY CATEGORY

13,6	Security
168,8	Education, professional training, traineeships
176,2	Culture, social life, youth, sports, activities
87,3	Healthcare and social welfare
460,9	Regional development and housing
26,2	Economic development
74,7	Environment
136,7	Transportation
199,6	General services
1 346,0	TOTAL ACTUAL INVESTMENT EXPENDITURE (A)

The scope of budgetary documents adds the flows detailed below to this expenditure, which is neutralized in the financial analysis since it is balanced in terms of expenditure and revenue within the consolidated budget :

NEUTRALIZATIONS (B)

743,6

Transfer of non-budgeted expenditure between sections (chapter 040, excluding 1068)	372,0
Asset-based transactions (chapter 041)	74,6
Neutralized and balanced transactions (including 1068)	98,1
Revolving credit lines (type 16449)	0,0
Loan repayments	199,0

BUDGETARY TOTAL (A) + (B)

2 089,6

INVESTMENT REVENUE - 2018 AA

OVERVIEW BY TYPE

Subsidies and endowments received	322,7
Revenue from the transfer of fixed assets	262,5
Operations for third parties	9,5
Loan repayments	0,9
Other financial fixed assets	16,8
Other actual investment revenue	0,6
TOTAL ACTUAL INVESTMENT REVENUE (A)	612,9

OVERVIEW BY CATEGORY

0,5	Security
9,2	Education, professional training, traineeships
8,6	Culture, social life, youth, sports, activities
8,4	Healthcare and social welfare
408,4	Regional development and housing
0,3	Economic development
1,5	Environment
10,2	Transportation
165,9	General services
612,9	TOTAL ACTUAL INVESTMENT REVENUE (A)

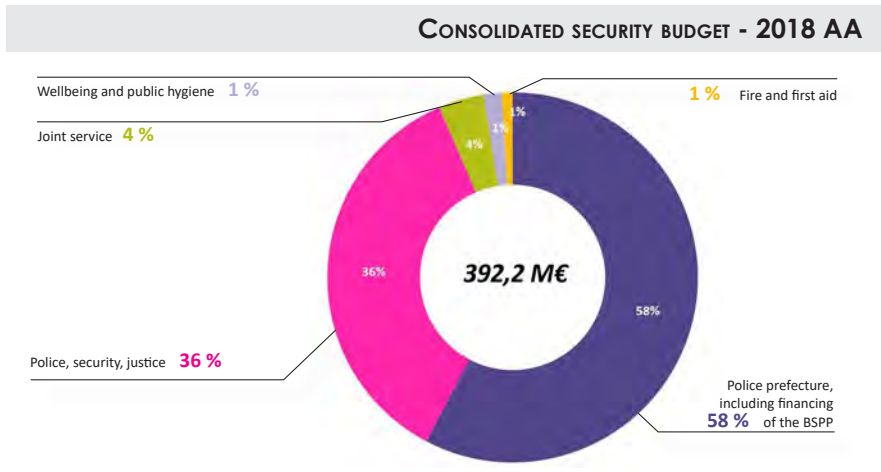
The scope of budgetary documents adds the flows detailed below to this revenue, which is neutralized in the financial analysis since it is balanced in terms of expenditure and revenue within the consolidated budget, as well as amount of the loan :

NEUTRALIZATIONS (B)

1 308,6

Transfer of non-budgeted revenue between sections (chapter 040) excluding transfer revenue	751,1
Asset-based transactions (chapter 041)	74,6
Neutralized and balanced transactions (including 16878 and 1068)	98,1
Amount of rental revenue accumulated in the operational section (by special dispensation)	221,5
Revolving credit lines (type 16449)	0,0
New loans excluding other paid-in capital (types 16311 and 1641)	373,8
Paid-in capital corrections (chapter 041)	1,2
Operational budget surplus	52,0
Reattribution of real estate transfer revenue to the investment section (account 775)	-262,5
TOTAL BUDGÉTAIRE (A) + (B)	1921,5

1/ SECURITY



IN M€	2017 AA	2018 AA WITH PARIS STATUS REFORM
Operational expenditure	391,2	378,6
Including payroll	88,1	145,6
Investment expenditure	11,4	13,6
Operational revenue	3,6	1,6
Investment revenue	0,5	0,5

OPERATIONAL SECTION

Expenditure

FOR THE 2018 FISCAL YEAR, THE OPERATIONAL BUDGET FOR SECURITY, PAYROLL INCLUDED, AMOUNTED TO €378.6 MILLION.

The year 2018 was marked by the massive transfer of officers from the Police prefecture under the framework of the Paris status reform. Consequently, 1,898 positions were created in the 2018 City of Paris preliminary budget for missions previously exercised by the Police prefecture, for a total, along with the 62 positions created in the 2017 supplementary budget for the reception of special police officers, of 1,960 positions.

These transfers particularly impacted security, with the creation of 1,297 positions in the 2018 PB, including 1,241 positions in order to receive transferred officers and strengthen supporting positions in the DPSP.

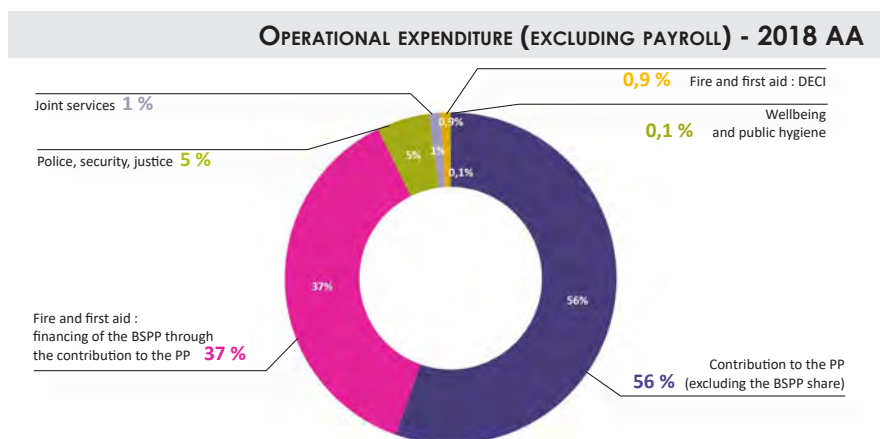
Additionally, 3 more positions were created: one to animate the departmental plan for victim support and two positions for social workers in police stations.

In accordance with category-specific measures, 10 security and surveillance officer positions were reclassified as public order and surveillance officers in the DPSP, so that each of the 10 districts would have an additional supervisor.

In the 2018 SB, 26 professional transfers were carried out under the 0 category, under the framework of the reconversion program due to health reasons for Paris security officers.

In total, for 2018, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries for the security category amounted to +1,271 budgetary jobs.

Operational expenditure allocated to security represented €233 million, excluding payroll, a decrease of €70.1 million compared to the 2017 AA, given the decrease in the contribution to the Police prefecture related to the Paris status reform. Excluding this reform's effects, this expenditure amounted to €302.4 million.



The main expenditure supported by the City in virtue of security, was the contribution paid to the Police prefecture in the amount of **€216.1 million in 2018**, a decrease of €71.3 million compared to the 2017 AA. This evolution is the budgetary translation of the transfer of certain professions to the Parisian local authority, up until then allotted to the Police prefecture, specifically in terms of traffic and issuing identity cards. Conducted under the framework of the law from February 28, 2017 related to the Paris status reform ⁽⁷⁾, this transfer has been wholly effective since January 1, 2018 after an initial step in July 2017.

Excluding the Paris status reform, the City's contribution to the Police prefecture decreased by €1.55 million.

Within this contribution, **the share meant for financing the Paris fire brigade (BSPP) remained stable at €87.1 million**. Considering the different local authorities' financing rules for the BSPP, the means allocated to the BSPP by all of its financers experienced an increase of €3.3 million.

Excluding the contribution to the Police prefecture, expenditure in virtue of security represented €16.9 million, an increase of €1.2 million over a year.

The budget allocated to the expenditure for **building and public space safety** reached €10.3 million, an increase of €0.7 million over a year, conveying an increased effort by the local authority to make public places safer.

The subsidy paid to the Parisian Landlord Surveillance Association (Groupement parisien inter-bailleurs de surveillance: GPIS) amounted to €0.4 million, compared to €0.8 million in 2017.

The subsidies dedicated to initiatives carried out in terms of victim support, as well as the fight against radicalization reached €0.6 million, just like the subsidies paid by the DPSP in virtue of "resilience" (safety, training, first aid and radicalization prevention measures). Overall, the credits dedicated to resilience by the Parisian local authority amounted to €2.7 million in 2018.

Expenditure related to fire and first aid reached €89 million, an increase of €0.2 million compared to the 2017 AA.

In addition to the €87.1 million allocated to financing the Paris fire brigade (BSPP) under the framework of the contribution to the Police prefecture's special budget, €1.9 million was paid to Eau de Paris in virtue of the administration of external fire defense measures (Défense extérieures contre les incendies: DECI).

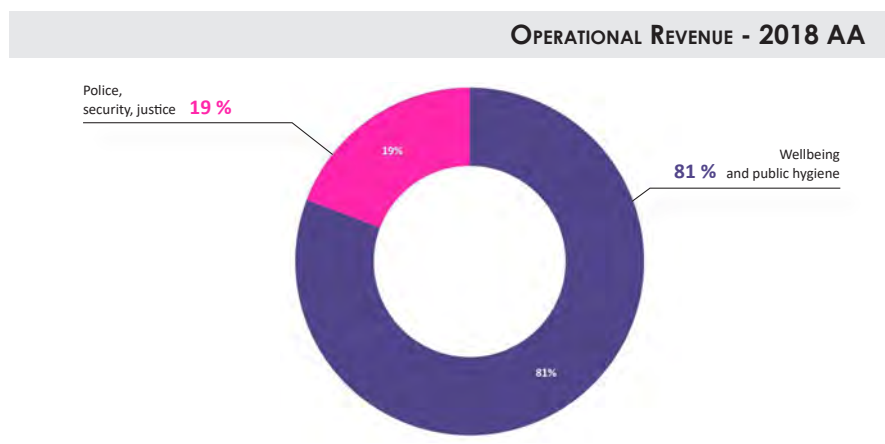
Operational expenditure for **joint services** represented €2.6 million in 2018, an increase of €0.4 million compared to the 2017 AA, mainly due to the transfer of officers from the Police prefecture to the DPSP, under the framework of the Paris status reform.

Lastly, expenditure allocated to the regulatory monitoring of hygiene increased by €0.2 million in 2018 in order to reach €0.3 million. Indeed, since July 2017, the City of Paris has been in charge of the risks and safety for shared equipment in residential buildings as well as the hygiene and risks in buildings that are partially or completely residential.

Revenue

OPERATIONAL REVENUE RELATED TO SECURITY REACHED €1.6 MILLION IN THE 2018 AA, A DECREASE OF €2 MILLION COMPARED TO THE 2017 AA.

This decrease corresponded to the non-renewal of the one-time amount of subsidies paid in 2017 by the Interministerial delinquency prevention fund (Fonds Interministériel de Prévention de la Délinquance: FIPD) in order to make Parisian elementary and middle schools safer.

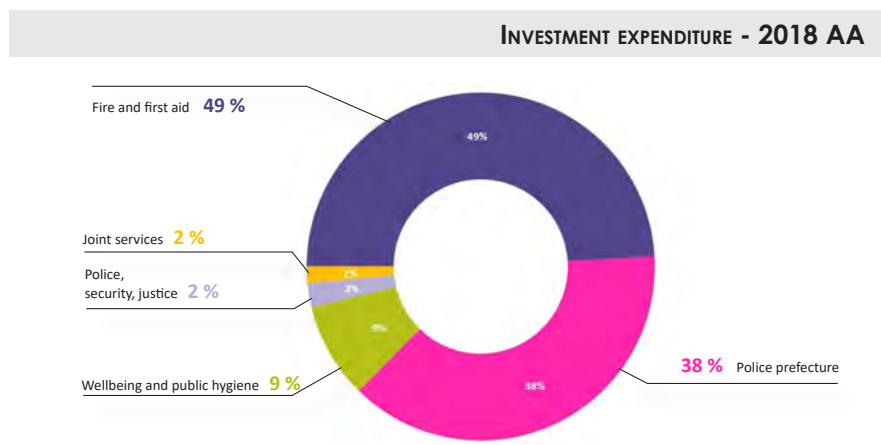


Revenue related to the regulatory monitoring of hygiene reached €1.3 million in 2018 (+€0.3 million over one year) including €1 million paid by the Regional Health Agency under the framework of the agreement related to hygiene inspections in Paris housing. Moreover, the balance for miscellaneous subsidies paid by National Agency for Social Cohesion and Equality Opportunity reached €0.3 million.

INVESTMENT SECTION

Expenditure

INVESTMENT EXPENDITURE IN VIRTUE OF THE « SECURITY » CATEGORY REACHED €13.6 MILLION, E.G. AN INCREASE OF €2.1 MILLION COMPARED TO 2017.



€6.7 million was allocated to **fire and first aid** expenditure, e.g. an increase of €1 million compared to 2017.

This expenditure item included:

- €5 million in virtue of the capital grant paid to the Police prefecture for maintenance work in fire brigade stations, e.g. an increase of €0.8 million compared to 2017;
- €1.7 million in expenditure for external fire protection.

€5.2 million was dedicated to **protecting property and people**, e.g. an increase of €0.7 million compared to 2017, which corresponded to the subsidy granted to the Police prefecture for maintenance work in its buildings.

€1.2 million was allocated to compulsory renovations in terms of **public wellbeing and hygiene**. This expenditure increased by €0.3 million compared to 2017 due to the increase in interventions by the local authority.

€0.3 million was dedicated to **safety upgrade renovations as well as the acquisition and installation of anti-intrusion equipment**.

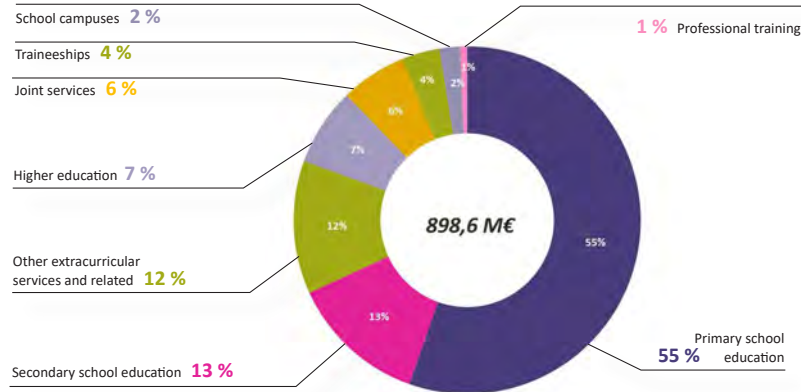
€0.2 million was dedicated to **joint service** expenditure, including €0.1 million for the purchase of equipment and furniture.

Revenue

INVESTMENT REVENUE REACHED €0.5 MILLION IN VIRTUE OF REIMBURSEMENTS FOR COMPULSORY RENOVATIONS. THIS REVENUE IS IDENTICAL TO THE ONE RECORDED IN 2017.

2/ EDUCATION AND TRAINING

CONSOLIDATED BUDGET DEDICATED TO EDUCATION, PROFESSIONAL TRAINING AND TRAINEESHIPS - 2018 AA



IN M€	2017 AA	2018 AA
Operational expenditure	741,9	729,8
<i>Including payroll</i>	<i>503,3</i>	<i>498,2</i>
Investment expenditure	156	168,8
Operational revenue	41,2	37,4
Investment revenue	11,2	9,2

OPERATIONAL SECTION

Expenditure

FOR THE 2018 FISCAL YEAR, THE OPERATIONAL BUDGET DEDICATED TO THE EDUCATION AND TRAINING REACHED €729.8 MILLION, INCLUDING €498.2 MILLION IN VIRTUE OF PAYROLL.

In order to support a dynamic investment policy, 15 positions were created in the 2018 PB in virtue of expanding and opening facilities for Parisian elementary and middle schools.

Two positions were created in order to strengthen the Middle School Student Work initiative under the framework of the Adolescence Youth Contract. One position was created for the educational inequality watchdog committee.

The 2018 PB also made it possible to continue deploying the City's Educational Directors in schools, with the reconversion of 76 assistant activity leaders into activity leaders under the Paris administration.

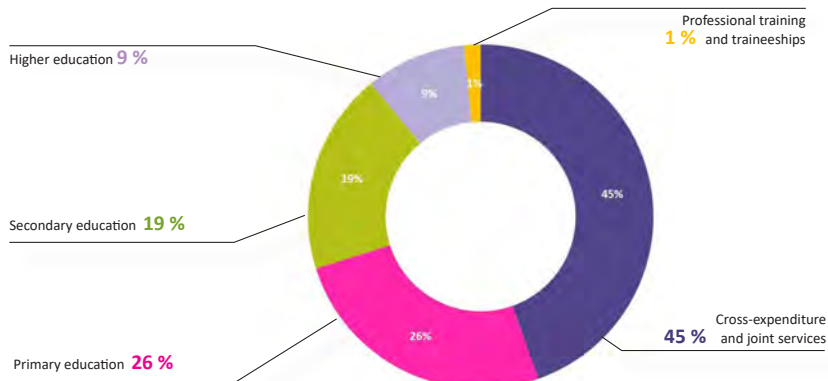
For the education category, the transfer of art schools under the Department of Educational Affairs (Direction des Affaires Scolaires: DASCO) to the Department of Drawing Power and Employment (Direction de l'Attractivité et de l'Emploi: DAE) led, in the 2018 PB, to the transfer of 63 positions.

In the 2018 SB, the adjustment in budgetary support according to the actual workforce was conveyed by balancing jobs between activity and school staff members within category 2 in the municipal and departmental budget.

In total, over the year 2018, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries amounted to +14 budgetary jobs for this category.

Excluding payroll, operational expenditure related to education, professional training and traineeships amounted to €231.6, a decrease of €7 million compared to the 2017 AA.

OPERATIONAL EXPENDITURE (EXCLUDING PAYROLL) - 2018 AA



Operational expenditure for this category included any expenditure directly meant for primary, secondary or higher education establishments and measures (€124.9 million), cross-expenditure (related and joint services, for €103.2 million) and expenditure for professional training and traineeships (€3.5 million).

Within the first category (€124.9 million), expenditure in virtue of primary education reached €59.2 million in the 2018 AA.

This amount included, on the one hand, €11.7 million allocated to ongoing operational expenditure for schools: €3.6 million for **nursery schools**, €6.7 million for **elementary schools** and €1.4 million in virtue of **polyvalent schools**. As for nursery schools, the 2018 AA increased by €1 million compared to the 2017 AA and by €1.2 million for primary schools. These increases in expenditure allocated to schools can be explained by a rise in loans dedicated to strengthening the initiative: “All united for priority elementary and middle schools »

ALL UNITED

Launched by the City of Paris, in partnership with the National Education office, the “All united” initiative strives to contribute targeted responses to the needs of educational communities in academic establishments located in working-class neighborhoods. This implies concerted and coordinated initiatives from the City’s different services, on which the expected response depends (DASCO, DPA, DVD, DAC, DASES, etc.), as well as the Board of Education. The goal is to restore drawing power to establishments that encounter more difficulties and suffer from a bad reputation.

Since 2017, the initiative has made it possible to set up action plans for each elementary or middle school that wanted to improve its environment and reception, academic climate, learning conditions for students, relations with families enabling better educational staff support as well as better integrate establishments with their surroundings. Beautification work, renovations as well as setting up community partnerships or creating polyvalent locations that can host parents were carried out.

In 2018, 438 initiatives were conducted, 40% of them under the “renovations” component and 10% involving “equipment.”.

Furthermore, this category included **primary education cross-expenditure**, which amounted to €47.5 million, a drop of €2.6 million compared to the 2017 AA. This specifically included:

- expenditure supporting private primary education (€29.8 million), an increase of €0.2 million in order to take into consideration actual workforce numbers;
- the contribution paid by the City to the Ministry of National Education in virtue of teaching dispensations (€15 million), decreased by €3.7 million compared to the 2017 AA after renegotiating the agreement setting the City’s participation methods in the derogation measures for teaching dispensations in Paris. Consequently, the City of Paris obtained a more balanced distribution in the financing of this initiative, to which the City remains committed;
- energy performance partnership contracts (€2 million), e.g. an increase of €0.7 million compared to 2017;
- the budget allocated to the “All united for priority elementary and middle schools” Initiative in the amount of €0.7 million.

Expenditure related to secondary education amounted to €43.8 million.

Among this expenditure, **€41.9 million** was allocated to **middle schools**, e.g. a decrease of €1.7 million compared to the 2017 AA. This change can be explained by a scope measure, the expenditure for “Independent and Mixed Middle School Dining Services” being transferred under educational dining services. Excluding the scope effect, the expenditure allocated to middle schools increased by €1.1 million.

€1.1 million was earmarked for **secondary educational initiatives**, which included “middle school student projects,” and subsidies related to secondary educational initiatives. This entry increased by €0.5 million compared to the 2017 AA, due to the scope measure.

In the 2017 AA, this only included expenditure related to housing middle school students. In the 2018 AA, transportation, admission and medical fees were added, which up until then were found under the “Municipal High Schools” section.

€1.9 million was allocated to ongoing operational expenditure for **municipal high schools**, including €0.4 million in virtue of the operational subsidy paid to the *Ecole du Breuil*.

Lastly, expenditure assigned to higher education reached €21.9 million in the 2018 AA, a decrease of €0.9 million compared to the 2017 AA. Among this expenditure, €13.2 million was paid to ESPCI (*Ecole supérieure de physique et de chimie industrielle*), €4.6 million to EIVP (*Ecole des ingénieurs de la Ville de Paris*) and €2.3 million to art schools. Lastly, support to structures assisting with student life represented €1.5 million.

Cross-expenditure related to education reached €103.2 million.

Among which, expenditure related to **school offices and dining services** represented the majority of expenditure with €80.5 million. This amount increased by €1.1 million. This increase is specifically related to the transfer of expenditure for “Independent and Mixed Middle School Dining Services” under the “Public Middle Schools” section. Subsidies to school offices (€72.2 million) decreased by €1.2 million compared to the 2017 AA, which conveyed strengthened dialogue between the City’s services and each Parisian school office.

On the other hand, **ancillary educational services** represented €13.6 million in the 2018 AA, an increase of €2.5 million compared

to the 2017 AA. This increase can be mainly explained through the deployment of a maintenance plan for Parisian academic establishments launched in 2018. The expenditure related to academic-related transportation represented €1.3 million in the 2018 AA and expenditure supporting educational activities was €0.3 million, stable compared to 2017.

Expenditure in virtue of **field trips** represented €7.6 million in the 2018 AA, a €1.7-million decrease compared to the 2017 AA. This decrease corresponds to the transfer of transportation expenditure under the “Activity club” section.

Lastly, **joint services** for education and professional training represented €1.5 million.

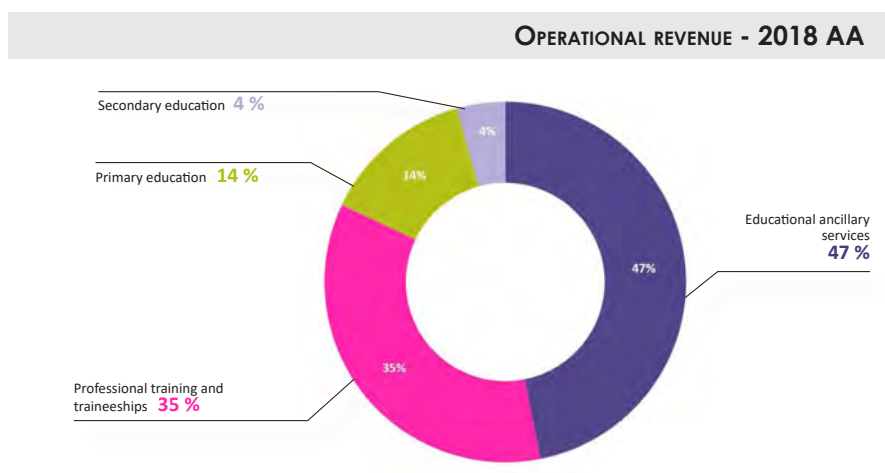
Expenditure related to professional training and traineeships amounted to €3.5 million, compared to €4.2 million in the 2017 AA.

Within this budget, **traineeships** represented €2.7 million, a stable amount compared to 2017. Training expenditure for employees with **subsidized contracts** amounted to €0.3 million, a decrease of €0.5 million compared to 2017 due to the reduction in the volume of employees with subsidized contracts, following the measures decided on by the State, which also had an impact on operational revenue.

Professional training represented €0.5 million. This number decreased by €0.1 million compared to 2017 due to a readjustment in the municipal courses offered to adults, now privileging the most professionalizing courses possible.

Revenue

OPERATIONAL REVENUE RELATED TO EDUCATION, PROFESSIONAL TRAINING AND TRAINEESHIPS AMOUNTED TO €37.4 MILLION IN THE 2018 AA, A DECREASE OF €3.7 MILLION COMPARED TO THE 2017 AA DUE TO THE MEASURES DECIDED ON BY THE STATE REGARDING SUBSIDIZED CONTRACTS.



Within this amount, entries for **primary education** amounted to €5.1 million, stable compared to the 2017 AA.

Revenue related to **secondary education** represented €1.6 million, stable compared to the 2017 AA.

Other revenue related to **educational ancillary services** represented €17.5 million. This brought in €12 million from extracurricular activities in virtue of State shares, €4.1 million in revenue was collected in virtue of family shares for middle school dining services and revenue in virtue of field trips represented €1.4 million.

State shares related to **traineeships** represented €9 million in the 2018 AA, e.g. an entry that decreased by €4.5 million compared to the 2017 AA. This decrease is explained by the reduction in the number of subsidized contracts imposed by the State.

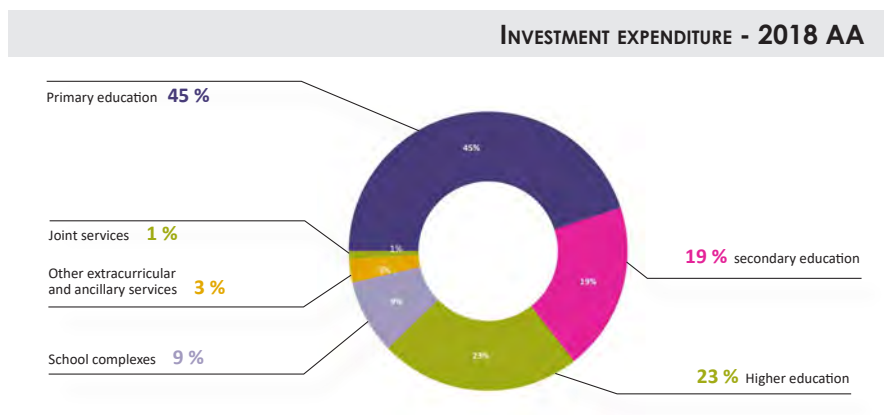
The revenue collected in virtue of **professional training** represented €4.1 million, an increase of €0.6 million compared to the 2017 AA. This mainly corresponded to registration fees for continuing education given within adult municipal courses

The revenue collected in virtue of **higher education** represented €0.1 million.

INVESTMENT SECTION

Expenditure

IN 2018, INVESTMENT EXPENDITURE IN FAVOR OF EDUCATION, PROFESSIONAL TRAINING AND TRAINEESHIPS AMOUNTED TO €168.8 MILLION, E.G. AN INCREASE OF €12.8 MILLION COMPARED TO 2017.



Primary education represented the highest expenditure, with €75.8 million (-€7 million).

New schools and renovation operations represented €28.6 million compared to €34.4 million in the 2017 AA. This decrease is attributable to the completion of a certain number of construction and renovation operations, such as the Clichy Batignolles school (€2 million in the 2018 AA compared to €11.4 million in 2017), the Duplex-Cardinal Amette school complex in the 15th arrondissement (€3.4 million in 2018 compared to €8 million in 2017) as well as the elementary school on rue de Torcy (€0.5 million compared to €2.5 million in 2017).

It should be noted that in 2018, €4.9 million was allocated to the Chapelle International polyvalent school (18th arrondissement), €4.7 million to the construction of a 12-class school on rue Championnet (18th arrondissement) and €2.5 million to upgrade renovations for the Saint Merri school complex (4th arrondissement).

School maintenance and equipment represented €47.2 million. €20.4 million was thus allocated to local interest budgets, €14.2 million to energy renovations and the Climate plan in schools. €7.5 million was spent on furniture, IT equipment, back-to-school renovations, €2.9 million for safety compliance renovations and €1.6 million for improving the working conditions for staff members.

Higher education represented the second highest expenditure with €39.3 million in 2018, compared to €33.4 million in the 2017 AA.

Most of the expenditure concerned the payment of the third installment of the subsidy granted to the Condorcet Campus's Public Establishment for Scientific Cooperation for its installation on the Chapelle site.

This operation led to an expenditure of €6.5 million. In addition, renovating, rehousing and equipping the ESPCI represented €25.6 million in 2018.

Upkeep and support in art schools represented €1.3 million, to which was added €1.3 million mobilized for the Estienne school in virtue of the master plan for accessibility measures.

€1.7 million was also invested in student life in the form of a subsidy paid to the Regional Center for University and Academic Works (Centre regional des oeuvres universitaires et scolaires: CROUS). This increased by €0.2 million compared to 2017.

For its share, secondary education mobilized €32.9 million, e.g. an increase of €3.3 million compared to 2017.

- €30.7 million was allocated to middle schools, e.g. an increase of €3 million compared to the 2017 AA. €14.7 million was earmarked for renovations in establishments, specifically in the following middle schools: Claude Chappe Middle School in the 19th arrondissement (€8 million), Lucie Faure Middle School in the 20th arrondissement (€3.1 million) and the Maurice Utrillo Middle School in the 18th arrondissement (€1.6 million). Other investment expenditure in middle schools amounted to €16 million, including €10.6 million for maintenance (compared to €8.1 million in 2017) and €5 million for the subsidizing of independent middle schools (compared to €3.2 million in 2017). Compared to 2017, the ramp-up in the maintenance component made it possible to respond to pedagogical needs and the aging of buildings. Moreover, within this expenditure, a budget is now dedicated to making establishments safer, which explains the increase compared to 2017.
- €0.4 million was dedicated to digital technology in middle schools.
- €1.9 million was allocated to city high schools.
- €1 million was related to the maintenance of city high schools and city high schools for adults. In addition, €0.4 million in renovations were carried out in high schools, including the Lucas de Nehou High School in the 5th arrondissement (€0.1 million) as well as the Théophile Gautier High School in the 4th (€0.1 million).
- €0.3 million was earmarked for maintenance and equipment at the Ecole du Breuil.

Added to this was €14.6 million allocated to renovations in school complexes, e.g. an increase of €9.6 million compared to 2017.

€5.2 million was earmarked for maintenance in middle schools and high schools located within the same structure. In addition, accounting adjustments were carried out in the amount of €9.4 million, which explains the stark increase compared to the previous year.

Investment expenditure for extracurricular services, housing and dining services amounted to €4.6 million.

€4.3 million was spent on upgrades and renovations in school kitchens and €0.3 million on extracurricular activities.

Professional training represented an expenditure of €0.04 million for support in municipal adult education classes.

Lastly, joint educational services mobilized €1.5 million in 2018 compared to €0.6 million in 2017.

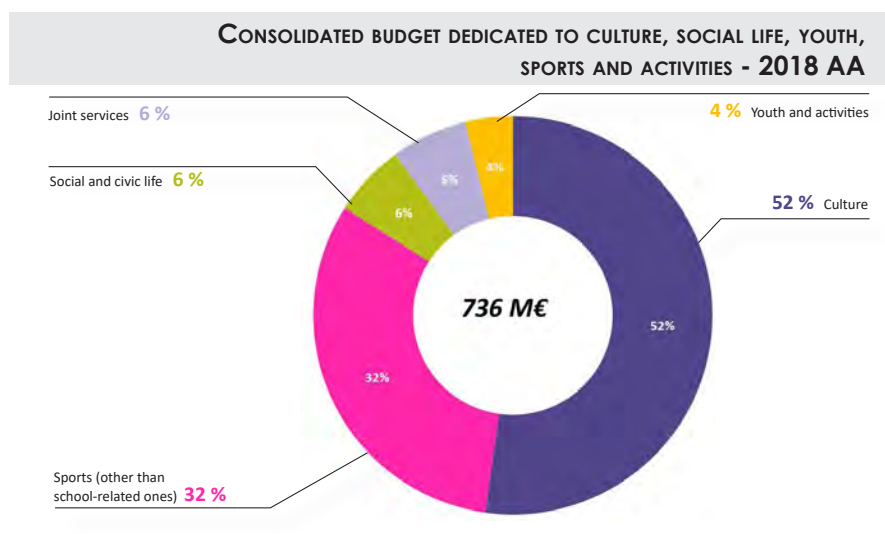
Initiatives in favor of preventing incompetence in the workplace was developed in the amount of €0.6 million in 2018, in keeping with the specific prevention plan launched by the local authority in 2017. As for the improvement of working conditions, this was mobilized in the amount of €0.8 million.

Revenue

INVESTMENT REVENUE AMOUNTED TO €9.2 MILLION, WITH €0.6 MILLION FOR PRIMARY EDUCATION AND €8.6 MILLION FOR SECONDARY EDUCATION.

Among the revenue related to secondary education, the departmental equipment endowment for middle schools represented €5.8 million.

3/ CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES



IN M€	2017 AA	2018 AA
Operational expenditure	562,4	557,8
<i>Including payroll</i>	294,1	299
Investment expenditure	127,8	178,2
Operational revenue	126,1	128,4
Investment revenue	9,5	8,6

OPERATIONAL SECTION

Expenditure

FOR THE 2018 FISCAL YEAR, THE OPERATIONAL BUDGET ALLOCATED TO CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES AMOUNTED TO €557.8 MILLION, INCLUDING €299 MILLION IN VIRTUE OF PAYROLL.

40 positions were created in the 2018 PB for this category, in order to support the opening of new facilities and an expanding cultural policy.

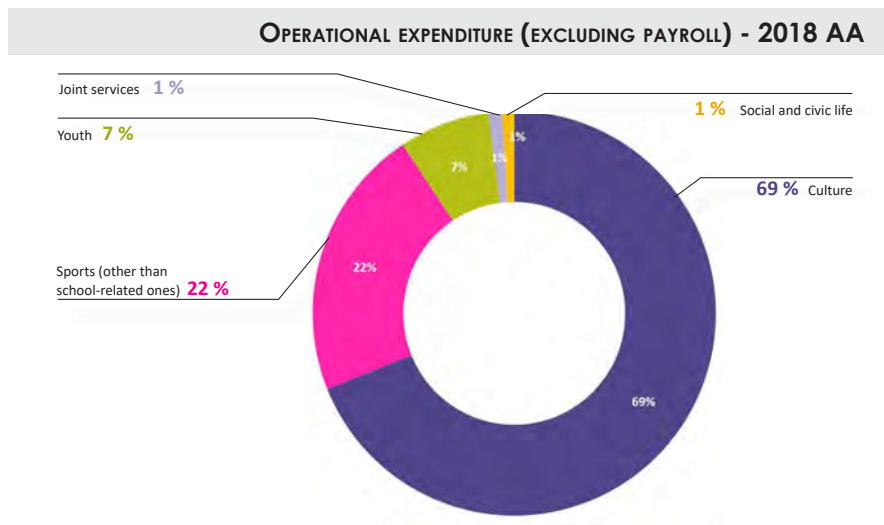
The creation of a new site for the Archives of Paris was conveyed through the creation of 3 positions. In the conservatory sector, the ramp-up in new conservatories as well as the pedagogical teaching reform resulted in the creation of 22.5 positions and 1,458 hours of teaching. Two positions were also created in order to resume the Maîtrise de Paris choir program. The library sector saw the creation of 15 positions including 3 for resuming the State management of the Roger Viollet fund and 12 in order to create a mobile team meant to substitute librarians in libraries and facilitate operations for teams in charge of the Sunday openings for two multimedia libraries (Hélène Berr and Edmond Rostand).

18 positions were created in the Department of Youth and Sports (Direction de la Jeunesse et des Sports: DJS) in order to operate 3 gyms and an athletic facility.

Two positions for regional youth referents were also created in virtue of the Adolescence Youth Contract.

In total, for the year 2018, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries amounted to +6.5 budgetary jobs for this category.

Excluding payroll, operational expenditure related to the category "culture, social life, youth, sports and activities" amounted to €258.8 million in the 2018 AA.



The budget allocated to culture amounted to €178.3 million in the 2018 AA, a decrease of €4.8 million compared to 2017.

Expenditure related to the **theater**, mainly made up of subsidies to cultural establishments, represented €86.4 million in the 2018 AA, a €1-million decrease compared to the 2017 AA, mainly due to the renegotiation of the public service delegation contract for the operation of the *Gaîté Lyrique* (-€0.2 million), the decrease in loan interest from the Philharmonic (-€0.4 million) and the reduction in the subsidy to the Paris Orchestra (-€0.1 million). The share of this expenditure earmarked in support of live performances amounted to €43 million in the 2018 AA.

Expenditure allocated to **museums** represented €53 million in the 2018 AA. This expenditure corresponded to the subsidy granted to the Paris Museums public establishment (*Etablissement public Paris Musées*: EPPM), a decrease of €1.8 million compared to the 2017 AA. This decrease can be explained by an overall reduction in charges for the year 2018 due to the closing of five museums for renovation work. In addition, the EPPM's great results from 2017 made it possible for the establishment to generate a significant surplus, and thus reduce its need for subsidies.

€20.8 million was allocated to the 2018 AA for **artistic and cultural activities**. €7.7 million was dedicated to subsidies in virtue of artistic education and non-professional practices, €7.6 million in virtue of the visual arts, €2 million for the organization of the "*Nuit Blanche*" event, €1.2 million in virtue of transversal resources for the cultural initiative and €1.2 million for subsidies in virtue of the cultural initiative. Lastly, €1.1 million was earmarked for operating fees in conservatories.

€7.2 million was allocated in 2018 to the conservation of **cultural heritage**, with €3.9 million for the maintenance and promotion of cultural heritage, including €1 million for fountains, €2.3 million in subsidies, €0.4 million for the historical heritage budget and €0.6 million for the "*Mémoire*" budget.

€4.5 million was meant for operations in **libraries and multimedia libraries**.

€6.1 million was allocated to the **cinema**, an apparent decrease of €1.5 million compared to the 2017 AA, due to a scope effect related to the opening of the "TUMO" digital creation school in the Forum des Images, and now supported budgetarily under the #6 category: "Economic development."

Archival services represented an expenditure of €0.3 million.

Expenditure earmarked for sports represented €56.3 million in the 2018 AA, a decrease of €4.6 million compared to the 2017 AA.

€21.4 million was allocated to **sporting events** in 2018. This expenditure included school transportation, athletic initiatives, sporting events, support for professional clubs, neighborhood sports, as well as outreach for international sporting events and the 2024 Olympic and Paralympic Games.

Athletic initiatives and sporting events recorded a downward adjustment (-€0.7 million), due to a reduction in the number of events. Support for high-level clubs (-€0.8 million) was also the subject of a revaluation in regards to clubs' financial situations (increase in ticket sales, development of alternative financing, etc.).

The decrease in expenditure related to major international sporting events (-€1.4 million compared to the 2017 AA) can be mainly explained through the fluctuation in the number of sporting events from one year to the next. The expenditure related to the 2024 Olympic and Paralympic Games (-€2.6 million compared to the 2017 AA) experienced a decrease related to the non-renewal of one-time initiatives set up in the summer of 2017.

Expenditure allocated to **swimming pools** represented €18 million in the 2018 AA, a decrease of €0.1 million compared to the 2017 AA. €13.8 million was allocated to externalized management, a decrease of €1 million, and €3.7 million for State management, an increase of €0.8 million compared to 2017. The decrease related to outsourced swimming pools can be perfunctorily explained

through the closing, as of October and November 2017, of the Vallerey and Champerret swimming pools. On the other hand, the increase in State management can be primarily explained through reopening, under the framework of the “Swimming in Paris” plan, the Amiraux, Emile Anthoine and Mourlon swimming pools, recalibrating water expenditure for the Butte-aux-Cailles swimming pool, as well as modifying the joint property charges for the Massart swimming pool. In addition, credits were allocated to time slot rentals in athletic facilities in the amount of €0.4 million.

The budget earmarked for **stadiums** reached €6.8 million in the 2018 AA. It mainly included the two management agreements for the Charléty and Jean Bouin stadiums, an increase of €0.2 million compared to the 2017 AA.

€5.4 million was attributed to the management of **athletic facilities and gymnasiums**, including ongoing operational and maintenance expenditure, which increased by €0.6 million compared to the 2017 AA, mainly due to increased security expenditure.

Lastly, €4.7 million was allocated to the management of **interdepartmental parks**, a decrease of €0.2 million compared to the 2017 AA. This evolution can be explained by an adjustment in the City’s contribution for the management of these parks, whose amount is prorated based on its use.

Initiatives in terms of youth and activities amounted to €18.8 million in the 2018 AA, including €14.1 million for activity clubs and summer camps.

The budget dedicated to the operations of **activity clubs** amounted to €10.3 million in the 2018 AA, an increase of €0.9 million compared to the 2017 AA due to the attribution of the clean transportation contract.

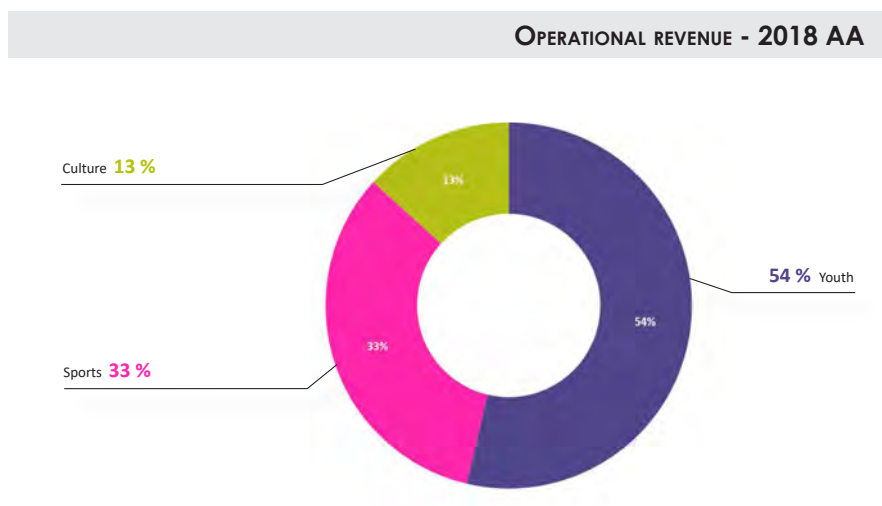
€3.8 million was allocated to the financing of **summer camps**.

Lastly, €4.7 million was allocated to **other activities** for youths, e.g. an increase of €0.1 million compared to the 2017 AA. This expenditure specifically included the youth leader and worker diploma as well as Paris youth vacation initiatives.

The “Social and civic life” section represented €2.5 million in the 2019 PB including €1.1 million for the men-women equality watchdog committee, €0.8 million for the fight against discrimination and €0.6 million dedicated to the nightlife policy. Joint services had a budget of €2.8 million in 2018.

Revenue

OPERATIONAL INCOME RELATED TO CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES AMOUNTED TO €128.4 MILLION IN THE 2018 AA, AN INCREASE OF €2.3 MILLION COMPARED TO THE 2017 AA.



Revenue related to the youth and activities sector represented the highest revenue entry with €68.9 million in 2018.

In 2018, **activity clubs** generated €64.4 million, e.g. an increase of €1.1 million compared to 2017 due to a strong increase in attendance levels, specifically over the course of the 2018 summer (+11% between July 2017 and 2018). This revenue included €45.8 million in virtue of shares from the family benefits office (Caisse d’allocations familiales: CAF) for the financing of activity clubs under the framework of adolescent youth contracts and €18.6 million in virtue of user shares for activity clubs.

Other revenue from this sector included €0.6 million in revenue from the Vacances Arc-en-Ciel program and €3.9 million in revenue from **other youth-related activities**.

Operational revenue related to sports represented €42.5 million in the 2018 AA, an increase of €1 million compared to the 2017 AA.

Revenue from **stadiums** represented €29.5 million, an increase of €0.6 million compared to the 2017 AA specifically due to the 2018 implementation of a usage fee for private running events on public roadways.

Revenue related to the organization of major international sporting events such as the **2024 Olympic and Paralympic Games** in-

creased by €0.4 million compared to 2017, most notably due to the one-time collection in 2018, during the dissolution of the 2024 Paris public interest group, of the unused share of the subsidy paid to the public interest group by the City.

€8.8 million in revenue related to **swimming pools** was collected in 2018. Usage fees collected in virtue of outsourced swimming pools decreased by €1 million compared to 2017 due to the closing of several outsourced swimming pools for renovations. This evolution was compensated by a €1-million increase in user shares related to the full-year effect of the revision in municipal tariffs.

Revenue related to **athletic initiatives** represented €1.6 million in the 2018 AA.

€17 million in revenue was collected in virtue of culture in 2018, an increase of €2.7 million compared to the 2017 AA.

€11.1 million was collected in virtue of **cultural events**, an increase of €1.1 million compared to the 2017 AA, specifically due to the implementation of a policy that is supposed to make conservatories accessible to a wider audience and the growth in occupational license fees for the public domain. The “Nuit Blanche” event generated €0.4 million in revenue.

Revenue from **theaters** represented €2.2 million, an increase of €2 million compared to 2017, due to revenue collected from the advertising banner on the Châtelet theater, which was displayed as of the end of 2017 and continued throughout 2018.

Revenue from **libraries** amounted to €1.4 million, stable compared to 2017.

Operational revenue related to **heritage** decreased by €1.9 million, with €0.7 million in revenue collected in 2018 compared to €2.5 million in 2017. This decrease can be explained through the reduction in revenue from advertising on certain cultural edifices undergoing renovation, in accordance with the schedule for ongoing renovations.

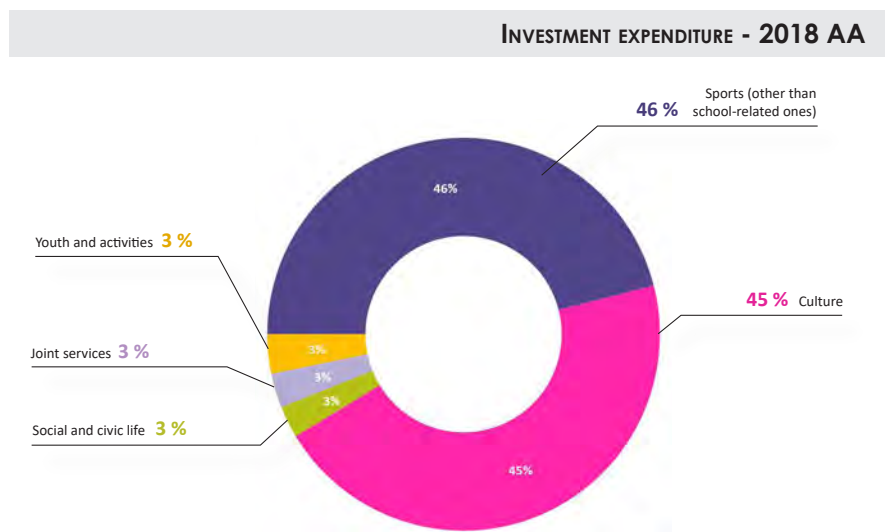
€1.5 million in revenue was collected from **movie theaters and other performance spaces**, an increase of €1.4 million compared to the 2017 AA. This increase can be explained by better categorizing revenue from film sets.

Lastly, revenue from **archival services** was estimated at €0.1 million

INVESTMENT SECTION

Expenditure

€178.2 MILLION WAS EARMARKED FOR THE CATEGORY “CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES” IN 2018, COMPARED TO €127.8 MILLION IN 2017.



€82 million was earmarked for sports, e.g. an increase of €19.7 million compared to 2017..

Investment expenditure related to **swimming pools** amounted to €35.4 million in 2018 compared to €23.3 million in 2017. This strong increase can be explained by the launch of a number of important operations at the end of 2017 and the beginning of 2018. This expenditure was divided up between major maintenance and renovation projects, which reached €10.2 million (compared to €7 million in 2017) and miscellaneous renovation operations for €24.1 million: Davout (€6.5 million), Saint-Merri (€6.1 million), Elisabeth (€4.2 million) and Vallerey (€2.4 million).

€23.1 million was invested in **athletic facilities and gymnasiums** compared to €29 million in 2017. Expenditure focused on renovating and improving facilities, such as tennis court roofs. The decrease observed between 2017 and 2018 is mainly due to the completion of construction on the Baron Le Roy Gymnasium in the 12th arrondissement (€5.3 million in 2017, compared to €0.4 million in 2018) and the completion of construction on the Clichy Batignolles Gymnasium in the 17th arrondissement (€8.1 million

in expenditure in 2017 compared to €1.5 million in 2018).

€17.2 million was earmarked for the **preparation of the 2024 Olympic and Paralympic Games**, with €16.6 million in virtue of the Parisian contribution to the company building the Olympic structures (Solideo), in charge of building sites and infrastructure.

Other athletic facilities such as interdepartmental parks or international athletic facilities mobilized €3.4 million in 2018.

€2.4 million was allocated to **stadiums**, including €0.8 million for the upgrading of the Boutroux stadium in the 13th arrondissement and €0.6 million for the renovation of the Parc des Princes in the 16th arrondissement.

Lastly, **public showers and signage for the Olympic and Paralympic Games** led to an expenditure of €0.3 million.

€80.7 million was dedicated to culture, compared to €55.6 million in 2017.

€28.4 million was invested in favor of **museums**. The majority of operations concerned renovations in the Carnavalet Museum (€12.2 million compared to €2.6 million in 2017) and moving the Liberation Museum (€8 million compared to €3.4 million in 2017). Added to this was €4.9 million in subsidies granted to the Paris Museums Public Establishment for the financing of small maintenance projects and the acquisition of artworks.

Expenditure in favor of **safeguarding heritage, memory and archives** represented an investment of €17.2 million in 2018 compared to €13 million in 2017. This nearly €4-million increase can be primarily explained through the 2018 launch of operations related to the religious edifice plan. Consequently, €2.3 million was allocated to starting renovations on the entrance to the Trinité church in the 9th arrondissement (compared to €0.2 million in 2017), €2 million was earmarked for making edifices safer (€0.9 million in 2017) and €0.7 million for the renovation of the Sainte Croix des Arméniens church in the 3rd arrondissement.

Expenditure in terms of **support for artistic creation** reached €13.1 million. This expenditure specifically concerned maintenance and renovations carried out in Parisian theaters, for which the amount came to €12.2 million, including €10.4 million for the renovation of the Théâtre de Ville alone. In addition, €0.9 million was allocated to the circus arts studio on rue Watt in the 13th arrondissement.

Libraries and multimedia libraries benefited from €7 million in investment expenditure in 2018 compared to €10.1 million in 2017. This reduction was mainly due to the completion of construction on the Davout Lagny neighborhood library in the 20th arrondissement.

€6.7 million was allocated to **cultural initiatives**, including €1.5 million for rehousing the Municipal Fund for Contemporary Art. €1.8 million was attributed to the maintenance of large cultural facilities, specifically in favor of the Théâtre du Rond-Point, compared to €1.2 million in the 2017 AA.

Expenditure in terms of **non-professional education and practice** amounted to €7.4 million in 2018 compared to €5.2 million in 2017. This change was mainly due to renovation expenditure for the South Broussais artistic educational center (€4.3 million compared to €1.1 million in 2017).

Speaking of expenditure in virtue of youth, €5.8 million was invested in 2018, including €19 million for the Clichy Batignolles activity center (18th arrondissement) and €1.3 million for the Hébert activity center (17th arrondissement).

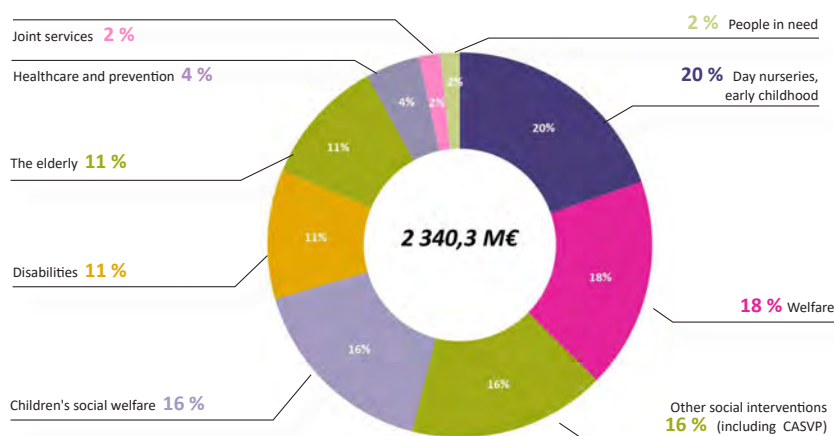
€5 million was earmarked for joint services related to culture, youth, sports and social and civic life.

Lastly, **€4.7 million was earmarked for social and civic life**. This entry specifically corresponded to renovation and modernization expenditure for arrondissement town halls.

Revenue

INVESTMENT REVENUE FOR CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES AMOUNTED TO €8.5 MILLION, INCLUDING €2.5 MILLION FROM SUBSIDIES FROM THE REGIONAL DEPARTMENT OF CULTURAL AFFAIRS (DIRECTION RÉGIONALE DES AFFAIRES CULTURELLES: DRAC) AND PATRONAGE DONATIONS IN FAVOR OF THE RENOVATION PLAN FOR RELIGIOUS EDIFICES, AS WELL AS €3.5 MILLION RECEIVED IN VIRTUE OF MUSEUMS.

CONSOLIDATED BUDGET DEDICATED TO HEALTH AND SOCIAL WELFARE - 2018 AA



IN M€	2017 AA	2018 AA
Operational expenditure	2 226,9	2 253
Including payroll	510,1	505,2
Investment expenditure	52,4	87,3
Operational revenue	631,3	620,2
Investment revenue	3,5	8,4

OPERATIONAL SECTION

Expenditure

IN THE 2018 AA, THE OPERATIONAL BUDGET EARMARKED FOR HEALTH AND SOCIAL WELFARE AMOUNTED TO €2,253 MILLION INCLUDING €505.2 MILLION IN VIRTUE OF PAYROLL.

In order to support this term of office's plan to open 5,000 spots in day nurseries, significant effort was carried out by creating positions in the 2018 PB for early childhood in day nurseries, daycare centers and multi-reception structures. A total of 54 positions were created in the Department of Families and Early Childhood (Direction des Familles et de la Petite Enfance: DFPE), including 40 in order to open or increase capacity in establishments, 2 new jobs in order to take into consideration disabled children and 3 created for the resumption of Paris Habitat nursery schools. Moreover, 2 positions co-financed by the Family Benefits Office were created in order to strengthen the relay of childcare assistants, while another position was also created in order to support the monitoring of pregnant women and newborns in emergency housing centers and 4 supporting positions were necessary in order to cope with the increase in the number of facilities to be managed.

In the DFPE, the deployment of referents in order to prevent musculoskeletal disorders continued, with 20 new positions.

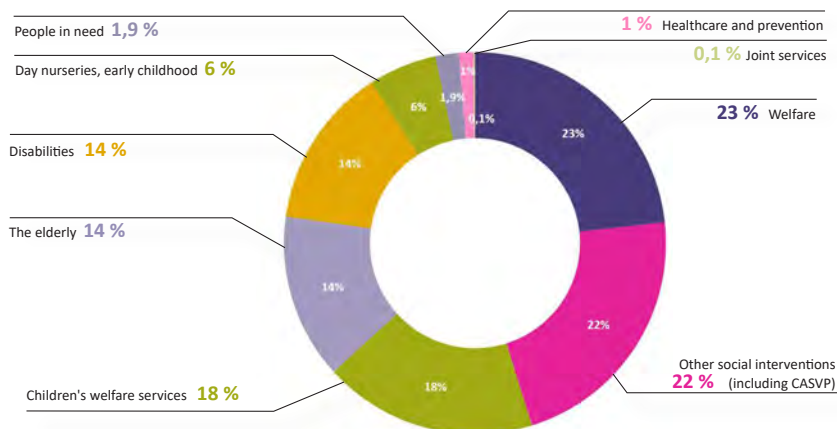
Two positions were created for the City of Paris's sexual health center/Hôtel Dieu Hospital.

At the Department of Social Welfare, Childhood and Health (Direction de l'Action Sociale, de l'Enfance et de la Santé: DASES), 8 positions were created in the 2018 PB, including 3 for the children's social welfare sector, one in order to prevent and fight against exclusion and 2 for the implementation of the rat extermination plan.

In total, over 2018, when including the other entries (redeployments, conversions and transfers), the balance for budgetary entries amounted to +30 budgetary jobs in this category.

Expenditure dedicated to health and social welfare, excluding payroll, amounted to €1,747.8 million in the 2018 AA, an increase of €33 million compared to the 2017 AA

OPERATIONAL EXPENDITURE (EXCLUDING PAYROLL) - 2018 AA



Expenditure related to **welfare (revenue de solidarité active: RSA)** represented €406.5 million, an increase of €4.2 million compared to the 2017 AA. Within this amount were allowances and waivers, which amounted to €359.2 million, e.g. an increase of €5 million, due to revaluating the allowance in September 2017 (+1.62%) and in April 2018 (+1%) as well as a slight progression in the number of beneficiaries (+0.3%). Assistance work in favor of welfare beneficiaries, implemented under the framework of the Parisian Plan for Integration through Employment (Plan parisien pour l'insertion par l'emploi: PPIE), amounted to €41.8 million, e.g. a decrease of €0.4 million mainly due to the reduction in shares for employers hiring welfare beneficiaries through subsidized contracts, related to the decline in the number imposed by the State.

Expenditure for **children's social welfare (ASE)** amounted to €316.1 million in the 2018 AA, an increase of €22.3 million compared to the 2017 AA. This increase in the unit of expenditure for the ASE can be primarily explained through a one-time adjustment of €15.2 million assigned to the payment of housing fees for ASE Parisian establishments (Etablissements parisiens de l'ASE: EPASE). The remainder resulted from an increase in the number of non-accompanied minors (Mineurs non accompagnés: MNA) as well as an increase in support in order to monitor youths presenting serious behavioral issues (on average, 46 adolescents cared for monthly in 2018, compared to 36 in 2017).

Credits related to families and early childhood represented €100.6 million, an increase of €6.7 million compared to the 2017 AA. This level of expenditure reflected the City's significant commitment in favor of early childhood. Consequently, it continued to pursue the objective of 5,000 new childcare spots between now and 2020.

Within these credits, €96 million was earmarked for expenditure related to **day nurseries and drop-in daycare centers**, e.g. an increase of €6.6 million compared to 2017.

This increase can be explained, on the one hand, by the full-year financing of the spots opened in 2017 and, on the other hand, through the opening of 626 new spots in 2018, all administrative methods combined, with specifically:

- In the 10th arrondissement, the opening of 20 spots on rue du Faubourg du Temple,
- In the 11th arrondissement, the opening of 48 spots on rue Léon Frot,
- In the 15th arrondissement, the opening of 70 spots on rue Yvart,
- In the 20th arrondissement, the opening of 66 spots on rue des Maraîchers.

Lastly, an amount of €2.5 million was mobilized for **measures in favor of families**, in order to continue financing initiatives falling under the scope of the Parisian strategy for childhood and families. These credits specifically made it possible to finance the opening of 5 "Ludomouv" mobile games libraries.

Expenditure earmarked for the elderly and the personalized autonomy allowance (APA) represented €244.3 million in the 2018 AA, a decrease of €11.7 million compared to the 2017 AA. This decrease can be explained through the reduction in expenditure in virtue of housing the elderly receiving legal social welfare (–€8.9 million related to the scope effects from the net billing reform⁽⁸⁾).

This decrease also falls under a trend-like downwards dynamic in the number of recipients admitted to social welfare (6,676 recipients in December 2018 compared to 6,907 in December 2017, e.g. a decrease of 3.3%).

Expenditure carried out in virtue of the **personalized autonomy allowance (APA)** amounted to €133.2 million in the 2018 AA, e.g. a decrease of €1.8 million compared to 2017. This budget included:

- €81 million in virtue of the at-home APA, an increase of €0.4 million from the 2017 AA due to considerable more assignments in 2018. The number of at-home APA recipients slightly decreased and went from 15,774 in 2017 to 15,698 in 2018;
- €51.4 million in virtue of the APA in establishments, compared to €53.6 million in the 2017 AA, e.g. a decrease of €2.2 million due to a slight decrease in the number of recipients (8,488 recipients in 2018 compared to 8,452 in 2017) and a decrease in

⁽⁸⁾ The net billing reform in the sector of housing establishments for the elderly and disabled persons was implemented on January 1, 2017. According to this new billing method, recipients admitted to social welfare directly pay the housing establishments the share that they are responsible for, the City only paying the net remainder of this share. The reform thus had a simultaneous effect on revenue – the City stopped collecting user shares in virtue of their housing – and in expenditure – the City stopped transferring this share from users to establishments. Balanced in terms of expenditure and revenue, this reform was gradually implemented considering the difficulties that certain establishments encounter.

the overall endowment from the CASVP once again due to a decrease in the number of recipients (1,546 in 2018 compared to 1,583 in 2017);

- €0.8 million in virtue of issuing and processing universal employment service checks (chèques employ service universel: CESU) paid to 8,100 recipients and a share paid to the CASVP in virtue of creating APA application files.

Lastly, €19.3 million was dedicated in 2018 to **prevention and support expenditure** for the elderly, a decrease of €1 million compared to the 2017 AA.

Within these credits, €9.5 million was earmarked for day reception (primarily shares to six "Paris émeraude" information and coordination centers for the elderly as well as a portion of the cost for day reception centers for people suffering from Alzheimer's disease), €3.8 million in virtue of domestic help, €0.4 million in virtue of subsidies and €0.4 million in virtue of cross-disciplinary initiatives dedicated to the elderly.

Lastly, €5.2 million was earmarked for initiatives financed under the framework of the financiers' conference, e.g. an increase of €1.4 million compared to the 2017 AA, related to the ramp-up of the system. Resulting from the law meant to help society adapt to the aging process from December 28, 2015, it's objective is to coordinate financing in order to prevent the loss of autonomy based on a common strategy in each department.

Social welfare for disabled persons reached €239.2 million in the 2018 AA, an increase of €7 million compared to the 2017 AA.

In this respect, **housing fees and shares to reception structures** represented the largest expenditure, in an amount of €152.5 million in the 2018 AA (€139.8 million in virtue of housing fees and €12.7 million for day reception establishments), an increase of €5.8 million compared to the 2017 AA. This change can mainly be explained through an increase in the number of housing recipients (4,500 in 2018 compared to 4,300 in 2017).

Allowances paid in virtue of the Disability Compensation Benefit (prestation de compensation du handicap: PCH) and the Compensating allowance for third parties (Allocation compensatrice pour tierce personne: ACTP) totaled €77.9 million (€61.4 million for the PCH and €16.5 million for the ACTP, respectively). The €1-million decrease in the amounts dedicated to the ACTP can be explained through a 6% reduction in the number of recipients between 2017 and 2018 (2,247 recipients), after the service was stopped on January 1, 2006. As for the increase in expenditure dedicated to the PCH (€2.3 million), it is related to the increase in the number of recipients (+192 in 2018).

€8.8 million was dedicated to **other initiatives** in favor of disabled persons, including €3.4 million in virtue of orienting and informing disabled people through the contribution to the Departmental Center for Disabled People (*Maison départementale des personnes handicapées*: MDPH75) and €4.1 million in virtue of legal social welfare for the financing of at-home domestic services.

Welfare for people in need represented €34.2 million in the 2018 AA. This budget specifically included the contribution to the housing solidarity fund (*fonds de solidarité logement*: FSL) in the amount of €18.5 million, a decrease of €1.3 million compared to the 2017 AA, after mobilizing a treasury surplus. €4.3 million was dedicated to the financing of initiatives conducted under the framework of preventing exclusion. Incidentally, €4.4 million was earmarked for subsidies allocated in virtue of initiatives in favor of receiving refugees, an increase of €1.7 million compared to the 2017 AA considering the City's commitments (more specialized soup runs, installing inflatable structures in four reception centers, etc.) €1.4 million was allocated to community dining services and €2.3 million for hotel accommodations, this expenditure being stable compared to 2017. Lastly, €3.1 million was dedicated to subsidies allocated in virtue of solidarity.

Other social interventions represented a budget of €383.1 million, 93% of which was allocated to the subsidy for the City of Paris's Social Action Center (CASVP).

The **contribution to the CASVP** reached €355.9 million, e.g. an increase of €3 million compared to 2017. This change is specifically related to financing measures in order to make the Seniors Paris Pass and the Paris Access' Pass free of charge.

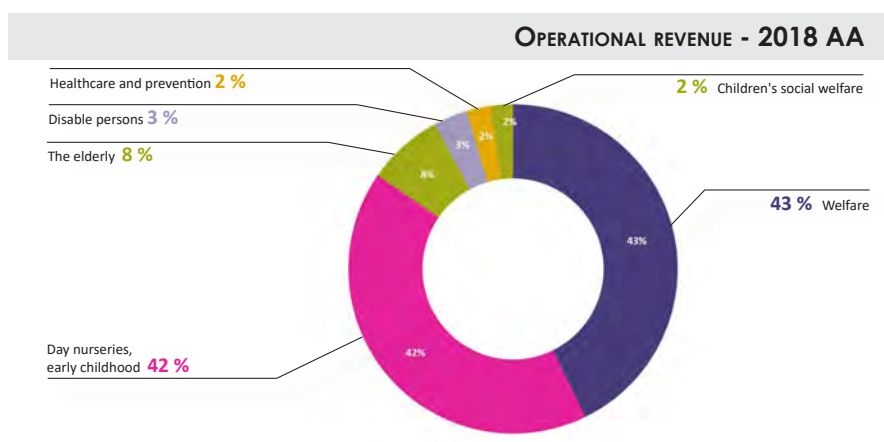
Initiatives in virtue of **specialized prevention and social connections** reached €27.2 million, an €0.3-million decrease compared to the 2017 AA. Within this budget, €18.4 million was earmarked for shares to specialized prevention clubs, €6 million for the financing of social centers and €2.3 million for subsidies in virtue of social connections. Lastly, €0.5 million was dedicated to the welfare fund for young Parisians.

€22 million was allocated to **healthcare and prevention expenditure**, a decrease of €0.2 million compared to the 2017 AA. Within this budget, €11 million was earmarked for **maternal and infant protection (Protection maternelle et infantile: PMI) and family planning**, a decrease of €0.3 million compared to the 2017 AA, specifically due to the closing of the In House Laure Diebold PMI center (8th arrondissement). Moreover, €10.8 million was assigned to **prevention and education initiatives for health and healthcare centers**, stable compared to 2017. It mainly included credits allocated to prophylactics (€4 million), laboratories (€1.4 million), education-based prevention initiatives (€1.2 million), drug addiction prevention (€1.2 million) as well as healthcare centers (€1 million).

Lastly, **expenditure related to joint services** amounted to €1.8 million.

Revenue.

OPERATIONAL REVENUE RELATED TO SOCIAL WELFARE AND HEALTH REPRESENTED €620.2 MILLION, A DECREASE OF €11.1 MILLION COMPARED TO THE 2017 AA.



With an amount of €265.1 million, the majority of revenue was related to compensation in virtue of **welfare** benefits, mainly through a fraction of the internal tax on the consumption of energy products (tax intérieure de consommation sur les produits énergétiques: TICPE). This represented €246.6 million in revenue, stable compared to the 2017 AA. €11.4 million was also collected in virtue of the departmental mobilization fund for integration (Fonds de mobilisation départementale pour l'insertion: FMDI).

Revenue related to **early childhood and day nurseries** represented €259.5 million in the 2018 AA, an increase of €1.5 million compared to 2017, related to the opening of new spots. The shares paid by the CAF represented the majority of revenue, with €170.4 million, e.g. a decrease of €3.5 million compared to the 2017 AA due to one-time payment adjustments in 2017. Family shares amounted to €87.9 million, an increase of €4.3 million compared to the 2017 AA.

Revenue pertaining to **welfare for the elderly** amounted to €46.3 million in the 2018 AA, a decrease of €18.2 million. This decrease was mainly due to the shift to net billing (for which the mechanism is detailed above in the portion related to social welfare and health-related operational expenditure).

Revenue pertaining to the policy in favor of disabled people amounted to €20.8 million in the 2018 AA, a decrease of €3.4 million compared to the 2017 AA. It included, in the amount of €13.4 million, endowments paid by the National solidarity and autonomy office (Caisse nationale de solidarité pour l'autonomie: CNSA) in virtue of the PCH and the MDPH75.

It also included €2.4 million in virtue of overpayments and reimbursements related to universal employment service checks (CESU) not used by recipients.

€14.8 million in revenue was collected in 2018 in virtue of **healthcare-related prevention and education, healthcare establishments as well as in virtue of the PMI**. This revenue mainly consisted in reimbursements from social security organizations for the care of users in these centers as well as user shares.

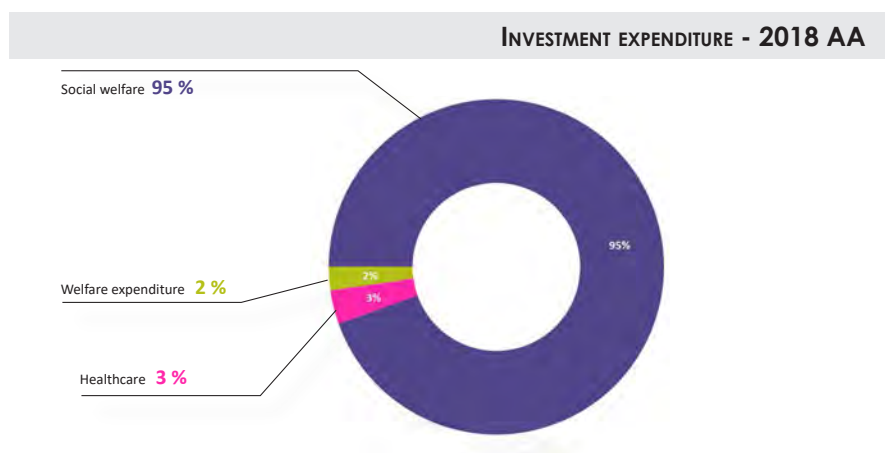
Revenue related to **children's social welfare** amounted to €13.4 million, an increase of €4.6 million compared to the 2017 AA due to the increase in State reimbursements in order to evaluate and house unaccompanied minors (MNA).

Lastly, €0.3 million was collected in virtue of revenue from **general services**.

INVESTMENT SECTION

Expenditure

INVESTMENT EXPENDITURE IN TERMS OF HEALTH, SOCIAL WELFARE AND WELFARE-RELATED EXPENDITURE AMOUNTED TO €87.3 MILLION IN 2018, E.G. AN INCREASE OF €34.9 MILLION COMPARED TO 2017 (€52.4 MILLION)



SOCIAL WELFARE INCLUDED 95% OF EXPENDITURE, E.G. €82.5 MILLION INVESTED IN 2018, AN INCREASE OF €33.8 MILLION COMPARED TO 2017.

The City invested €62.9 million in favor of **early childhood** (day nurseries, drop-in daycare centers and multi-reception centers) in order to open 5,000 new spots in these facilities between now and 2020. €42.6 million (compared to €10 million in 2017) was allocated to the construction and reorganization of day nurseries, specifically community day nurseries located on the Rue de l'Évangile in the 18th arrondissement (€3.5 million), in the Clichy-Batignolles joint development zone in the 17th arrondissement (€2.6 million) as well as on the Alban Satragne Square in the 10th arrondissement (€2.2 million).

In 2018, the major increase in expenditure for this sector was also due to operational movements that took place in 2017. In addition, day nursery-related maintenance and equipment represented an expenditure of €20.3 million.

€9 million was allocated to expenditure for **accessibility upgrades** compared to €4.8 million in 2017. This can primarily be explained through the acceleration of renovations carried out in this sector for educational facilities (€3.1 million), athletic facilities (€1.5 million), green spaces (€1.2 million) and arrondissement town halls (€1.2 million).

Additionally, €2.5 million in capital grants were paid in favor of establishments receiving **people with disabilities**.

For the **elderly**, a capital grant of €2.7 million was allocated to the CASVP. This made it possible to finance renovations in the Arthur Groussier EHPAD located in Bondy.

€2.5 million was spent in favor of **children's protection**, including €0.6 million for the creation of the Family and Departmental Reception Service (Service d'accueil familial et départemental: SAFD) in Lagny-sur-Marne (77). In addition, €0.9 million was earmarked for the implementation of the ASE's overall strategy.

Investment expenditure in virtue of **solidarity** amounted to €2.1 million. A €2.1-million subsidy was granted in order to finalize the financing of emergency housing centers and €0.4 million was allocated to the integration of people in need, specifically under the framework of major exclusion prevention (€0.2 million). Social centers represented €0.5 million in investment expenditure with €0.2 million for the social relay center on rue du Soleil (20th arrondissement) and €0.1 million for the Social center at Porte Pouchet (17th arrondissement).

Following the example of the 2017 fiscal year, health-related expenditure amounted to €2.9 million in 2018. This mainly included maintenance work and upgrading equipment in healthcare centers (€1.3 million) and PMIs (€0.6 million), as well as expenditure in favor of healthcare prevention and educational policies (€1 million).

Expenditure related to welfare benefits amounted to €1.9 million. This expenditure primarily involved the installation of the Parisian Integration Center (Espace parisien d'insertion: EPI) for the central arrondissements on rue Château Landon (€1.8 million compared to €0.2 million in 2017).

Revenue

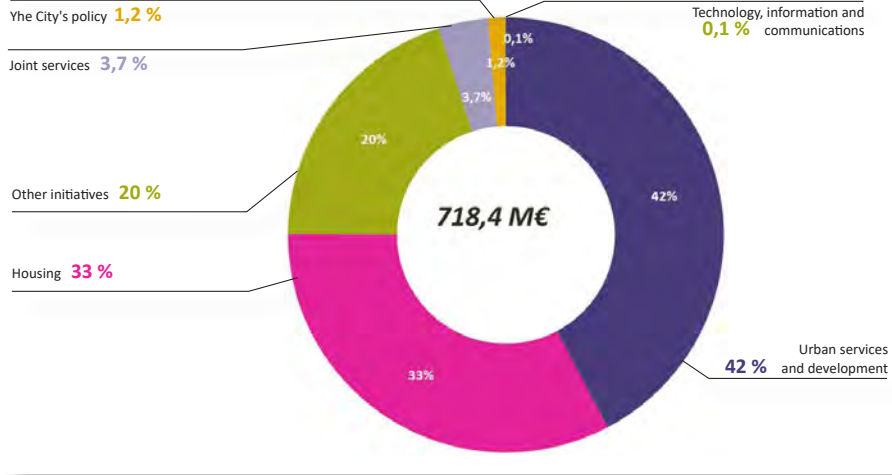
INVESTMENT REVENUE IN FAVOR OF HEALTH AND SOCIAL WELFARE AMOUNTED TO €8.4 MILLION IN 2018, AN INCREASE OF €4.8 MILLION COMPARED TO 2017.

This increase can be explained through the repayment of €5 million in advances by SAMU social, Paris's humanitarian emergency service, allocated in virtue of managing the support measures for housing families in hotels, related to the extension of the agreement with the City at the start of 2018.

Other revenue mainly came from co-financing received from the CAF for projects in day nurseries and multi-reception structures (€3.1 million).

5/ REGIONAL DEVELOPMENT AND HOUSING

CONSOLIDATED BUDGET DEDICATED TO REGIONAL DEVELOPMENT AND HOUSING - 2018 AA



IN M€	2017 AA	2018 AA
Operational expenditure	262,2	257,5
Including payroll	158,6	157,8
Investment expenditure	613	460,9
Operational revenue	435,1	347,6
Investment revenue	100,0	147,2

OPERATIONAL SECTION

Expenditure

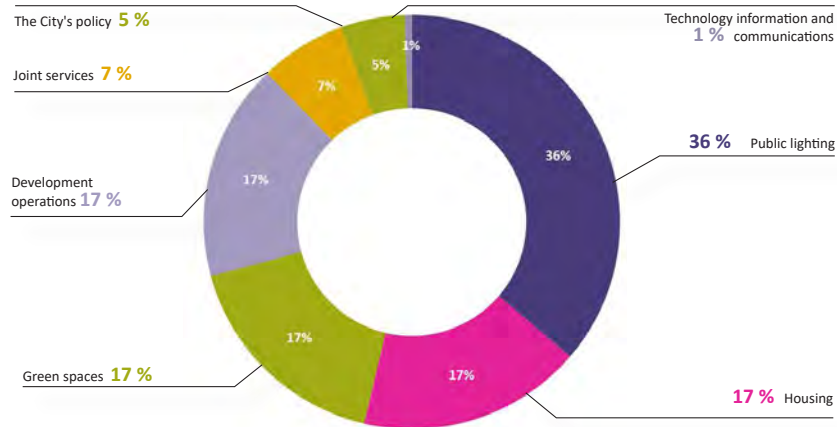
FOR THE 2018 FISCAL YEAR, THE OPERATIONAL BUDGET ALLOCATED TO DEVELOPMENT AND HOUSING AMOUNTED TO €257.5 MILLION, INCLUDING €157.8 MILLION FOR PAYROLL.

15 positions were created in the regional development and housing category, with 9 supporting roles for the Department of Housing and Living Environments (Direction du Logement et de l'Habitat: DLH) meant to monitor changes in usage in residential premises, as well as one support position for responsibilities related to the Paris status reform.

In addition, 5 positions were created for the building permits and street landscaping division within the Department of City Planning. In total, over 2018, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries amounted to -1 budgetary job in this category.

Excluding payroll, operational expenditure related to development and housing amounted to €99.7 million, a decrease of €3.9 million compared to the 2017 AA.

OPERATIONAL EXPENDITURE (EXCLUDING PAYROLL) - 2018 AA



€79.2 million was allocated to regional development in the 2018 AA, a slight decrease of €0.8 million compared to the 2017 AA. This entry included the credits related to lighting, green spaces, development operations and the city's policy.

Expenditure related to **public lighting** represented €36.1 million in the 2018 AA, an increase of €1.3 million compared to the 2017 AA due to a one-time shift in invoices that were issued in 2017, but postponed for payment until 2018.

Expenditure related to **urban green spaces** represented €17 million. Within this budget, maintenance expenditure amounted to €12.7 million, including €3.4 million for parks and gardens and €3.4 million for trees and woods. Incidentally, €4.1 million was earmarked for watering expenditure and €0.2 million for work on behalf of third parties.

Expenditure related to **urban development operations** reached €16.9 million, e.g. a drop of €0.9 million compared to the 2017 AA. This included:

- the upkeep of public facilities and the *Forum des Halles*, as well as operational charges resulting from the site's redevelopment operation, for a total amount of €6.7 million;
- subsidies paid in virtue of support to city planning public organizations in the amount of €8.6 million including €5.9 million for the Parisian City Planning Workshop (*Atelier parisien d'urbanisme: APUR*) and €2.4 million for the *Pavillon de l'Arsenal*. The €0.2-million decrease, compared to the 2017 AA, can be explained through the slight reduction in the subsidy to APUR in 2018;
- research fees and operational charges regarding urban call for projects for €1.6 million.

The **City's policy** received €5 million in the 2018 AA. The majority of expenditure corresponded to the payment of subsidies to organizations, land stakeholders under the city's policy.

Housing policies mainly consisted in the management of the local authority's private housing stock and subsidies to the rental sector. The expenditure that was earmarked for this purpose in the 2018 AA amounted to €13.3 million, a decrease of €0.9 million compared to the 2017 AA

The **management of the local authority's private housing stock** represented a budget of €5.9 million, a decrease of €1 million compared to the 2017 AA due to delayed construction work and a streamlining strategy for expenditure.

Subsidies to the rental sector amounted to €5.9 million in the 2018 AA. These subsidies specifically covered the "Multiloc" and "Louez solidaire" measures (€0.4 million) as well as a collection of subsidies to both sector organizations (€2.2 million) and housing improvement operations (€3.2 million).

Subsidies for property ownership were executed in the amount of €0.06 million.

€0.1 million was earmarked for financing **reception areas for itinerant people**. This expenditure consisted in service contracts for the management of the reception area located in the Bois de Vincennes.

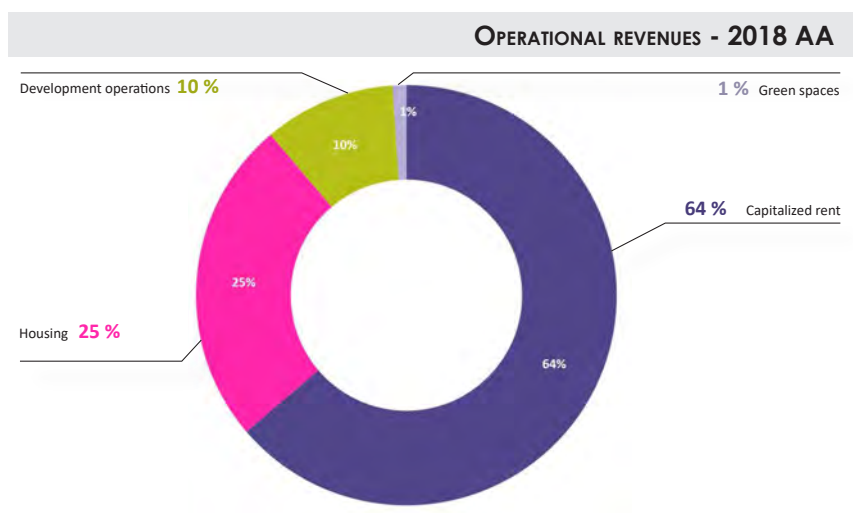
The budget allocated to **social housing in the operational section** amounted to €0.4 million, including €0.1 million dedicated to the random verification of subsidy requests by social landlords and €0.3 million for fees related to social and urban project ownership (specifically, support for Migrant Worker Centers).

Upon the request of the public accountant, the fee credits related to the real estate housing account are now entered under the investment section and no longer under operations, which explains the apparent decrease in expenditure for **property acquisitions for housing**. This amounted to €0.6 million in 2018 compared to €0.4 million in the 2017 AA, supplemented with €5.4 million in virtue of fees.

The budget dedicated to **public road equipment** amounted to €0.5 million. This expenditure was allocated for the rental of electronic informational signage (*Journaux électroniques d'information: JEI*).

Joint services under the department of housing and living environments, the department of city planning and the department of green spaces and the environment represented an amount of €6.9 million.

Revenue



Operational revenue recorded under the “Development and housing” category amounted to €347.6 million in 2018, a decrease of €87.5 million compared to 2017.

Revenue related to **housing** amounted to €302.8 million, a downturn compared to the 2017 AA

(-€64.3 million). This decrease in revenue can primarily be explained by a reduction in the amount of capitalized rent collected due to the lower number of public service contracts carried out. Capitalized rent from public service contracts for social landlords’ available housing stock reached €225 million in 2018, compared to €277.5 million in the 2017 AA. This revenue included:

- 128 million in revenue from Paris Habitat in virtue of the 2017 public service contract campaign;
- €69 million in revenue related to the transfer, from the real estate housing account, of City-preempted buildings to landlords, in order to carry out social housing operations;
- €28 million in revenue from Elogie-Siemp.

Revenue from rent (excluding capitalized rent) was recorded in the amount of €77.2 million in the 2018 AA, a decrease of €10.3 million compared to the 2017 AA. This decrease can be mainly explained by the fact that the Exelmans and Minimes fire stations are no longer rented out, since they have been transformed into social housing (-€2.3 million).

€41 million was recorded in revenue in the 2018 AA in virtue of the **regional development policy**.

Revenue related to **development operations** represented €34.6 million and included the surplus from joint development zones collected by the City. This amount decreased by €24.8 million compared to the 2017 AA, related to the completion schedule for operations.

In addition, there was a one-time revenue amount of €4.2 million resulting from an accounting operation that adjusted a price addition paid several months after the sale of a real estate property.

Lastly, €1.5 million in miscellaneous revenue was collected (specifically, consignment interest, surplus from sale prices).

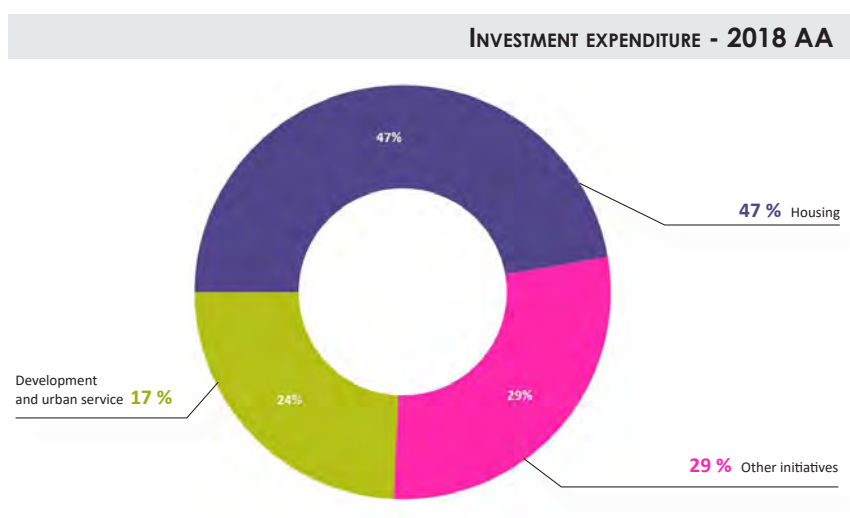
Other development revenue represented €0.5 million in the 2018 AA. This included the reimbursement of the expenditure share for private property owners’ associations (Associations syndicales libres: ASL) arising from the administrative facilities at Les Halles.

Lastly, **revenue related to urban green spaces** amounted to €3.7 million in 2018.

INVESTMENT SECTION

Expenditure:

INVESTMENT EXPENDITURE RELATED TO THE CATEGORY “DEVELOPMENT AND HOUSING” AMOUNTED TO €460.9 MILLION IN 2018, A DECREASE OF €152.1 MILLION COMPARED TO 2017.



Initiatives in favor of housing resulted in an expenditure amounting to €217.5 million, an increase compared to 2017 (€193.7 million).

Consequently, €194.2 million (compared to €177 million in 2017) was allocated to **social housing**, including €124 million in subsidies paid to social landlords and €70.2 million in credits delegated by the State (brick-and-mortar subsidies).

In order to restore the local authority’s full effort in favor of social housing, they also needed to increase the value of **real estate acquisitions** dedicated to this sector, which amounted to €121.9 million in 2018. Consequently, total investment expenditure related to social housing for 2018 amounted to €316 million.

Consequently, €16.3 million was earmarked for **improvement subsidies for private housing**. This expenditure mainly concerned subsidies for eradicating unsanitary housing, increased in 2018 (€9.3 million compared to €0.7 million in 2017). This expenditure corresponded to shares paid to an operator, Soreqa, whose needs varied in accordance to the number of addresses to process and its level of cash flow. In 2017, shares had been exceptionally low due to the mobilization of a cash surplus by Soreqa. In addition, €7.1 million was earmarked for the renovation of private housing, including €1.7 million for the transformation of 1,000 former domestic quarters. €4.8 million was dedicated to the upkeep of the **local authority's private housing stock**, including €1.8 million for demolitions on the Condorcet Campus. This was required after restarting the work that was stopped in 2017 following an archeological discovery. **Subsidies for accessing private ownership**, through the zero-interest "Prêt Paris logement" loan option generated an expenditure of €1.3 million.

Reception areas for itinerant people mobilized €0.7 million in 2018, compared to €2.6 million in 2017, due to the 2018 completion of the reception area in the Bois de Vincennes.

Lastly, €0.2 million was dedicated to supporting the **Multiloc'** initiative.

In total, real estate acquisitions amounted to €130.7 million, broken down between real estate acquisitions for housing (€121.9 million, see above) and the real estate infrastructure account (€8.8 million).

Urban development and services mobilized an expenditure of €111.8 million in 2018 compared to €151.6 million in 2017. This expenditure concerned, in part, the development of roadways and balancing joint development zone operations.

Roadway development operations represented €26.8 million, compared to €29.3 million in 2017. This can be explained by the fact that a certain number of large projects ended in 2017, such as the Banks of the Seine (€0.4 million in 2018 compared to €2.2 million in 2017) and construction on rue Daguerre (€1.6 million in 2017 compared to €0.01 million in 2018).

Among the main operations, the creation of squares mobilized €4 million, the installation of a concrete foundation slab over the Brossais rails (14th arrondissement) cost €3.4 million and the renovation of the avenue du Général Leclerc (14th arrondissement) amounted to €1 million.

As for joint development zones, the Clichy Batignolles ZAC mobilized €2.6 million for roadwork, €1.1 million was allocated to the Bédier ZAC and €1.8 million to the Eole-Evangile triangle. Lastly, construction carried out on the Entrances to Paris mobilized €0.9 million.

The local authority invested €24.3 million in terms of **green spaces, parks and gardens**, specifically for the following operations:

- €7.6 million for the recurring upkeep and provisions of mechanical hardware (€1.7 million) as well as localized maintenance operations (€2.3 million), in addition to the replacement of roadside trees for €2.1 million;
- €16.7 million dedicated to the launch and continuation of projects such as the creation of the Parc Martin Luther King in the 17th arrondissement (€3.2 million), the natural forest and reserve located in the Claude Bernard ZAC in the 19th arrondissement (€2 million), the Charcot garden in the 13th arrondissement (€0.9 million), as well as the initiative to create 100 hectares of green roofs and walls (€0.8 million) and the development of the former Petite Ceinture railway (€0.5 million).

€20.2 million was earmarked for **shares in the assessment of roadways within the different joint development zones**, including €5.9 million in virtue of the "Paris Rive Gauche" joint development zone and €4.8 million for the "Clichy-Batignolles" joint development zone.

Renovations for Les Halles led to an investment expenditure of €19.1 million in 2018.

In addition, €12.6 million was allocated to **the upkeep of public lighting**.

City planning operations and shares in joint development zones led to an expenditure amount of €4.7 million in 2018 compared to €19.4 million in 2017. This reduction resulted from reprogramming shares in equipment for the Clichy Batignolles joint development zone.

Lastly, €0.5 million was earmarked for the city's policy, mainly consisting in the subsidy for projects (€0.4 million).

Revenue

INVESTMENT REVENUE RELATED TO THE REGIONAL DEVELOPMENT AND HOUSING POLICY AMOUNTED TO €147.2 MILLION IN 2018.

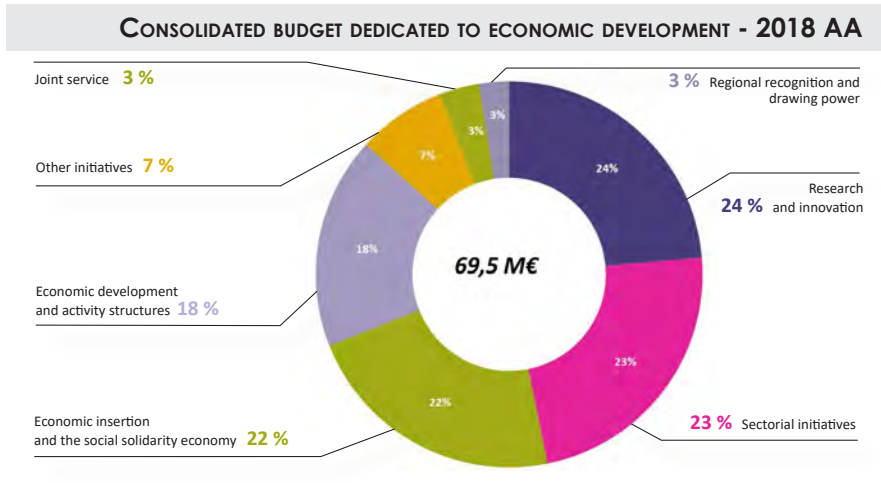
In particular, the City of Paris collected €125.1 million in **State refunds in virtue of its expertise dispatched in terms of brick-and-mortar subsidies**.

Development taxes and the local infrastructure tax led to the collection of revenue in the amount of €11.7 million.

Revenue from the transfer of fixed assets reached €261.6 million. The principle transfers carried out in 2018 mainly concerned the sale of the Morland administrative building, the lots at Porte d'Aubervilliers meant for the installation of Chanel's "Manufacture de la Mode" (€22.5 million), the Clichy hydraulic station (€16.1 million) and the Custom's office (€14.6 million). €4.7 million in price additions were collected from the sale of a lot on the Boulevard d'Indochine.

Lastly, €3.8 million in revenue was collected under the framework of **development operations for green spaces and roadways**.

6/ ECONOMIC DEVELOPMENT



IN M€	2017 AA	2018 AA
Operational expenditure	46,7	43,3
<i>Including payroll</i>	10,0	9,9
Investment expenditure	25,1	26,2
Operational revenue	66,5	65,7
Investment revenue	0	0,3

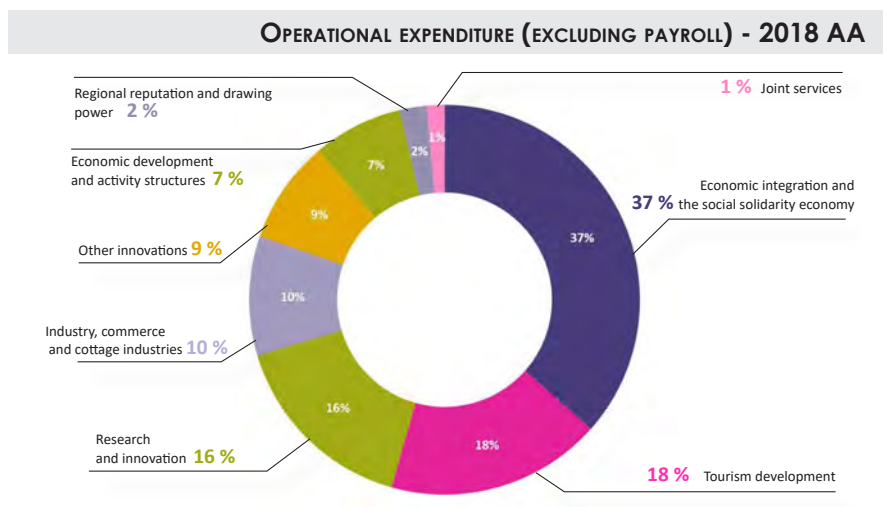
OPERATIONAL SECTION

Expenditure

IN 2018, THE OPERATIONAL BUDGET ALLOCATED TO ECONOMIC DEVELOPMENT AMOUNTED TO €43.3 MILLION, INCLUDING €9.9 MILLION IN VIRTUE OF PAYROLL.

One single entry was recorded for this category in 2018, with the creation of a supporting position at the DATE for the management of art school personnel coming from the DASCO (entries under category 2).

Excluding payroll, operational expenditure earmarked for economic development amounted to €33.4 million, a drop of €3.3 million compared to the 2017 AA



Economic integration and the social and solidarity economy represented the most expenditure with €12.2 million in credits consumed in 2018, a reduction of 6% compared to 2017.

Expenditure in favor of employment amounted to €9.8 million. It specifically included €3.5 million in training-related expenditure (+€0.9 million, due to the transfer of credits from subsidies for accessing employment, €3.2 million in subsidies to the Paris local mission (stable) and €2.4 million in subsidies for accessing employment (-€0.9 million compared to the 2017 AA, transferred to the expenditure for training).

The expenditure earmarked for supporting the social and solidarity economy reached €2.4 million (-€0.5 million compared to the 2017 AA).

Operational expenditure related to **tourism development** represented €6 million, a reduction of €2.9 million compared to the 2017 AA. This decrease can primarily be explained by a €2.7-million reduction in the subsidy paid to the Paris Office of Tourism and Conventions (*Office du Tourisme et des Congrès de Paris*: OTCP), following the non-renewal in 2018 of the one-time tourism revival plan due to the notable recovery of tourism in the Parisian region, as well as the restructuring of the OTCP, specifically for its reception centers.

Expenditure related to **research and innovation** represented €5.3 million, an increase of €1 million over one year. This increase was specifically due to a €2.2-million subsidy for the new TUMO school of digital creation. The subsidies paid in support of research establishments reached €1.6 million. In addition, €0.9 million was allocated to the *Institut des Etudes Avancées*.

Expenditure allocated to **industry, commerce and cottage industries** reached €3.3 million, a slight reduction of €0.3 million compared to 2017. The subsidies paid under the framework of the assistance plan to newspaper vendors reached €1.8 million. Support for end-of-the-year illuminations reached €0.6 million in 2018, just like expenditure for supporting artistic professions.

Expenditure in favor of **economic development and activity structures** amounted to €2.5 million in the 2018 AA, including €2.4 million dedicated to supporting Paris's innovation and economic development agency "Paris&Co."

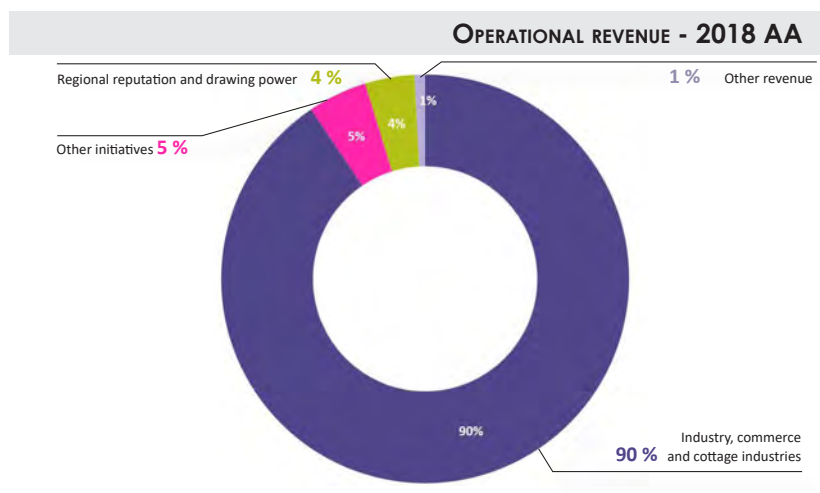
€0.7 million was earmarked for **regional reputation and drawing power**. This expenditure corresponded to the cost of organizing the *Foire du Trône* and the *Fête à Neu-Neu* carnivals.

Other initiatives reached €2.9 million (+€0.1 million) and specifically concerned subsidies paid to departmental trade unions.

Lastly, expenditure earmarked for **joint services** amounted to €0.5 million, a reduction of €0.1 million.

Revenue

OPERATIONAL REVENUE RELATED TO ECONOMIC DEVELOPMENT AMOUNTED TO €65.7 MILLION IN THE 2018 AA, A SLIGHT DECREASE OF 1.2% COMPARED TO THE 2017 AA (-€0.8 MILLION).



Revenue related to industry, commerce and cottage industries amounted to €59.5 million, a reduction of €1.8 million compared to the 2017 AA.

Revenue related to sidewalk usage underwent a decrease of €9.2 million (€36.8 million compared to €46 million in 2017) due to the end of double taxation on signage under the local tax on external advertising (*taxe locale sur la publicité extérieure*: TLPE), whose €8.4 million of revenue was included under the "General Services" category. The amount of rights and usage fees related to economic development in the public space increased by €5.5 million over one year, due to an adjustment in the designation of usage fees due for 2017. Consequently, this reached €20.6 million in 2018, including €8.2 million for kiosks, €5.6 million for outdoor market vendors and €3.2 million for casual trading.

Revenue from buildings rented in support of artists and business owners (SEMAEST, Frigos) reported €2.1 million, a reduction of €0.7 million over one year, due to the postponement of 2018 rental payments to 2019.

Revenue from economic development buildings amounted to €3.1 million, an increase of €0.3 million compared to the 2017 AA.

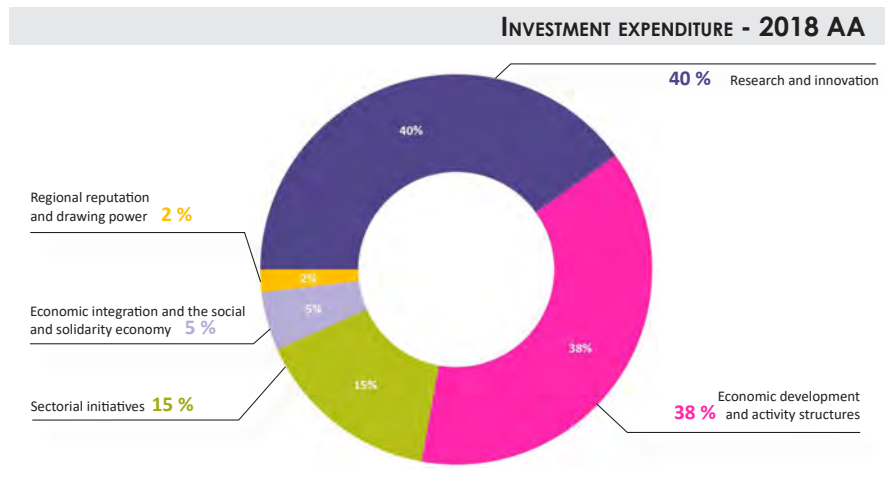
Revenue related to funfairs and attractions amounted to €2.5 million (+€0.4 million over one year).

Lastly, there was €0.5 million in miscellaneous revenue, including €0.4 million in virtue of the department collecting the balance from the guarantee fund for the Interprofessional Artisanal Investment Guarantee Society (*Société Interprofessionnelle Artisanale de Garantie d'Investissements*: SIAGI) following the closing of this fund.

INVESTMENT SECTION

Expenditure

THE INVESTMENT EFFORT IN FAVOR OF ECONOMIC DEVELOPMENT AMOUNTED TO €26.2 MILLION, E.G. AN INCREASE OF €1.1 MILLION COMPARED TO THE 2017 AA.



€10.5 million was earmarked for research and innovation, e.g. a decrease of €1.6 million compared to the expenditure carried out in 2017 in this category.

On the one hand, €3.7 million was paid in virtue of innovation. This amount included €2 million paid in order to open the TUMO digital creation school within the *Forum des Images*. Added to this was €1.7 million in subsidies paid under the framework of the “*Paris Intelligente*” initiative.

On the other hand, €6.8 million was paid in virtue of research. €3 million was paid for researcher housing at the *Cité internationale universitaire* in Paris. €2.3 million was paid in the form of subsidies through the Research Support Fund. Lastly, €1.5 million was paid under the framework of the “*Emergence*” initiative. Expenditure carried out in the field of research thus increased by €1.1 million compared to 2017.

€9.8 million was dedicated to economic development and activity structures, e.g. an increase of €5.6 million compared to 2017.

This amount included €3.4 million in subsidies earmarked for testing innovative solutions in the Ile-de-France region. As such, €3 million was paid to companies under the framework of the “*Paris Innovation Startup*” (*Paris Innovation Amorçage*: PIA) support fund and €0.4 million through the “*Paris Region Innovation Lab*” initiative (PRIL).

This also included €6.4 million paid in the form of subsidies or honor loans under the framework of different initiatives such as support for incubators including the *Arc de l'innovation* (€5.9 million), the “*Paris entrepreneurial initiative*” and innovative collaborative projects (€0.5 million). This expenditure entry strongly increased compared to the previous year. Indeed, while in 2017 only €0.5 million had been allocated to supporting incubators, in 2018, this expenditure amounted to €5.9 million. The increase can be explained by the convergence of the financing schedules for several real estate projects.

€4 million was paid in virtue of sectorial initiatives, e.g. a decrease of €1.4 million compared to 2017.

€2.5 million was earmarked for redeveloping and renovating kiosks and outdoor markets. Reaching an amount of €1.5 million, expenditure related to outdoor markets decreased compared to the previous year in accordance with the scheduled renovations. In addition, €0.8 million was allocated in the form of subsidies to SEMAEST under the framework of the *Vital' Quartier* initiative. Lastly, €0.2 million was spent on redeveloping the Eiffel Tower kiosk.

In addition, €1.5 million was paid in virtue of industry and cottage industries, including €1.2 million earmarked for bookstores, record stores and galleries. This expenditure is stable compared to the previous year. Added to this was €0.2 million allocated to the

renovation of the “Frigos” building (13th arrondissement).

The local authority allocated €1.3 million in investments to economic integration and the social and solidarity economy.

In particular, €0.7 million was paid to companies in the form of loans and subsidies, which corresponded to the expenditure carried out in 2017. The following initiatives were concerned: “Paris entrepreneurial initiative,” “France Active Garantie” and the “AIDE” platform.

In addition, there was a decrease in renovation expenditure for the *Maison de l'économie sociale et solidaire*, this having decreased from €0.9 million in 2017 to €0.2 million in 2018.

The amount of expenditure related to renovations carried out at the Commodity exchange amounted to €0.3 million.

Lastly, €0.5 million was allocated to the region's reputation and drawing power.

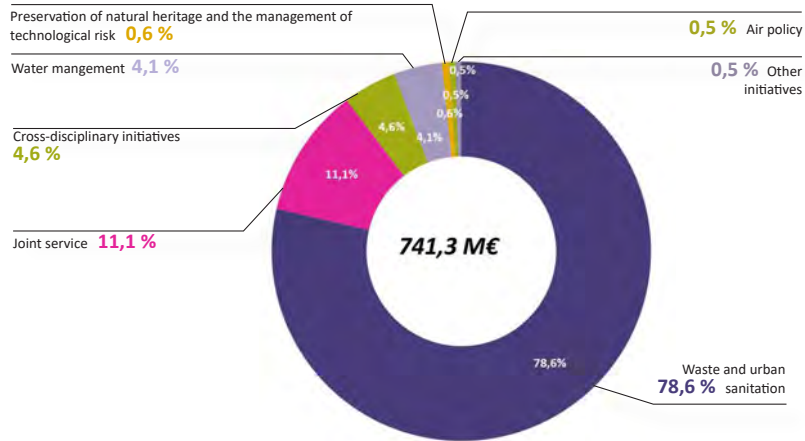
Expenditure carried out in 2018 focused on the configuration of the Christmas village on the Champs Elysées (€0.2 million), illuminated decorations on the Champs Elysées (€0.2 million) and the renovation of electrical substations for the *Pelouse de Reuilly* Park (€0.1 million). The decrease in expenditure compared to 2017 (-€0.4 million) was due to the installation of new grass for the *La Muette* Park for the *Fête à Neu-Neu* carnival. In 2018, no expenditure was recorded in this category, while in 2017 expenditure amounted to €0.5 million.

Revenue

€0.3 million in revenue was recorded in 2018 in virtue of sectorial initiatives (commerce and markets). In 2017, no revenue had been recorded under the economic development category.

7/ ENVIRONMENT

CONSOLIDATED BUDGET DEDICATED TO THE ENVIRONMENT - 2018 AA



IN M€	2017 AA	2018 AA
Operational expenditure	647,7	666,6
<i>Including payroll</i>	309,2	309,6
Investment expenditure	64,2	74,7
Operational revenue	697,7	703,1
Investment revenue	5,1	1,5

OPERATIONAL SECTION

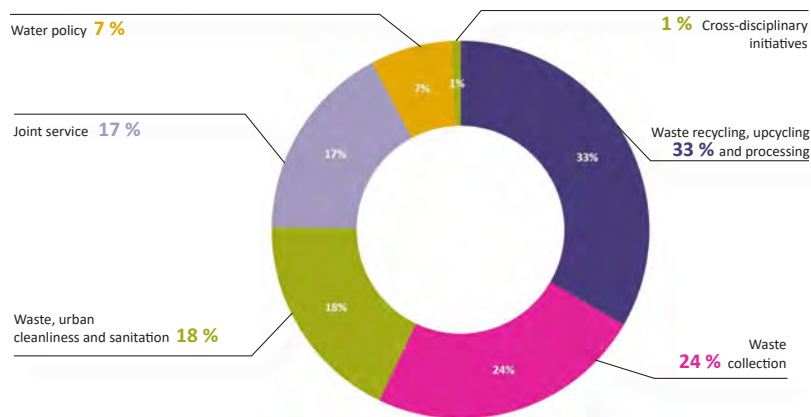
Expenditure

FOR THE 2018 FISCAL YEAR, THE OPERATIONAL BUDGET DEDICATED TO THE ENVIRONMENT AMOUNTED TO €666.6 MILLION, INCLUDING €309.6 MILLION IN VIRTUE OF PAYROLL.

Regarding the Department of Sanitation and Water (Direction de la Propreté et de l'Eau: DPE), the 2018 budget planned on 4 new garbage collection positions in order to take into account the expanded areas to clean, following the reclassification of squares, as well as 4 positions due to increased mechanization and the removal of diesel engines.

In total, over the year 2018, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries amounted to -7.5 budgetary jobs in this category.

OPERATIONAL EXPENDITURE (EXCLUDING PAYROL) - 2018 AA



The operational budget excluding payroll amounted to €357 million in the 2018 AA, an increase of 5.5% compared to the 2017AA (+€18.5 million).

The primary expenditure included initiatives regarding waste and urban sanitation, which reached €268.3 million in 2018, an increase of 7.2% over one year (+€18.1 million).

Within this entry:

- expenditure for waste recycling, upcycling and processing amounted to €119 million (compared to €110.1 million in the 2017 AA). The contribution paid to SYCTOM in 2018 amounted to €112.6 million, an increase of €8.6 million over one year, mainly due to the early repayment of the December 2018 advance (€7.3 million). The credits dedicated to recycling centers increased by €0.4 million, in order to reach €6.4 million in 2018, in accordance with the implementation of measures aiming to strengthen recycling in Paris;
- expenditure earmarked for waste collection represented €84.4 million, e.g. an increase of €3.5 million compared to 2017. This covered agreements related to collection, including €54.9 million for the private collection of household waste and various materials (+€1.8 million compared to the 2017 AA), €13.9 million for the collection of street bins (+€1.2 million), €9.9 million for the collection of glass (+€0.2 million), €4.6 million for the provision of bins (stable), €0.6 million for the collection of bio-waste (+€0.3 million) and €0.5 million for automated vacuum collection;
- expenditure earmarked for sanitation initiatives amounted to €46.7 million, an increase of €6 million compared to the 2017 AA due to the implementation of the plan meant to strengthen sanitation. This covered service contracts for coin-operated public toilets in the amount of €20.5 million (+3.9 million compared to 2017 following the installation of 37 new public toilets and the expansion of their operating hours to 24 hours a day for 155 of them and from 6 AM to 1 AM for 30 others), mechanical cleaning for €14.5 million (+€0.9 million), graffiti removal (€4.6 million), other urban sanitation and cleaning services (€4.5 million, an increase of €1.4 million following the implementation of the new cleaning and clearing agreement for curbside markets and cleaning services related to spaces occupied by migrants and homeless persons), the cleaning of the Berges de Seine (€1.4 million), as well as cleaning agreements carried out by professional integration companies in arrondissements (€0.8 million). Lastly, awareness-raising initiatives regarding sanitation represented €0.4 million. The table below presents the changes in agreement expenditure regarding waste and urban sanitation between 2017 and 2018.

2018 AA / 2017 AA variation in expenditure for collection and sanitation agreements (€)

	2017 AA	2018 AA	EVOLUTION
Private collection of household waste and various materials	53 022 507	54 870 143	3,5%
Collection and upkeep of street garbage bins	12 686 070	13 913 888	9,7%
Glass collection	9 696 676	9 886 676	2,0%
Provision of garbage bins	4 602 597	4 633 572	0,7%
Biowaste collection	319 942	573 377	79,2%
Automated vacuum collection of household waste	512 938	509 764	-0,6%
Total - Waste collection	80 840 731	84 387 421	4,4%
Coin-operated public toilets	16 599 237	20 527 916	23,7%
Mechanical cleaning	13 623 722	14 490 640	6,4%
Graffiti removal	4 579 344	4 630 959	1,1%
Cleaning and urban sanitation services	3 071 825	4 208 618	37,0%
Cleaning of the Berges de Seine	1 344 314	1 390 130	15,4%
Total - Urban sanitation	39 218 441	45 248 262	15,4%
Recycling center, waste treatment center and bulky items	6 071 929	6 438 449	6,0%
Total collection and sanitation agreements	126 131 101	136 074 132	7,9%

- lastly, €18.2 million was earmarked for joint sanitation services (-€0.2 million), including €10.8 million for the upkeep and maintenance of vehicles and transportation, and €7.4 million allocated to tools, equipment as well as premises and properties.

The second major expenditure in the "Environment" category corresponded to its joint services, in the amount of €60.4 million, an increase of €1.2 million compared to the 2017 AA. This increase mainly resulted from the expenditure for liquids in administrative buildings and local City facilities, which reached €59.3 million (+€0.8 million over a year).

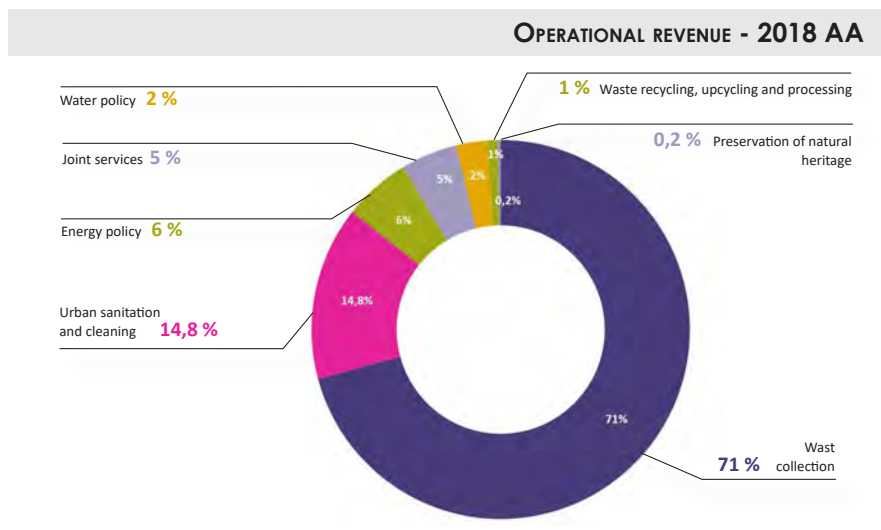
The initiatives conducted in terms of water management represented €25 million, a slight drop (€0.5 million) compared to the 2017 AA. This reduction can be explained through the decrease in the City's contribution to the budget of the regional public establishment for the Seine-Grands Lacs basin (Etablissement public territorial de bassin: EPTB) (€5 million, e.g. -€0.2 million compared to the 2017 AA) as well as the transfer of maintenance expenditure for the Wallace fountains to Eau de Paris (€0.3 million) since January 1, 2018. The mandatory contribution from the general budget to the sanitation supplementary budget, in virtue of rainwater management, remained stable compared to 2017 (€20 million)

€2.7 million was earmarked for cross-disciplinary initiatives (-€0.4 million over one year), including €1.8 million for measures falling under the framework of the climate plan, €0.5 million for the local waste prevention plan and €0.3 million in support of the circular economy in green spaces.

Lastly, €0.3 million was financed for research and subsidies dedicated to anti-pollution measures and €0.3 million for studies regarding the renewal of heating and cooling utility contracts.

Revenue

THE OPERATIONAL REVENUE IN VIRTUE OF THE “ENVIRONMENT” CATEGORY AMOUNTED TO €703.1 MILLION IN THE 2018 AA, AN INCREASE OF €5.5 MILLION COMPARED TO THE 2017 AA.



Revenue related to waste and sanitation amounted to €608.5 million, an increase of €4 million over one year.

Within this amount, revenue related to the **collection of waste** represented €497.7 million, including €478.7 million in virtue of the **household waste collection tax** (*taxe d'enlèvement des ordures ménagères*: TEOM), an increase of €7.3 million compared to the 2017 AA, due to the change in the tax bases. The revenue from **usage fees related to non-household waste** (*déchets non ménagers*: DNM) amounted to €18.7 million, stable over a year. Added to this was revenue related to **other collection services** for €0.3 million. Urban sanitation and cleaning represented €104.2 million in revenue, €104 million of which corresponded to the **street-sweeping tax**, which was stable compared to the 2017 AA, and €0.2 million in virtue of **other urban sanitation services**.

The **waste upcycling policy** generated €6.4 million in revenue in 2018, e.g. an increase of €0.5 million compared to 2017, which can be mainly explained through higher revenue coming from the furniture industry, as well as, to a slighter degree, substituting a share of household waste with selective collections and bio-waste.

Lastly, revenue from buildings and property brought in €0.2 million.

The **energy policy represented €40.2 million in revenue, a decrease of €0.8 million compared to the 2017 AA.**

Usage fees and fee reimbursements paid by gas and electricity distributors amounted to €31.4 million, a reduction of €0.9 million compared to 2017, which had produced one-time revenue in virtue of late interest. Heating and cooling utility distributors generated €8.8 million in revenue (+€0.1 million).

Revenue from joint services reached €34.1 million, mainly in virtue of liquids in buildings corresponding to the reimbursement from special arrondissement budgets (€33.4 million, e.g. +€4.9 million compared to the 2017 AA).

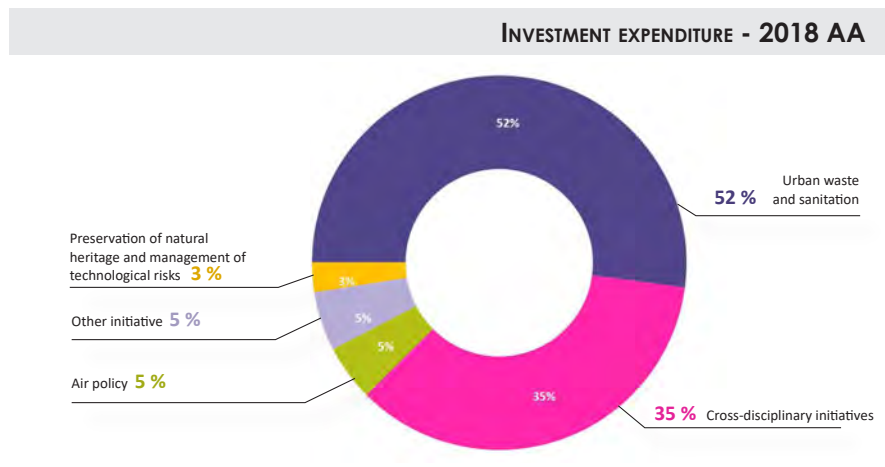
Revenue recorded in virtue of initiatives regarding water management represented €18.6 million, a drop of €0.5 million compared to 2017. This consisted in the reimbursement of personnel made available by the **interdepartmental sanitation syndicate for the Parisian urban area** (syndicate interdépartemental pour l'assainissement de l'agglomération: SIAAP) and the interdepartmental institution for dams and reservoirs in the Seine river basin (institution interdépartementale des barrages-réservoirs du bassin de la Seine: IIBRBS) in the amount of €5.8 million (a decrease of €0.6 million compared to 2017), fee reimbursements paid by the **sanitation and water supplementary budgets** for €7.5 million and usage fees paid by Eau de Paris in virtue of the property and land provided for them in the amount of €5.3 million (+€0.1 million).

Lastly, **quarries generated revenue in the amount of €1.7 million** (-€0.4 million over one year). This mainly consisted in shares from departments and municipalities towards operational charges (€1 million) and the sale of maps and information (€0.6 million).

INVESTMENT SECTION

Expenditure

IN VIRTUE OF THE “ENVIRONMENT” CATEGORY, €74.7 MILLION WAS INVESTED IN 2018, E.G. +€10.5 MILLION COMPARED TO 2017 (€64.2 MILLION).



In 2018, €38.4 million was invested in favor of the waste management and urban sanitation policy, e.g. an increase of €6.7 million compared to the expenditure recorded in 2017. This investment expenditure was earmarked for the following initiatives: vehicle acquisitions (€30 million in 2018 compared to €22.2 million in 2017). This increase can be explained by a strong ramp-up in the acquisition of clean-energy motors.

Expenditure allocated to the renovation of call sites and premises amounted to €2.7 million. Indeed, the fiscal year was marked by a high number of premises being renovated in order to improve working conditions. Lastly, €1.5 million was earmarked for the development and refurbishment of garages. The main garages concerned were the following: Paris Sud-Ouest, Issy les Moulineaux, Aubervilliers and Romainville.

The investments making it possible to improve waste collection amounted to €1.2 million and mainly focused on automatic vacuum collection in the Clichy-Batignolles joint development zone (€1.1 million).

Lastly, investment expenditure regarding waste recycling, upcycling and processing amounted to €2.4 million, e.g. an increase of €1.1 million compared to 2017. This expenditure concerned upkeep and safety upgrades in waste treatment centers (€0.6 million) as well as the creation of upcycling and provision centers for bulky objects (€1.8 million).

€26.2 million was earmarked for cross-disciplinary initiatives in favor of the climate plan, e.g. an increase of €1.5 million compared to the expenditure recorded in 2017.

€26.2 million was earmarked for cross-disciplinary initiatives in favor of the climate plan, e.g. an increase of €1.5 million compared to the expenditure recorded in 2017

In terms of public buildings, expenditure related to the climate plan was broken down as follows:

- €17.9 million in order to modernize heating centers in public facilities (stable compared to 2017);
- €5.2 million in order to modernize ventilation in public facilities (+€0.7 million compared to 2017);
- €1.3 million regarding renovations in administrative buildings (+€0.9 million);
- Lastly, expenditure for supplies for In House interventions amounted to €0.6 million compared to €0.5 million in 2017 ;

Expenditure related to green spaces amounted to €1.2 million, e.g. a decrease of €0.2 million compared to 2017.

€3.8 million was earmarked for other initiatives in favor of the environment, e.g. an increase of €2 million compared to the expenditure recorded in 2017.

Expenditure allocated to urban farming projects amounted to €3.1 million, e.g. an increase of €1.4 million compared to 2017. This increase can mainly be explained by the growth in expenditure related to the creation of an urban farm on the rooftop of the Halle Fret, within the Chapelle International development zone (+€1.3 million compared to 2017).

In parallel, €0.7 million was earmarked for rat prevention (+€0.6 million compared to 2017).

€3.6 million was dedicated to the air policy (support for the development of clean vehicles), e.g. an increase of €0.6 million compared to the expenditure recorded in 2017. €3.6 million was paid in the form of subsidies and financial assistance in order to support the development of clean vehicles. This expenditure grew by €0.7 million compared to 2017. The increase is related to expanding this assistance, voted on by the local authority, as well as this initiative's increasing success.

€1.8 million was allocated to preserving natural heritage and managing technological risks, e.g. a decrease of €0.6 million compared to the expenditure recorded in 2017. This decrease compared to 2017 can be explained by a reduction in ground consolidation operations.

Expenditure related to joint services represented €0.5 million, e.g. an increase of €0.3 million compared to 2017.

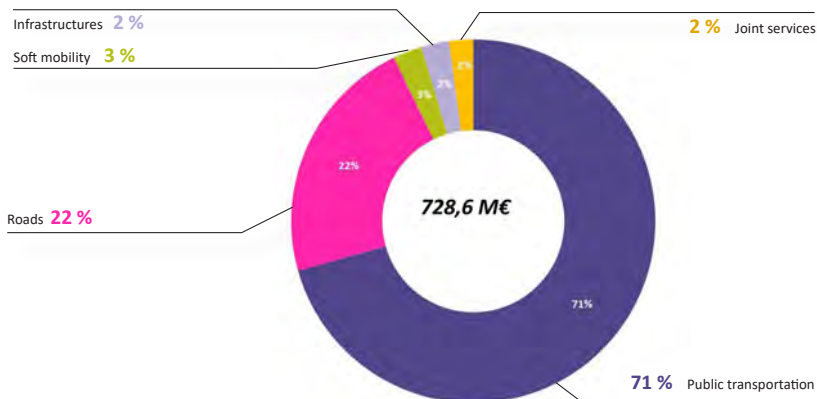
Lastly, €0.4 million was dedicated to initiatives regarding water management. This amount was stable compared to 2017.

Revenue

THE REVENUE COLLECTED IN VIRTUE OF THE "ENVIRONMENT" CATEGORY AMOUNTED TO €1.5 MILLION, E.G. A DECREASE OF €3.7 MILLION COMPARED TO 2017.

Revenue exclusively consisted in subsidies collected in virtue of waste collection, recycling and upcycling. The difference between 2017 and 2018 can be explained by the 2017 collection of a one-time subsidy in the amount of €4.7 million, paid by the State under the framework of modernizing energy systems in certain public buildings.

CONSOLIDATED BUDGET DEDICATED TO TRANSPORTATION- 2018 AA



IN M€	2017 AA	2018 AA
Operational expenditure	537,9	591,9
<i>Including payroll</i>	57,4	66,9
Investment expenditure	133,8	136,7
Operational revenue	204,5	335,8
Investment revenue	13,1	10,1

OPERATIONAL SECTION

Expenditure

IN THE 2018 AA, THE OPERATIONAL BUDGET DEDICATED TO TRANSPORTATION AMOUNTED TO €591.9 MILLION, INCLUDING €66.9 MILLION IN VIRTUE OF PAYROLL.

248 positions were created in the 2018 PB under the transportation category, including 231 positions in the Department of Roads and Transportation (*Direction de la Voirie et des Déplacements*: DVD) in virtue of taking over impounds and vehicle towing agreements following the Paris status reform.

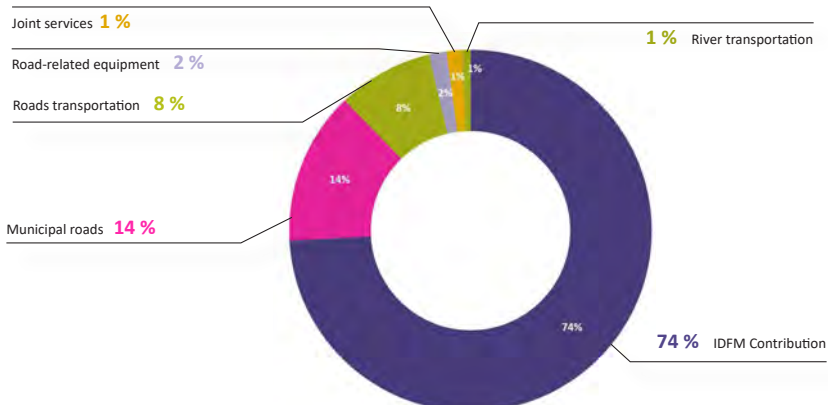
In addition, transportation services were endowed with a new division dedicated to monitoring parking agreements, with the creation of 6 positions. 11 additional positions were added in order to strengthen supporting roles in the department.

Category-specific transformations were carried out in order to support career progression for civil servants, with 3 reclassifications from C to B in favor of technical assistants.

In total, over 2018, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries amounted to +241 budgetary jobs in this category.

EXCLUDING PAYROLL, OPERATIONAL EXPENDITURE IN FAVOR OF TRANSPORTATION REPRESENTED €525 MILLION IN THE 2018 AA.

OPERATIONAL EXPENDITURE (EXCLUDING PAYROLL) - 2018 AA



The contribution to Ile-de-France Mobilités (IDFM) remained the highest expenditure with an amount of €387.7 million, an increase of €3.1 million compared to the 2017 AA. This increase corresponded to the evolution in statutory contributions paid by each local authority. For 2018, this increase was 0.8%, while inflation was estimated in the 2018 Budget act at 1.1%.

Municipal road expenditure amounted to €71.4 million in the 2018 AA.

Within this amount, expenditure for roadwork and upkeep represented €25.1 million. More maintenance interventions on roads and sidewalks was conveyed through an increase in expenditure of €1.6 million, amounting to €5.5 million in the 2018 AA.

This also included expenditure for delegated maintenance (€2.3 million), road supplies (€1.9 million), the maintenance and operation of the ring road (€1.9 million), signage (€1.4 million) and tunnel maintenance (€1.2 million). Expenditure related to public road equipment amounted to €0.9 million, an increase of €0.7 million due to the maintenance of Autolib stations carried out by the City of Paris for half of 2018.

In addition, expenditure in virtue of operations for third parties amounted to €6.7 million, a decrease of €0.5 million compared to 2017 as a result of continuing to transfer third party accounts to a “separate category” under the investment section in the amount of €1 million, partially compensated by a €0.5-million increase in expenditure for third party accounts outside this separate category.

Following the Paris status reform with parking now falling under the city’s responsibility, expenditure related to street parking reached €39.4 million, an increase of €26 million compared to the 2017 AA. €10.3 million of this difference can be explained by the transfer of expenditure and revenue related to towing illegally parked vehicles (impounds) from the Police prefecture to the City’s budget, while €12.2 million can be explained by the financing of the parking inspection agreement, while €2.7 million was put towards the implementation of a flat-rate parking fee (*Forfait post stationnement*: FPS). This last amount consisted in the sums paid to the National Agency for the Automatic Processing of Infractions (*Agence nationale de traitement automatisé des infractions*: ANTAI) for FPS processing.

In addition, expenditure related to parking payment methods (maintenance of parking meters, bankcard terminals, mobile telephone payments) amounted to €8.1 million, a decrease of €1.8 million compared to the 2017 AA due to lower activity than was anticipated as well as the utilization of payment methods less costly to process.

Lastly, expenditure related to the maintenance of bus parking lots increased by €2.7 million, for an amount of €4.2 million in the 2018 AA, due to an increase in tourism, combined with an increase in the amount of the usage fee paid by the City to bus parking lot operators.

Expenditure related to conceded parking represented €6.9 million in the 2018 AA. This entry included all the credits pertaining to operator-managed parking lots. It increased by €1.2 million compared to the 2017 AA. This change is related to the modification in the management method that took place in 2017: now the City directly pays the property tax on these parking lots, before being refunded by their operators, whereas, beforehand, operators had paid this tax directly themselves.

Expenditure related to road transportation methods represented €44.5 million.

€18.9 million was earmarked for the Vélib’ bike share program, e.g. an increase of €4.3 million compared to the 2017 AA. This difference is related to the change in the service provider, effective since January 1, 2018. Under the framework of the new “Vélib’ 2” contract, the contribution from the Parisian local authority to the Autolib’ Vélib’ Metropolis Syndicate (SAVM) represented €17.1 million in the 2018 AA. This expenditure took into account the penalties applied to the operator Smovengo, holder of the Vélib’ 2 agreement. Due to prolonged technical and operational difficulties, Smovengo was charged €8 million in penalties by the SAVM, which occurred through a prorated decrease in contributions from the local authorities for the number of stations, e.g. €3.1 million by the Parisian local authority. In addition, €1.8 million was allocated to the balance of the Vélib’ 1 contract.

€2.3 million was earmarked for Autolib in order to participate in the repayment of the loan through a balancing subsidy to the Mixed Autolib Vélib Syndicate (*Syndicat Mixte Autolib Vélib*: SMAVM).

€12.7 million was dedicated to transportation for people with reduced mobility (*personnes à mobilité réduite*: PAM). The implementation of a new service agreement led to a savings of €1.6 million compared to the 2017 AA, while services rendered were kept at the same level.

Lastly, expenditure related to the operation of the “traverses” small electric buses amounted to €10.6 million, an increase of €7.1 million compared to the 2017 AA. This increase can be mainly explained through the contract extension for older traverses, the continuation of electric motorization and the renewal of its stock.

Road equipment represented €8.2 million in the 2018 AA, stable compared to the 2017 AA. The major portion of this expenditure concerned the upkeep of the tricolor illuminated signage under the framework of the energy performance agreement. This entry also included the upkeep of urban furniture (€0.3 million).

Expenditure related to the upkeep of roads and sidewalks during winter represented €0.3 million.

Expenditure related to soft mobility amounted to €1.4 million in the 2018 AA. Within this amount, the credits allocated to the “Paris Breathe” operation represented €0.9 million.

Expenditure in virtue of joint services amounted to €7 million in the 2018 AA. This specifically included €2.7 million in virtue of transportation, corresponding to the services carried out by municipal automobile transportation, fuel expenses and the transpor-

tation of goods.

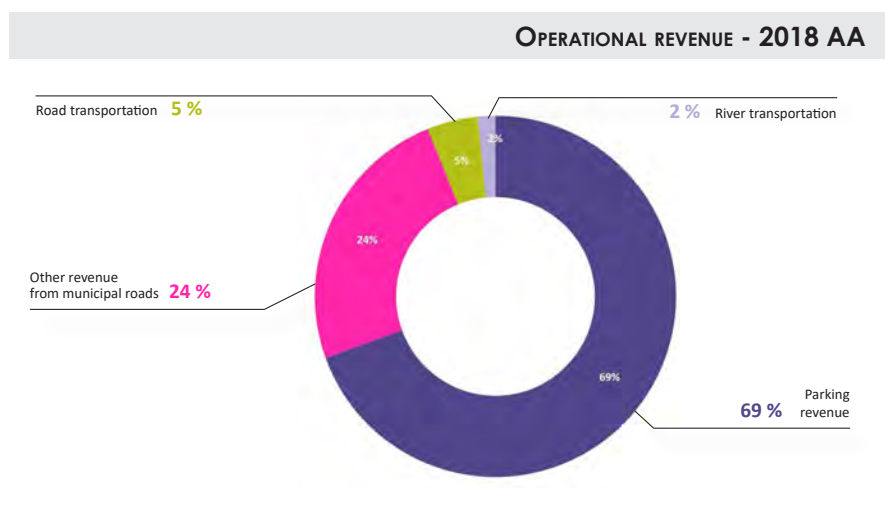
It also included the credits anticipated for miscellaneous real estate charges related to the “transportation” category (€0.8 million), research fees (€0.7 million), expenditure related to user information regarding construction sites (€0.3 million) as well as maintenance, IT and support service expenditure (€2.2 million).

Lastly, €0.3 million was allocated to **subsidies and contributions**, which mainly concerned road safety (training, interventions at different events, training young students in prevention measures).

Expenditure related to river stops and infrastructure represented €4 million including €2.5 million for the upkeep and operation of the canals, €1.3 million for the payment of taxes and contributions and €0.2 million for joint services.

Revenue

OPERATIONAL REVENUE RELATED TO TRANSPORTATION REPRESENTED €335.8 MILLION, AN INCREASE OF €131.3 MILLION COMPARED TO THE 2017 AA, MAINLY DUE TO THE PARIS STATUS REFORM AND PAYING PARKING NOW FALLING UNDER THE RESPONSIBILITY OF THE CITY.



Revenue from municipal roads amounted to €314.6 million, an increase of €148.7 million compared to the 2017 AA.

Revenue in virtue of street parking amounted to €258 million, an increase of €150.7 million compared to the 2017 AA.

This amount included €232.8 million in parking-related revenue, e.g. an increase of €125.5 million compared to the 2017 AA due to the increase in the compliance rate (increasing from 10% to 20%), new inspection methods and sanctions brought on by the parking reform. Within this amount, €159.1 million was collected in virtue of parking fees and €62.5 million in virtue of the FPS. Lastly, €11.2 million in revenue was also collected in virtue of bus parking fees.

In accordance with the Paris status reform, **revenue from impounds** is now collected by the City and amounted to €25.2 million in the 2018 AA.

Usage fees for conceded parking reached €41.9 million, an increase of €1.9 million compared to the 2017 AA. This increase can mainly be explained by the revaluation of usage fees, as well as the specialized entry related to the City's payment of the property tax on parking lots that is then later refunded by parking lot operators, in place since 2017 (see above).

Lastly, revenue allocated to road-related holdings amounted to €14.7 million, a decrease of €3.9 million compared to the 2017 AA due to the progressive transfer of third party accounts to the investment section for an amount of €5.1 million, partially compensated by a one-time increase in the usage fee for public facilities related to temporary events. This revenue specifically included €7.2 million in occupation fees for the public domain, an increase of €1 million compared to the 2017 AA after raising the rates for certain occupation fees in the public domain. It also included €3.4 million in virtue of usage fees for service stations, and €2.4 million in revenue collected in virtue of services at the material testing lab for the City of Paris and the street-related testing lab (laboratoire d'essais des matériaux/laboratoire d'essais de la rue: LEM/LER).

Revenue related to road transportation amounted to €15.8 million in the 2018 AA, a decrease of €15.7 million compared to the 2017 AA. This apparent decrease can primarily be explained through the fact that, under the framework of the Vélilib' contract signed with the new service provider, revenue from users is now directly collected by the SAVM, which carries out upkeep and maintenance expenditure, and no longer by the City. The remainder of revenue collected by the City (€3.6 million) corresponded to one-time usage fees anticipated under the first Vélilib' contract, for which the last payment was made in 2018.

The revenue related to PAM public transportation meant for people with reduced mobility was €9.3 million, an increase of €0.5 million compared to 2017.

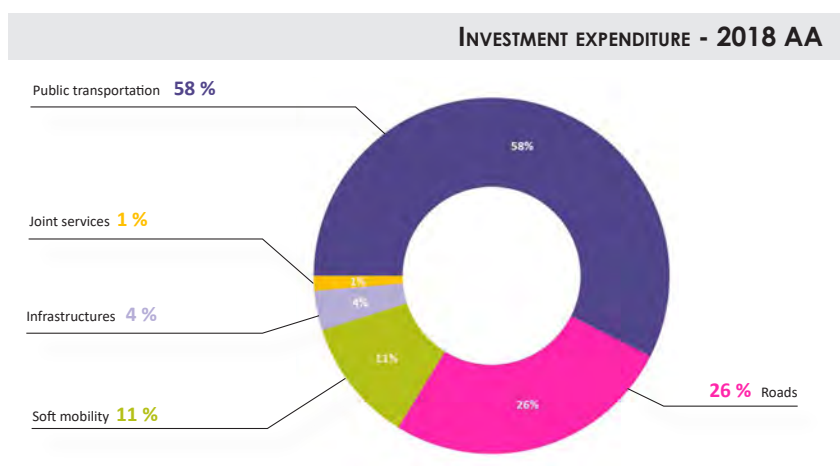
Road transportation also included €1.8 million in Autolib' revenue in 2018 and €0.5 million in virtue of traverse buses.

Lastly, river transportation represented €5.4 million in revenue, specifically due to refunds and other revenue collected by Eau de Paris (€3.7 million) as well as occupation fees for the public river domain (€1.1 million).

INVESTMENT SECTION

Expenditure

€136.7 MILLION IN INVESTMENT CREDITS WERE ALLOCATED TO TRANSPORTATION, AN INCREASE OF €2.9 MILLION COMPARED TO 2017.



In terms of public transportation, investment expenditure allocated to major expansion projects for the public transportation network and the improvement of existing facilities (train stations, bus, metro), amounted to €78.4 million, compared to €80.2 million in 2017

€39 million was allocated to the extension of metro line 14 from Saint Lazare to Saint Ouen and the upgrading of train stations, €28.6 million for the extension of the tramway from Porte d'Asnières to Porte Dauphine and €8 million for the upgrading of stations along metro line 11 under the framework of its extension. €1.8 million was spent in favor of bus transportation.

Investment credits mobilized in favor of soft mobility amounted to €15.3 million compared to €9.2 million in 2017.

This change can mainly be explained by the acceleration in construction related to the implementation of new bike lanes under the framework of the Bicycle plan (€11.8 million compared to €5.8 million in 2017).

In addition, €2.4 million was earmarked for the creation of new "30-km zones" and €0.9 million in order to improve the routing of pedestrians and people with reduced mobility.

Road expenditure amounted to €35.9 million, an increase compared to the previous year (€34.6 million in the 2017 AA).

The expenditure in question focused on the upkeep of road-related holdings and street parking equipment. Recurring upkeep expenditure for roads, sidewalks and pavement amounted to €10.9 million. Compliance upgrades to roadway tunnels led to an investment expenditure of €4 million compared to €1 million in the 2017 AA. €11.2 million was earmarked for the upkeep and operations of the ring road compared to €5.9 million in 2017. This increase is mainly due to the mobilization of €4.6 million in order to continue rolling out noise-reducing asphalt so that noise-related nuisances are reduced.

Infrastructures, including train stations and canals, were given €4.9 million, e.g. €1.9 million more than in 2017.

The upkeep of canals mobilized €3.5 million compared to €2.3 million in 2017. The Saint Martin Canal was given €1.2 million specifically for safety upgrade renovations for the tunnel's vaulted ceiling.

Expenditure for joint services represented €1.8 million, e.g. €4.6 million less than the year before. This exclusively entailed expenditure carried out for the upkeep of premises for road-related services. The difference with the previous year can be explained by the fact that in 2017, an accounting adjustment had resulted in an expenditure of €5.5 million. In addition, in 2017, only €0.8 million had been allocated to the upkeep of premises for road-related services.

Lastly, the transportation of merchandise, due to the implementation of the sustainable urban logistics charter, represented €0.1 million.

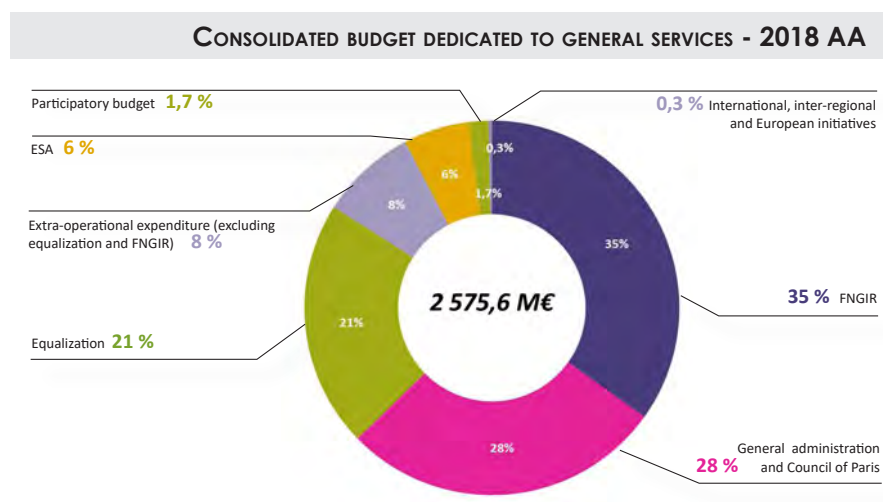
Revenue

€10.1 million in investment revenue related to transportation was collected in 2018.

€4.2 million was collected under the framework of reimbursements for roadway operations carried out for third parties.

In addition, €3 million was collected in the form of co-financing under the framework of the T3 extension operation.

Lastly, €1.4 million was obtained under the framework of co-financing related to bike lane and speed moderation projects. No revenue had been collected in 2017 under this category.

**METHODOLOGICAL PRECISION :**

The 0 category « General services généraux » includes, in accordance with budgetary and accounting instructions, « non-itemized operations », attributed in section 01, which includes extra-operational expenditure and revenue contributing to the major financial balances in the Parisian local authority's budget as well as non-budgeted operations ⁽⁹⁾. It also includes credits allocated to **special arrondissement budgets (ESA)** as well as **expenditure resulting from the operation of public services and facilities for the local authority**. Lastly, this category retraces the credits related to international initiatives and the management of European funds

The cross flows between the City and Department were neutralized: this entailed the reimbursement of operational fees for elected official groups (€1.6 million) as well as the reimbursement of the departmental bonus (€2.1 million). In addition, the operation related to the long-term lease of the Porte de Versailles, balanced in expenditure and revenue, was also neutralized (€11.7 million).

IN M€	2017 AA	2018 AA
Operational expenditure	2 349,8	2 376,0
Including payroll	367,7	381,4
Investment expenditure	223,9	199,6
Operational revenue	6 192,9	6 246,0
Investment revenue	222,5	165,7

OPERATIONAL SECTION**Expenditure**

THE OPERATIONAL BUDGET ALLOCATED TO GENERAL SERVICES AMOUNTED, IN 2018, TO €2,376 MILLION, INCLUDING €381.4 MILLION IN VIRTUE OF PAYROLL.

378 positions were created in the 2018 PB, including 338 under the Paris status reform. It specifically entailed the transfer of 188 positions and 228 months to the Department of Democracy, Citizens and Regions (*Direction de la Démocratie, des Citoyens et des Territoires*: DDCT) for identity card and passport-related services.

Management-related support was also carried out for all of the City's support services affected by the Paris status reform.

In addition, 40 other positions were created in the 2018 PB, with specifically, the creation in the administration of a new structure dedicated to organizing the 2024 Olympic and Paralympic Games with 23 positions, including 14 new ones and 9 transfers.

Supporting roles were also anticipated in order to incorporate new professions or State decentralization transfers. This was specifically conveyed through 11.5 positions in order to resume Civil Partnership services (*Pactes Civils de Solidarité*: PACS) within the Department of Democracy, Citizens and Regions (DDCT). 10 positions were also created in the service of the Council of Paris in order to help reorganize the executive branch. In the Department of Information and Communications (*Direction de l'Information et de la Communication*: DICOM), 1 position was created in order to strengthen the partnership mission, in the Department of Legal Affairs (*Direction des Affaires Juridiques*: DAJ) 1 position was created in order to fortify the monitoring of legal procedures related to litigation regarding usage changes for residential premises, in the Department of Information Systems and Digital Technologies (*Direction des Systèmes d'Information et du Numérique*: DSIN) 2 positions were created in order to implement projects in the field of human resources.

⁽⁹⁾ Nevertheless, all the amounts presented in this section of the report are actual expenditure and revenue, self-financing and non-budgeted operations being, for their part, detailed in section III of the report. This mainly corresponds to accounting operations (endowments with amortizations, provisions for risks, in particular), strictly balanced between expenditure and revenue.

Category-specific measures were implemented in favor of reception and security agents working in cemeteries, with 16 reclassifications to category B in the public peace and security experts corps and 2 reclassifications from B to A in order to take into account the high level of responsibilities for custodians.

In the DDCT, 1 job reclassification to category A and 5 reclassifications from categories C to B were carried out under the framework of the civil status plan for town halls.

As part of the plan to access employment, 24 new tenured jobs were enacted in favor of contractual cleaning agents (DILT).

In total, over the year 2018, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries amounted to +328.5 budgetary jobs in this category.

► EXTRA-OPERATIONAL EXPENDITURE

The amount of the national fund for individual resource coverage (*fonds national de garantie individuelle des ressources: FNGIR*), created in 2011 following the professional tax reform, remained stable at €898.2 million.

Equalization expenditure (excluding the FNGIR) reached €549.3 million compared to €519.8 million in the 2017 AA. It thus increased by 5.7% (+€29.5 million) due to:

- the €16.8-million increase in the contribution to the two **equalization funds for transfer rights subject to payment (*Droits de mutation à titre onéreux: DMTO*)**, whose total amount reached €134.8 million (+14%). This change can be explained by the increase in revenue collected in virtue of DMTOs between 2016 and 2017;
- the €12.5-million increase in the **national equalization fund for intercommunal and municipal resources (*Fonds national de péréquation des ressources intercommunales et communales: FPIC*)**, which reached €187 million in 2018. This increase is related to the upward adjustment in the 2018 budget act of the contribution limit in accordance with accumulated fiscal revenue. This rate went from 13% in 2017 to 13.5% in 2018. In addition, the amount of revenue taken into account for the Parisian withholding included direct tax revenue collected by the Greater Paris Metropolis (CVAE, TASCUM, IFER);
- the €10-million increase in the contribution to the **solidarity fund for municipalities in the Ile-de-France region (*Fonds de solidarité des communes de la région d'Ile-de-France: FSRIF*)**, which reached €181.4 million. The purpose of this horizontal equalization measure specific to the Ile-de-France region was to ensure a redistribution of wealth between the region's municipalities. Its amount is set each year by law (€330 million in 2018);
- the €0.8-million decrease in the contribution to the **solidarity fund for the departments in the Ile-de-France region (*Fonds de solidarité des départements de la région d'Ile-de-France: FSDRIF*)**, which amounted to €27.5 million;
- the €9.1-million decrease in the contribution to the CVAE equalization fund, which amounted to €18.6 million. This decrease can be explained through the 2017 transfer of 25 points from the departments' CVAE towards regions.

Debt management, which included interest charges from debt, increased by €3 million in order to reach €136.1 million.

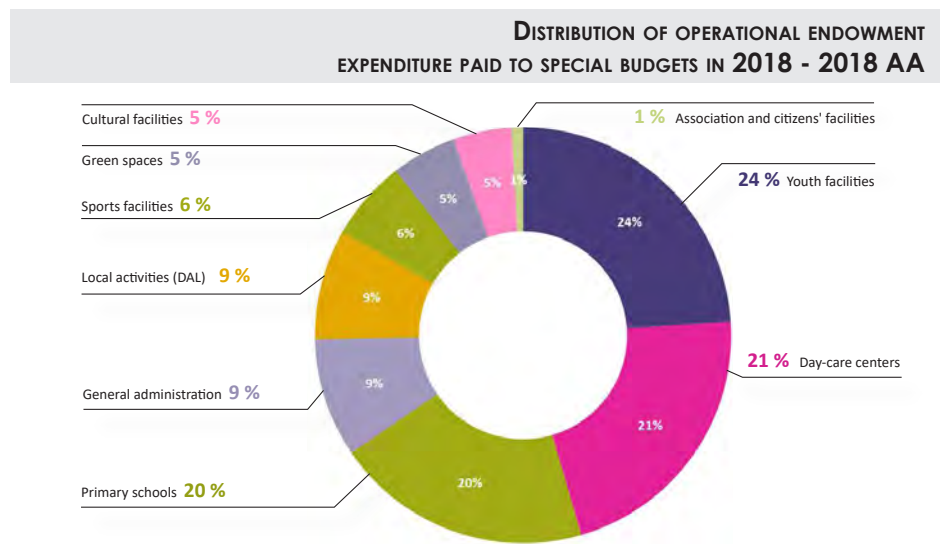
Other operations represented €23.2 million and were broken down between €13.3 million in tax returns, €8.4 million in semi-budgetary provisions for the Department and €1.5 million for financial charges excluding debt-related charges.

► ENDOWMENTS TO SPECIAL ARRONDISSEMENT BUDGETS (ESA) :

Endowments paid to ESAs amounted to €139.9 million in 2018 (-€0.9 million compared to the 2017 AA).

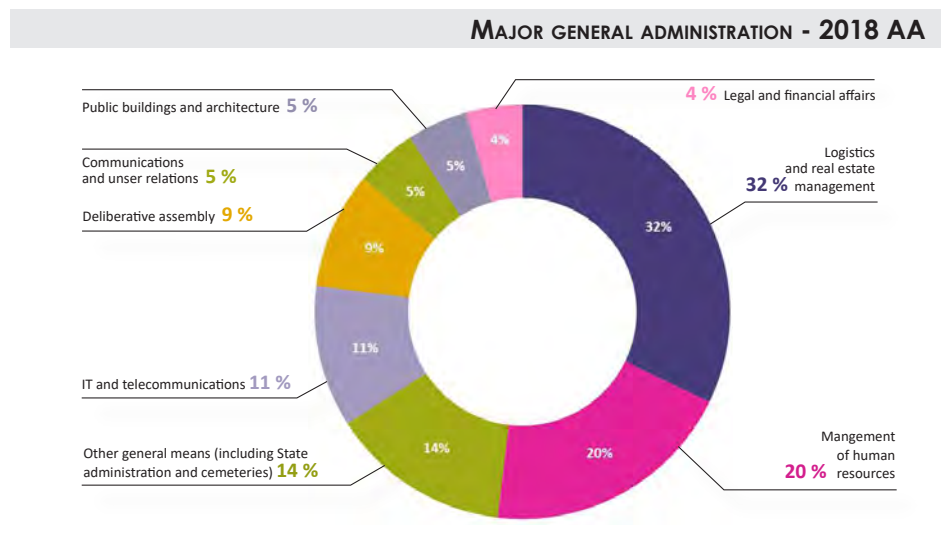
The local management endowment (dotation de gestion locale: DGL) for the ESAs reached €127.7 million, compared to €128.7 million in 2017.

Expenditure in virtue of the local animation endowment (dotation d'animation locale: DAL) amounted to €12.2 million compared to €12.1 million in 2017.



► GENERAL EXPENDITURE FOR THE ADMINISTRATION

The operational budget excluding payroll dedicated to the administration's general expenditure amounted to €240.9 million, a decrease of 2% (€4.9 million) compared to the 2017 AA



Le The highest amount of expenditure was allocated to **logistics and real estate management**, in the amount of €77.5 million. This amount increased by €9.9 million compared to the 2017 AA. This increase is specifically related to the Paris status reform, which generated new expenditure for equipping, preparing and leasing new premises for officers transferred from the Police prefecture. In addition, this can be explained through the centralization of cleaning credits for premises in the Department of Real Estate, Logistics and Transportation's budget (DILT).

Expenditure for the rental account reached €38.6 million, an increase of €6.5 million compared to 2017. The purchase of work clothes represented an expenditure of €6.8 million (+€0.7 million) and vehicle rentals for municipal automobile transportation (transports automobiles municipaux: TAM) amounted to an expenditure of €6 million (+€0.1 million). Credits allocated to the cleaning of premises amounted to €7.7 million (+€1.1 million). Expenditure for postage remained stable at €2.7 million.

The second highest expenditure was related to the **management of human resources**, in the amount of €47.6 million, a decrease of €0.5 million compared to 2017.

Service projects for agents represented €21.8 million. This expenditure included €12.9 million in a subsidy to the Social Action Organization in favor of personnel working for either the City or Department of Paris and €6.7 million in favor of the Organization for the management of service projects for Parisian administrative personnel (Association pour la gestion des oeuvres sociales des personnels des administrations parisiennes: AGOSPAP). In addition, €2.2 million was earmarked for social services intended for agents.

Training expenditure for the local authority, excluding the fees spent under the framework of accessing employment (see the category "Economic development" within this report), amounted to €12.6 million, an increase of €0.7 million. Consequently, the share in the Fund for the Integration of Disabled Persons in Public Services (Fonds pour l'Insertion des Personnes Handicapées dans la Fonction Publique: FIPHFP) reached €2 million in 2018 (+€0.5 million) and the budget dedicated to the training of agents (excluding the FIPHFP) amounted to €10.6 million (+€0.2 million).

Lastly, €13.1 million was earmarked for the payment of **pensions and annuities** (€4.2 million), the coverage of **work accidents and professional illnesses** (€3.8 million) and the financing of **subsidized annual leave** (€3 million). Credits related to support services, competitive exams and hiring, internal communications as well as the administrative fees for the agreement signed with the National Unemployment Agency regarding unemployment compensation from the Parisian local authority represented a total expenditure of €2.1 million.

Expenditure related to **IT and telecommunications** amounted to €26.7 million, an increase of €0.5 million compared to 2017. Credits allocated to telecommunications went from €6.4 million in 2017 to €6.8 million in 2018, due to the Paris reform status. Expenditure related to applications and workstations represented €19.9 million in the 2018 AA (+€0.1 million).

Expenditure related to the operations of the **Council of Paris** represented €21.9 million, a decrease of €0.3 million compared to 2017. This specifically included related compensation and contributions, fees for training and missions for mayors, deputies and council members (€17.3 million) and the subsidy paid to the retirement fund for elected officials (€3.3 million).

The budget allocated to the **upkeep and maintenance of public buildings** amounted to €11.4 million, a drop of €0.9 million compared to 2017. This amount specifically included €4.7 million intended for maintenance, €2.3 million for the purchase of services with the TAM and €1.4 million for the provision of small equipment. This expenditure decreased by €1.2 million compared to 2017, a fiscal year in which the financing of a transactional contract related to the reconstruction of the Jean Bouin stadium for €0.8 million

weighed significantly.

All of the credits pertaining to **legal and financial affairs** for the Parisian local authority represented €10.5 million (after neutralizing the operation related to the Porte de Versailles, balanced in terms of expenditure and revenue, see above), a drop of €10.9 million compared to 2017, which had resulted in the payment of a one-time €10-million compensation, balanced in terms of revenue, as part of implementing the transactional protocol between the City and the Ministry of Culture related to the former National Museum of Folkloric Arts and Traditions (MATP).

Expenditure earmarked for legal access increased by €0.2 million and amounted to €2.2 million. Litigation fees amounted to €2.1 million, an increase of €0.3 million mainly due to the City's representation fees at the Commission for paid parking disputes. The amount of legal convictions amounted to €1.2 million, a decrease of €0.5 million compared to 2017.

Other expenditure specifically included €2.4 million in insurance fees (+€0.2 million) and €1.7 million in virtue of public contracts and concessions (announcements and inserts, property tax, occupation usage fees).

Charges related to **cemetery management** represented €7.1 million in 2018, an increase of €0.1 million compared to 2017. This included €2.7 million allocated to cemetery management, €1.5 million in virtue of funereal services, which monitors funereal delegations (funeral homes and the Père Lachaise crematorium) and €2.9 million in virtue of the supplementary budget for grave digging.

Communication expenditure amounted to €7.8 million (+€0.1 million). The credits earmarked for event organization, such as Paris Plages, the fireworks display for Bastille Day and the rebroadcasting of the World Cup of Soccer on the esplanade of the Hôtel de Ville and the Champ de Mars amounted to €3.2 million. This expenditure also financed the commemoration of August 25, 1944, the day on which Paris was liberated from Germany during World War II, and the centennial ceremonies for the November 11, 1918 Armistice. Expenditure intended to publicize the Paris initiative (magazines and publications, ad space, digital communications) amounted to €2.8 million. Protocol expenditure stayed stable at €0.8 million and the credits allocated to the organization of exhibits amounted to €0.4 million (-€0.1 million).

Expenditure related to **relations with users and organizations** amounted to €3.8 million, an increase of €0.9 million compared to the 2017 AA. Indeed, general service expenditure allocated to community life increased by €0.6 million and reached €1.7 million following the transfer of expenditure for Community Life Centers in 8 central arrondissements to the DDCT. Expenditure earmarked for consultations increased, for its share, by €0.3 million and amounted to €1.7 million.

Expenditure related to the Paris mediator and the reception of users reached €0.8 million, while expenditure related to the mayors' funds amounted to €0.6 million.

Expenditure earmarked for **managing and modernizing the local authority** supported by the City of Paris's administration represented €4.6 million. The €2.6-million increase compared to the 2017 AA, resulted from a scope measure that transferred the budget allocated to the financing of project management support for information systems from the Department of Finance and Purchasing (Direction des Finances et des Achats: DFA) to the administration's budget.

Lastly, **other general means** represented €22 million compared to €28.4 million in the 2017 AA. This section included credits intended to cover accounting operations not secured by investment revenue (claims admitted as non-values, cancelation of equity from previous years, settlements for administrative deficits) for €17.4 million (-€1.7 million), the share paid to the national retirement fund for local authority agents (caisse nationale de retraites des agents des collectivités locales: CNRACL) for €2.3 million (-€0.7 million) and the banking fees generated by the use of bankcards in the local authority's facilities, for €1.2 million (-€0.7 million).

It also included expenditure allocated to elections in the amount of €0.4 million, a decrease of €2.2 million compared to 2017, a year in which four elections were organized.

► INTERNATIONAL, INTER-REGIONAL AND EUROPEAN INITIATIVES

The budget allocated to **international relations** amounted to €6.9 million, a decrease of €2.2 million compared to the 2017 AA, mainly due to the 2019 postponement of the subsidy related to the "Smart and Sustainable Paris" project, financed by the European fund for economic and regional development (fonds européen de développement économique et régional: FEDER), which amounted to €0.1 million, a decrease of €1.8 million.

Expenditure earmarked for diplomacy initiatives in Paris amounted to €3.4 million, a drop of €0.3 million. This specifically entailed the subsidies paid to the International Association of French-Speaking Mayors (Association Internationale des Maires Francophones: AIMF) for €1.6 million, the European Center (€0.2 million) and the Institut française (€0.1 million), as well as expenditure earmarked for events in the amount of €0.5 million (specifically: New Year celebrations at the Hôtel de Ville, the European festival and the Paris summer festival).

Subsidies paid in virtue of international cooperation reached €2 million, an increase of €0.1 million. This mainly entailed subsidies paid to organizations supporting projects in the field of healthcare and AIDS prevention.

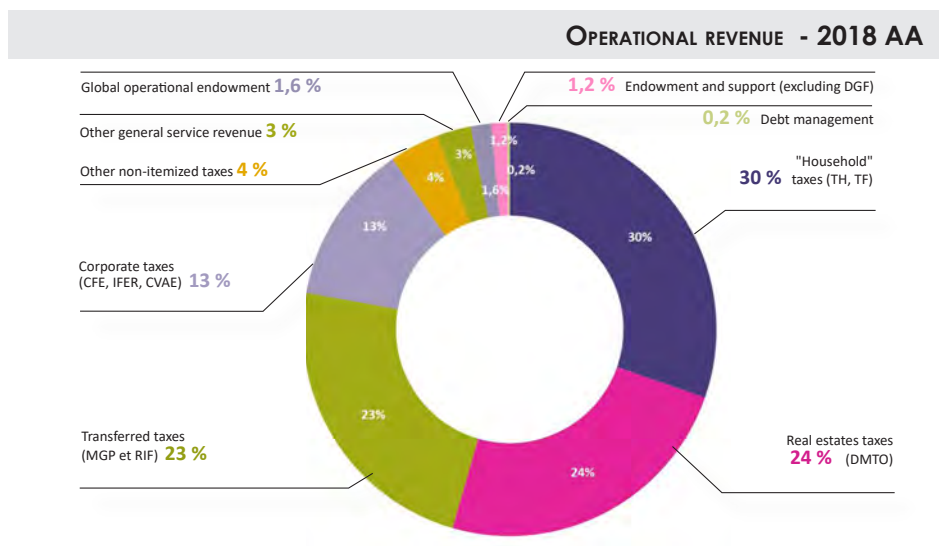
Additionally, expenditure related to international initiatives regarding collection and sanitation remained stable at €0.2 million.

Expenditure allocated to Greater Paris metropolitan initiatives amounted to €0.7 million, stable over one year, including €0.3 million in contributions to the Metropolitan forum and €0.3 million in contributions to elected official organizations.

Lastly, credits earmarked for inter-regional initiatives with cities in overseas departments (subsidies to organizations, ceremonies commemorating the abolition of slavery and contributions to the Tropical Carnival Festival) reached €0.3 million, a decrease of €0.1 million compared to 2017 where an emergency subsidy of €0.1 million had been paid to Civil Protection and the Red Cross following Hurricane Irma.

Revenue

Revenue from general services represented €6,246 million, an increase of €53 million (+1%) compared to 2017.



▶ EXTRA-OPERATIONAL REVENUE

This consists of revenue from local taxes, endowments and support as well as financial revenue.

The amount of tax revenue amounted to €5,883.8 million in 2018, an increase of €104 million compared to 2017.

- **Direct contributions** amounted to €2,677.4 million, e.g. an increase of 1.5% (€39.4 million) compared to the 2017 AA ⁽¹⁰⁾.

Revenue from the **Residential Tax (taxe d'habitation: TH)** increased by €2 million (+0.3%). The fixed-rate revaluation of rental values, established at +1.2% for 2018 ⁽¹¹⁾, generated an additional revenue of €9.7 million from residential taxes. On the other hand, the spontaneous momentum of the residential tax bases, affected by a decrease in the number of second homes (-5,036) and an increase in the exempted bases, due to the rise in the number of people benefitting from the "old parents" exemption, had a negative impact in 2018 of €7.7 million.

Revenue from **property taxes (taxes foncières: TF)** increased by €18 million (+1.8%) including €12 million attributable to the flat-rate revaluation of the bases (+1.2%) and nearly €6 million (+0.6%) related to their spontaneous momentum. The spontaneous momentum in developed property tax bases corresponded to the balance of constructions, demolitions and physical modifications in taxable premises (professional and residential), as well as the return of local taxes that were temporarily exempted during previous years.

Regarding the **corporate added-value contribution (Cotisation sur la valeur ajoutée des entreprises: CVAE)**, its amount stayed stable compared to 2017 and amounted to €465.6 million (compared to €465.2 million in 2017). The CVAE amount paid to the local authority being schematically calculated according to the added value observed over the two previous years, the 2018 CVAE amount is closer to the activity of Paris-based businesses from 2016. Behind this apparent stability, the added value from different business sectors strongly varied between 2015 and 2016. Consequently, the installation of new businesses or certain companies exceeding business revenue thresholds (152,500 ⁽¹²⁾) contributed in improving CVAE revenue by about €10 million, while the decrease in added value recorded in 2016 for the financial and insurance sectors, contributed to an equivalent decrease.

ÉVOLUTION OF REVENUE FROM DIRECT TAXATION

EN M€	2017 AA	2018 AA	EVOLUTION	EvoL. %
Residential tax	806,0	808,1	2,17	0,3
Including tax mark-up on second homes	63,8	61,6	-2,3	-3,5
Property taxes on developed and undeveloped properties	1 013,0	1031,5	18,5	1,8
Property taxes from companies	325,1	334,9	9,8	3,0
Complementary shares (excluding TEOM)	1,6	5,4	3,8	234,9
Supplementary shares (excluding TEOM)	24,4	29,2	4,8	19,6
Flat-rate taxation on network companies	2,8	2,8	0,5	0,1
Corporate added-value contribution	465,2	465,6	0,5	0,1
TOTAL DIRECT CONTRIBUTIONS	2 638,0	2 677,4	39,4	1,5

⁽¹⁰⁾ Excluding compensation paid by the Ile-de-France region and the Greater Paris Metropolis.

⁽¹¹⁾ Since 2018, the revaluation coefficient for the bases is no longer set in the budget act, but is calculated based on the evolution of the standardized price index between November from two years ago and November from last year.

- **Revenue from real estate taxation** amounted to €1,504.7 million compared to €1,441.1 million in the 2017 AA, e.g. an increase of 4.4% (+€63.7 million)

This dynamic can be mainly explained through the evolution in the average price per square meter in Paris (€9,570/m² in older housing, e.g. +5.7% compared to 2017), while the number of transactions decreased by 2.3%

Specifically, **transfer rights** (departmental tax on land registration and registration fees) collected by the Department generated revenue of €1,161.7 million, an increase of €52.6 million compared to 2017. The additional tax on certain registration fees collected by the Department represented revenue of €15.2 million, an increase of €0.9 million compared to 2017. The **additional tax on registration rights (taxe additionnelle aux droits d'enregistrement: TADE)**, collected by the City amounted to €327.8 million, an increase of €10.2 million compared to 2017.

- **Revenue from transferred taxation amounted to €1,485.6 million in 2018** compared to €1,455.6 million in 2017

REVENUE FROM TRANSFERRED TAXATION

EN M€	2017 AA	2018 AA
MGP compensation allocation (tax share)	527,1	527,1
MGP compensation allocation (ex-CPS share)	453,1	453,1
RIF compensation allocation (CVAE transfer)	475,3	475,3
Endowment supporting Regional Investment (DSIT) paid by the MGP	0,1	3
TOTAL	1 455,6	1 458,6

This increase is related to the evolution in the endowment supporting regional investment (*Dotation de soutien à l'investissement territorial*: DSIT) collected in 2018 in virtue of 2017. This endowment aims to restore, to regional and City of Paris public establishments, a portion of the CVAE growth, which the MGP collects instead of regional local authorities.

Compensation allocations remained stable compared to 2017, due to the non-consideration in 2018 of professional transfers towards the Greater Paris Metropolis, transfers that will be taken into account in the compensation allocation paid in 2019.

As a reminder, since January 1, 2016, the MGP collects a portion of economic taxes instead of its member municipalities, in relation to the professional transfers needing to be carried out between now and 2020. The tax resources transferred by Paris for this purpose included the municipal share of the CVAE and flat-rate taxation on network companies (*Imposition forfaitaire sur les entreprises de réseaux*: IFER), as well as the revenue from the additional property tax on developed properties (*Taxe additionnelle à la taxe foncière sur les propriétés bâties*: TATFPB) and the tax on commercial surfaces (*Taxe sur les surfaces commerciales*: TASCOM). The Metropolis also collected the former salary share compensation (*compensation part salaires*: CPS), which was a component of the overall operational endowment collected by Paris up until 2015.

In addition, since January 1, 2017, the Ile-de-France region has collected half of Paris's departmental share of the CVAE, compared to a quarter up until 2016. These 25 points were allotted to Ile-de-France departments without compensation for professional transfers.

In exchange for this taxation transfer, the MGP and the Ile-de-France region paid the Parisian local authority compensation allocations whose amounts were set at €980 million and €475 million, respectively.

Since then, the Parisian local authority has been deprived of two thirds of the CVAE's revenue, e.g. a loss of resources in the amount of €43 million of the CVAE in 2018. (€23 million from the municipal share, transferred to the MGP, and €20 million from the fraction of the departmental share transferred to the Ile-de-France region).

Although it is deprived of CVAE's dynamism in revenue, the Parisian local authority continues to support the increase in equalization expenditure related to this momentum. Indeed, the MGP does not contribute to national equalization funds, while the CVAE collected on its behalf from the Parisian region is taken into account when calculating Paris's contribution to municipal equalization funds.

Consequently, in 2018, Paris supported a contribution to the FPIC with an extra €3 million compared to the amount that it would have paid if this dynamic was removed.

- **Other taxes amounted to €243.2 million compared to €245.6 million in 2017.**

The tourism tax reached an amount of €79.4 million, an increase of €1.4 million compared to 2017 due to the increase in tourism in 2018. Nevertheless, the increase in revenue from the tourism tax was partially attenuated by the non-renewal of correction operations conducted in 2017 (implementation of an administrative assessment that same year).

Revenue from the tax on **final electricity consumption (taxe sur la consommation finale d'électricité: TCFE)** amounted to €68.6 million, a reduction of €2.9 million compared to 2017 following the decrease in electricity consumption and not updating rates. The **local tax on signage and external advertising (taxe locale sur les enseignes et publicités extérieures: TLPE)** reached €8.4 million (-€0.5 million).

Revenue from **the tax on performances** decreased by €0.6 million in order to amount to €0.6 million in 2018. The application scope for this tax was progressively reduced so that it has only concerned gambling circles and casinos since 2015. Even though the last gambling circles in Paris were closed over the course of 2018, amounts were still collected for this fiscal year. In addition, a new gradual withholding tax was implemented for casinos opened in Paris since January 1, 2018, in accordance with the new terms and

conditions outlined by the law related to Paris's status. Revenue will be gradually collected from this withholding tax on gaming clubs authorized by the Ministry of the Interior (4 clubs opened on January 1, 2019) as of 2019.

Lastly, revenue from taxes meant to compensate professional transfers to departments outlined under the "LRL" law from August 13, 2004 amounted to €85.5 million: €69.5 million for **the special tax on insurance agreements (taxe special sur les conventions d'assurance: TSCA)**, an increase of €0.7 million compared to 2017, and €16.2 million for the LRL share of the **interior tax on energy consumption (taxe intérieure sur la consommation de produits énergétiques: TICPE)**, a reduction of €0.2 million.

The amount of endowments and support amounted to €172.5 million in 2018, compared to €196.4 million in the 2017 AA.

- **State support**, after a decrease of €1,150 million between 2014 and 2017 as part of the contribution in order to improve public finances, remained stable at the national level.

The former contribution in order to improve public finances was replaced by outsourcing between the State and certain local authorities in order to comply with an expenditure standard (+1.2% per year at the national level, +1.14% for Paris). Nevertheless, this stability hides strong disparities in evolution between regional local authorities.

- Consequently, the **overall operational endowment (dotation globale de fonctionnement: DGF)** allocated to Paris decreased by 19% compared to the 2017 AA, going from €124 million to €100 million, due to the equalized suppression of the flat-rate endowment, aiming to finance hikes in equalization endowments for certain local authorities. By incorporating the "salary share compensation" (CPS) component collected since 2016 by the Greater Paris Metropolis and paid back through a compensation allocation, revenue amounted in 2018 to €553 million, compared to €577 million in 2017.

- **Compensation endowments in virtue of tax exemptions** (€25.4 million) decreased by €2.4 million compared to 2017. Endowments in virtue of residential and property tax exemptions increased by €1.3 million due to an increase in the bases exempted for the most disadvantaged people. On the other hand, compensation in virtue of tax exemptions (€0.2 million), some of which represented adjustment variables within the budget of State support, decreased by €3.3 million, in order to finance the increase in vertical equalization. Compensation for the loss of the additional tax on registration fees (TADE) from commerce funds was quasi-stable, with an amount of €1 million in 2018.

The **equalized compensation endowment** slightly decreased by €0.3 million compared to 2017 in order to amount to €10.4 million in 2018.

Allocations on the payment representing the tax on performances remained stable at €9.2 million.

The **secure credentials endowment**, collected as of 2018 following the transfer of passport and identity card services from the Police prefecture to the City, amounted to €1.3 million.

The **general decentralization endowment (dotation générale de décentralization: DGD)** as well as the special teacher endowment (*dotation special instituteurs*: DSI) remained stable, in the amounts of €15.9 million and €0.1 million, respectively. In addition, since 2017 the local authority has collected an allocation under the framework of the **VAT compensation fund (Fonds de compensation pour la TVA: FCTVA)** for operations in virtue of roadway and public building maintenance expenditure. This allocation amounted to €9.1 million in 2018, an increase of €0.9 million compared to 2017.

Lastly, financial revenue reached €20.9 million, a decrease of €1.3 million over one year. This represented €13.3 million in revenue related to debt management (swap interest) and €7.7 million in dividends paid by operators for which the Parisian local authority is a shareholder (including €5 million for the RIVP and €1.5 million for SEMMARIS).

► THE LOCAL AUTHORITY'S GENERAL ADMINISTRATION

Revenue related to the local authority's general administration amounted to €165.7 million, a drop of €2.3 million compared to the 2017 AA.

Revenue related to finances and purchasing represented €134 million, a decrease of €14.7 million compared to 2017. Revenue from concessions managed by the Department of Finances and Purchasing (establishments, public signage and the telecommunications network) amounted to €115 million, a drop of €21 million compared to 2017, a fiscal year over which a one-time compensation of €10 million had been paid to the City by the Ministry of Culture, following the restoration of the former National Museum of Folkloric Arts and Traditions (MATP). The rest of the decrease can be explained by the absence of revenue in 2018 from the urban informational equipment contract. Lastly, revenue resulting from accounting adjustment operations amounted to €18.9 million (+€6.4 million).

Revenue related to human resources represented €10.2 million, a decrease of €4 million compared to 2017, specifically due to the €3.2-million decrease in revenue from the fund for the integration of disabled persons in public service (FIPHFP), which amounted to €2.7 million. This resulted from implementing a new and more restrictive agreement in terms of reimbursing the expenditure engaged for the employment and integration of disabled persons. The amount of personnel reimbursements made available and other charges reached €7.3 million (+€0.2 million).

The revenue collected in virtue of **cemeteries and funeral home concessions** amounted to €9 million, an increase of €0.5 million over one year.

Revenue related to executing **legal decisions** reached €2.8 million, an increase of €1.1 million compared to 2017, due to the recurrence of litigation related to non-authorized tourist rentals.

Revenue from **real estate management** amounted to €2.5 million, a reduction of €0.3 million in comparison to the 2017 AA.

Revenue related to **communication and protocols** (rental of the reception rooms at the Hôtel de Ville, partnerships, brand management) reached €2 million, an increase of €0.3 million over one year.

The reimbursement of **telecommunication and IT service fees** covered by the City on behalf of its public establishments amounted to €2 million (-€0.2 million compared to 2017).

► REVENUE FROM EUROPEAN FUNDS

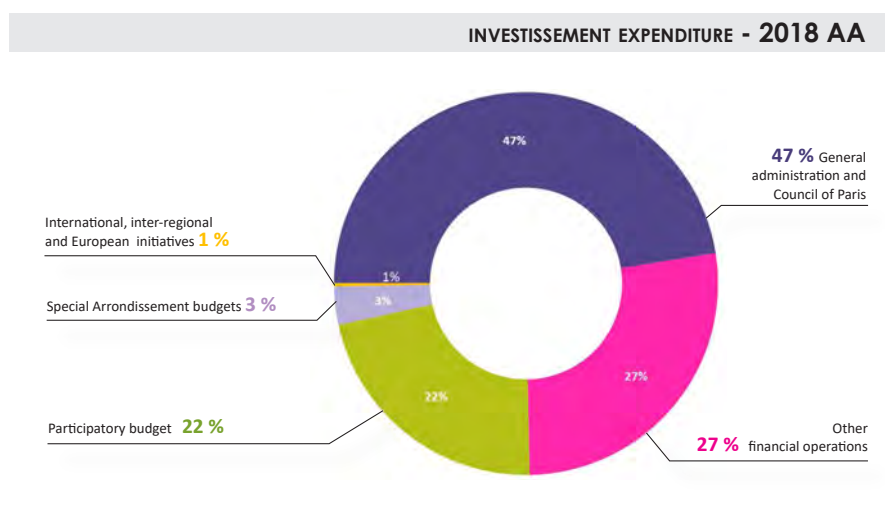
Revenue collected in virtue of the **European social fund (Fonds social européen: FSE)** reached €2.5 million, an increase of €0.3 million compared to 2017. This global subsidy made it possible to finance integration, inequality prevention and return-to-work initiatives for people in unstable situations.

The expected revenue from the **European fund for regional development (FEDER)** in virtue of “Smart and Sustainable Paris” projects (€2.2 million in the 2017 AA, €1.3 million in the 2018 PB) was postponed to 2019, in accordance with the expenditure schedule.

INVESTMENT SECTION

Expenditure

EXPENDITURE CARRIED OUT IN THE “GENERAL SERVICES” CATEGORY AMOUNTED TO €199.6 MILLION, E.G. A DECREASE OF €24.3 MILLION COMPARED TO 2017.



€94.8 million was allocated to expenditure corresponding to the general administration, e.g. an increase of €17.4 million compared to 2017.

Investment expenditure under this category specifically concerned:

- IT and telecommunications for €49.3 million, an increase of €5.5 million compared to 2017. Consequently, €16 million was allocated to the maintenance of IT tools and equipment (including €7.9 million for external maintenance). System upgrades under the framework of the Paris status reform mobilized €7 million. In addition, €5.5 million was earmarked for the data center (e.g. €4 million more than in 2017). Moreover, new and ongoing IT projects mobilized €5.1 million, while €3.6 million was allocated to workstations and IT network infrastructure. Lastly, €2.6 million was earmarked for the telephone network.
- The upkeep and modernization of the City's premises and furniture for €18.1 million, e.g. €2.6 million more than in 2017. Consequently, €4.7 million was earmarked for the modernization of facilities. Standard upgrades in facilities represented an expenditure of €3.4 million. €4.1 million was allocated to rehousing the Civil Engineering and Interior Layout Technical Division (*Section technique du Génie Civil et des Aménagements Intérieurs: STGCAI*) on 11 rue Dupré (18th arrondissement). €1.6 million was earmarked for different studies and €1 million was mobilized for renovations in the premises of the Department of Public Buildings and Architecture (*Direction des Constructions Publiques et de l'Architecture: DCPA*).
- Logistics for €14.9 million. €4.9 million was earmarked for administrative installations (compared to €3.9 million in 2017). €4 million was mobilized in order to transfer agents from the Sully Morland premises to the Bédier location and €3.3 million was earmarked for the installation of the incivility prevention brigade. Lastly, upkeep and renovations in administrative buildings mobilized €1.8 million (e.g. €0.5 million more than in 2017).
- Cemeteries and funeral homes for €3.4 million; €2.4 million of which was specifically dedicated to cemetery renovations (compared to €1.4 million in 2017).

- The financial sector for €2.8 million, including €2.6 million in shares from the City to the Parisian local public society for photography.
- Human resources for €2.3 million, specifically including €1.8 million for the renovation and construction of dining centers and €0.2 million in order to purchase equipment for disabled agents.
- Civic participation for €0.5 million, mainly in order to carry out renovations in community centers.
- Communications for €0.2 million, including €0.1 million dedicated to redesigning the City's graphic charter.

In addition, €3 million resulted from accounting adjustment operations.

€54.3 million was allocated to affiliated financial debt and operations, e.g. €24.2 million less than in 2017. This difference can be mainly explained by the acquisition of the Commodity exchange in 2017, which had resulted in an expenditure of €28 million. The operations from this category focuses on loan repayments, miscellaneous borrowing and incurred interest (€28.5 million), expenditure related to fixed debt (€16.7 million), security deposits (€6.9 million) and shares in the capital of public, semi-public or private establishments.

From an operational point of view, €23.9 million was paid in virtue of shares in joint development zones, €9.4 million was earmarked for financial operations related to the financial account, €9.1 million was spent in order to repay a loan related to the Paris Philharmonic, €4.2 million in virtue of the Paris Rive Gauche city planning operation (Tolbiac – Chevaleret gym), €2.2 million in virtue of the energy partnership contract in schools and €1 million was dedicated to the Paris Green Fund.

€43.6 million was earmarked for projects under the participatory budget.

The Paris participatory budget (*budget participative de Paris: BPP*) mobilized €13.8 million (e.g. €3.5 million more than in 2017). €2.6 million was earmarked for the development of bike paths (compared to €0.9 million in 2017), revitalization projects for working-class neighborhoods mobilized €1.8 million (compared to €1.2 million in 2017) and development projects for the former *Petite Ceinture* railroad for €1.2 million.

The arrondissement's participatory budget (*budget participative d'arrondissement: BPA*) mobilized €22.8 million (e.g. €11.2 million more than in 2017). As such, €6.7 million was spent on projects related to roadwork (compared to €1.2 million in 2017), €5.7 million was earmarked for projects related to education, €3.5 million concerned environmental projects (compared to €2.5 million in 2017), €3.6 million for projects related to youth and sports (compared to €1.4 million in 2017).

The participatory budget for schools (*budget participative des écoles: BPE*) mobilized €7 million, specifically for beautification renovations in schools and the modernization of IT equipment.

€6.2 million was allocated to special arrondissement budgets (ESA) in virtue of the investment endowment, an increase compared to 2017 (€5.4 million) due to the postponement of operations and non-consumed credits to 2018.

Lastly, €0.5 million was earmarked for decentralized cooperation and inter-regional, European and international initiatives, including a subsidy of €0.3 million paid to the United Nation's Green Fund.

Revenue

INVESTMENT REVENUE IN VIRTUE OF GENERAL SERVICES AMOUNTED TO €165.6 MILLION IN 2018, E.G. €56.9 MILLION LESS THAN IN 2017.

€147.1 million was collected in the form of endowments. This entailed the FCTVA for €108.9 million (compared to €132.6 million in 2017) and revenue from police fines paid out by the State for €38.2 million (compared to €33.5 million in 2017).

In addition, €11.5 million was recorded in virtue of the initial payments from transfers with scheduled payments. Consequently, this revenue entry decreased by €31 million compared to 2017, when the amount of revenue recorded was €42.5 million.

€3.1 million was collected in virtue of miscellaneous reimbursements.

€3 million was recorded in virtue of accounting adjustment operations.

The removal of lock-outs related to preemptive procedures activated by the local authority and the transfer of shares to the City's public-private partnerships (*Sociétés d'économie mixte: SEM*) resulted in revenue of €0.9 million.

III/ ADMINISTRATIVE ACCOUNT AND TECHNICAL ENTRIES

1/ DETAILS OF THE BALANCED OPERATIONS

Sections I and II of this report present the City and Department's actual budget, excluding entries balanced in terms of expenditure and revenue, this in order to translate the local authority's concrete financial effort in favor of the different policies conducted. This section discusses the other entries appearing in the 2018 administrative account.

In operations, the main balanced operations include certain operations recorded as expenditure in the departmental budget and as revenue in the municipal budget (departmental bonus paid to agents and elected official collaborator fees) as well as certain operations representing an expenditure in the municipal budget and departmental revenue (reimbursement of the departmental share and the tourism tax collected by the City).

It is also important to note that, compared to actual operational revenue, the administrative account posted €262.5 million in virtue of transfer revenue (in account 775), an amount recorded in operations, but reintegrated into the investment section ⁽¹⁴⁾: **consequently, this amount is presented under investment revenue.**

Added to this was €751.1 million in non-budgeted expenditure and €372 million in non-budgeted revenue, detailed hereafter.

Added to the local authority's actual investment expenditure (€1,346 million) were the following entries in the administrative account :

- €199 million in debt amortization;
- €98.1 million in the municipal budget, corresponding to entries balanced in expenditure and revenue for development operations and the real estate account, in particular;
- €446.6 million in non-budgeted operations (€353.4 million for the City and €93.2 million for the Department), described hereafter;
- €74.6 million in non-budgeted operations within the investment section (€73.9 million for the City and €0.7 million for the Department), allocated to asset-based operations in chapter 041, and described hereafter.

Added to actual investment revenue (€612.9 million) were the following entries in the administrative account:

- €52 million corresponding to the allocation of the previous results from the operational section (€45.6 million for the City and €6.4 million for the Department);
- €375 million in new borrowing (including €1.2 million in other paid-in capital);
- €98.1 million in the municipal budget, corresponding, just like in the expenditure category, to balanced entries for development operations and sales with payment schedules, in particular;
- €825.7 million in non-budgeted operations (€658.5 million for the City and €167.2 million for the department), described below;
- €74.6 million in non-budgeted operations within the investment section (€73.9 million for the City and €0.7 million for the Department), allocated to asset-based operations in chapter 041, and described below.

2/ DEBT-RELATED OPERATIONS

NEGOTIATION DATE	TYPE	LENDER/ EXTENDER OF CREDIT	BORROWED AMOUNT (M€)	VALUEDATE	DUE DATE	LENGTH IN YEARS	INTEREST RATE (%)	SPREAD / TREASURY BOND (IN PB=0,01 %)
23/04/2018	Public bond	CACIB/Natixis/SG	250	30/04/2018	30/04/2035	17	1,481	20
16/08/2018	Private bond	SG	25	23/08/2018	23/08/2047	29	1,72	18
04/09-2018	Private bond	Natixis	50	17/09/2018	17/09/2038	20	1,46	17
26/11/2018	Bank	BEI	25	14/12/2018	14/12/2028	10	0,764	NA
05/12/2018	Bank	CEB	25	14/12/2018	14/12/2028	10	0,50	NA
TOTAL			375		WEIGHTED AVERAGE/ AMOUNT	16,6	1,381	19,4

In 2018, the City of Paris was able to continue to finance itself under particularly interesting conditions while benefiting from a low-interest rate environment and the recognized quality of its signature.

87% of the amounts borrowed in 2018 resulted from bond issues (e.g. €300 million out of €375 million borrowed, including €1.2 million in other paid-in capital).

Consequently, the City carried out public bond issues of €250 million and two private investments for €25 million and €50 million, respectively, undersigned by European insurers.

For the remainder of its financing needs (€50 million, e.g. 13% of borrowing for the fiscal year), the City had recourse to:

- a drawdown on a financing envelope proposed by the European Investment Bank (Banque européenne d'investissement: BEI) meant to finance a selection of projects related to the renovation or construction of schools (€25 million over ten years).

⁽¹⁴⁾ During a transfer, the investment section must record in separate accounts both the release of property sold at its initial purchase value as well as the capital gain/loss achieved. The 775 account from the operational section is used as a pivot account in order to collect revenue without this breakdown. The reallocation to the investment section is carried out through a non-budgeted operation, such as is presented on p. 101 of this report: the initial purchase values (€75 million) and the capital gains (€191.7 million), deducted with the capital losses (€4.2 million), correspond to the recorded revenue (€262.5 million).

- a drawdown on a similar envelope granted by the CEB (Development Bank for the Council of Europe), allocated to renovations in schools as well as refugee and migrant reception centers (Ivry Center in particular). The €25-million operation was carried out at the particularly competitive rate of 0.50% over ten years.

The objective of evenly spreading out the amortization burden and the favorable interest rate environment was conveyed through long-maturity loans. The average length of outstanding debt was maintained at approximately ten years for an average rate of close to 2.10%.

3 / NON-BUDGETED OPERATIONS

Three types of non-budgeted operations were included in specific globalized chapters:

- non-budgeted transfer operations between the operational and investment sections (chapters 040 and 042);
- non-budgeted “asset-based” operations within the investment section (chapter 041);
- the transfer from the operational section (chapter 023) to the investment section (chapter 021).

The non-budgeted operations that occurred in 2018 in the City and Department’s budget were the following (operational and investment):

Chap	CITY	INVESTMENT				OPERATIONAL			
		EXPENDITURE		REVENUE		EXPENDITURE		REVENUE	
		BUDGETARY ENTRIES	CARRIED OUT	BUDGETARY ENTRIES	CARRIED OUT	BUDGETARY ENTRIES	CARRIED OUT	BUDGETARY ENTRIES	CARRIED OUT
040	Non-budgeted transfer operations between sections (investment)	281 064 633	279 482 362	379 379 148	584 572 385	0	0	0	0
042	Non-budgeted transfer operations between sections (operational)	0	0	0	0	379 379 148	584 572 385	281 064 633	279 482 362
041	Asset-based operations	210 161 727	73 873 567	210 161 727	73 873 567	0	0	0	0
021	Transfer from the operational section	0	0	475 107 847	0	0	0	0	0
023	Transfer to the investment section	0	0	0	0	475 107 847	0	0	0
	TOTAL CITY	491 226 360	353 355 930	1 064 648 722	658 445 953	854 486 995	584 572 385	281 064 633	279 482 362
Chap	DEPARTMENT	INVESTMENT				OPERATIONAL			
		EXPENDITURE		REVENUE		EXPENDITURE		REVENUE	
		BUDGETARY ENTRIES	CARRIED OUT	BUDGETARY ENTRIES	CARRIED OUT	BUDGETARY ENTRIES	CARRIED OUT	BUDGETARY ENTRIES	CARRIED OUT
040	Non-budgeted transfer operations between sections (investment)	95 200 000	95 521 899	105 100 000	166 556 940	0	0	0	0
042	Non-budgeted transfer operations between sections (operational)	0	0	0	0	105 100 000	166 556 940	95 200 000	92 521 899
041	Asset-based operations	13 520 683	684 145	13 520 683	684 145	0	0	0	0
021	Transfer from the operational section	0	0	120 751 625	0	0	0	0	0
023	Transfer to the investment section	0	0	0	0	120 751 625	0	0	0
	TOTAL DÉPARTEMENT	108 720 683	93 206 043	239 372 308	167 241 085	225 851 625	166 556 940	95 200 000	92 521 899
	TOTAL OPÉRATIONS D'ORDRE VILLE ET DÉPARTEMENT	559 947 042	446 561 973	1 304 021 029	825 687 037	1 080 338 620	751 129 325	376 264 633	372 004 261

A - BUDGETARY NON-BUDGETED ENTRIES THAT OCCURRED BETWEEN SECTIONS IN 2018 (CHAPTERS 040 AND 042)

Chap	CITY	INVESTMENT		OPERATIONAL	
		EXPENDITURE CARRIED OUT	REVENUE CARRIED OUT	EXPENDITURE CARRIED OUT	REVENUE CARRIED OUT
040	Non-budgeted transfer operations between sections (investment)	279 482 362	584 572 385	0	0
042	Non-budgeted transfer operations between sections (operational)	0	0	584 572 385	279 482 362
DEPARTMENT					
040	Non-budgeted transfer operations between sections (investment)	92 521 899	166 556 940	0	0
042	Non-budgeted transfer operations between sections (operational)	0	0	166 556 940	92 521 899
	TOTAL 040 ET 042	372 004 261	751 129 325	751 129 325	372 004 261

These entries mainly focused on:

1. ENDOWMENTS WITH AMORTIZATIONS AND PROVISIONS

Amortizations of fixed assets were attributed to chapters 68 (endowments with amortizations and provisions) in operational expenditure and 28 (amortization of fixed assets) in investment revenue.

In 2018, the amortization of property acquired since 1997 and the amortization of capital grants (paid between 1997 and 2017 to the City and between 2003 and 2017 to the Department) were carried out **for a total amount of €454.5 million including €349.5 million in the municipal budget and €105 million in the departmental budget.**

In addition, **the amortization of the bond repayment premiums** allocated to chapters 68 in operational expenditure and 16 in investment revenue for the municipal budget corresponded to the annual amortization, over the duration of bond issues, of the other paid-in capital determined when they were issued (bonds being issued below value).

Eighteen issues carried out since 2005 (annual amortization over the duration of the loan) justified an expenditure of €1.7 million in 2018:

- V523 - HSBC Natixis (€160 million in December 2007)
- V527 - HSBC Natixis (€155 million in December 2008)
- V529 - HSBC Natixis (€200 million in June 2009)
- V533 - HSBC (€100 million in December 2010)
- V534 - HSBC Natixis Société Générale (€140 million in December 2010)
- V538 - Goldman Sachs (€100 million in November 2011)
- V541 - Deutsche Bank (€100 million in April 2012)
- V557 - Natixis (€50 million tap issue in October 2013)
- V561 - HSBC private investment (€50 million in April 2014)
- V562 - Schuldschein Helaba (€25 million over 9 years in April 2014)
- V563 - Schuldschein Helaba (€25 million over 15 years in April 2014)
- V566 - HSBC investment (€70 million over 17 years in July 2014)
- V569 - Schuldschein Helaba (€40 million over 10 years in December 2014)
- V574 - Goldman Sachs private investment (€40 million tap issue over 15 years in October 2015)
- V579 - "Climate Bond" Public bond issue HSBC, Crédit Agricole and Société Générale (€300 million over 15 years in November 2015)
- V581 - HSBC Natixis Citi (€300 million over 16 years in April 2016)
- V593 - HSBC Société Générale CACIB (€300 million over 16 years in January 2017)
- V596 - HSBC Société Générale CACIB (€320 million over 17 years in November 2017)

Lastly, in accordance with the 2018 DFA 24, 2018 DFA 78, 2018 DFA 9G and 2018 DGA 26G deliberations related to the terms and conditions for the constitution and reversal of provisions voted on in the 2018 June and November sessions, provisions for risks and charges were the subject of a supplementary provision in the amount of €13.7 million and a reversal of €4.1 million. **Consequently, established provisions went from €21.4 million to €31.1 million in the municipal budget and from €0.3 million to €0.2 million in the departmental budget.**

Provisions for questionable outstanding debt were the subject of a supplementary provision in the amount of €17.2 million and a reversal in the amount of €4.9 million. These entries made it possible to adjust provisions thanks to the coordination carried out by Regional Department of Public Finances (Direction Régionale des Finances Publiques: DRFiP). **Consequently, established provisions went from €48.5 million to €53.7 million in the municipal budget and from €18.7 million to €25.7 million in the departmental budget.**

Provisions for the depreciation on financial fixed assets were the subject of a supplementary provision in the amount of €5.2 million. **Consequently, established provisions went from €0.5 million to €4.3 million in the municipal budget and to €1.3 million in the departmental budget.**

Provisions were posted in chapters 68 under operational expenditure and 15, 29 and 49 under investment revenue.

2. THE TRANSFER OF FIXED ASSETS

The transfer of fixed assets **was only budgeted under revenue in the investment section** (chapter 024), but was carried out in both the operational and investment sections.

CONSEQUENTLY, IN THE OPERATIONAL SECTION, THE FOLLOWING WAS RECORDED :

- in expenditure : **the net accounting value for transferred fixed assets (€47 million in the municipal budget and €28 million in the departmental budget), as well as capital gains earned (€158.6 million in the municipal budget and €33.6 million in the departmental budget), e.g. a total of €267.2 million.**
- in revenue: **capital losses were recorded in the amount of €4.7 million in the municipal budget.**

IN THE INVESTMENT SECTION, THE FOLLOWING WAS RECORDED :

- in revenue : **the asset write-off for transferred fixed assets (chapters 21 and 26) as well as the capital gains earned for €205.6 million in the municipal budget and €61.6 million in the departmental budget, e.g. a total of €267.2 million;**
- in expenditure : **capital losses were recorded in the amount of €4.7 million in the municipal budget.**

The main fixed-asset transfers in terms of real estate carried out in 2018 concerned :

- The Morland administrative building (4th) €133.2 million
(Municipal budget: €71.7 million and departmental budget: €61.5 million)
- Porte d'Aubervilliers/Place Skanderberg easements (19th) €26.2 million

- Building 74/78 bd Vincent Auriol (13th) €22.8 million
- Building 32 quai de Clichy – Clichy La Garenne (92) €16.1 million
- Building 45/49 quai de Valmy (10th) €14.6 million
- Building 153/161 rue Nationale lot 1001 (13th) €5.3 million
- Building 49/53 blvd Ménilmontant (11th) €5.1 million
- Land parcels on avenue du Cimetière – Saint-Ouen (93) €4.3 million
- Building 153/161 rue Nationale lots 1002-1005 (13th) €1.6 million

The transfer with a 2018 payment schedule concerned :

- Land parcel at 101 rue François Hanriot in Nanterre (92) €2.5 million

The transfer of shares in 2018

The City of Paris transferred a 10% share in the SPLA Paris Batignolles Aménagement (Local Development Public Company) to the Greater Paris Metropolis for an amount of €0.6 million. The Greater Paris Metropolis's inclusion in the SPLA Paris Batignolles Aménagement's capital was accompanied by a transformation of the company into a Local Public Company (Société Publique Locale: SPL) whose new title is Paris & Métropole Aménagement.

3. TRANSFERABLE CAPITAL GRANTS

Transferable capital grants included chapter 13 (capital grant) under investment expenditure and chapter 77 (one-time revenue) under operational revenue. Paid capital grants were recovered in the operational section and amortized.

For the municipal budget, this mainly entailed real estate acquisitions free of charge **in the amount of €41.1 million**.

For the departmental budget, this entailed capital grants paid by the State under the framework of the delegation of housing expertise **for an amount of €85.6 million**.

In addition, the department's equipment endowment for middle schools (Dotation départementale d'équipement des collèges: DDEC) is the yearly subject of a reversal, which is at least equal to the endowment for amortizations for school buildings **(€6.9 million)**.

4. IN HOUSE CONSTRUCTION WORK

The operation consists in re-allocating equipment purchases and personnel charges, which made it possible for municipal agents to transform raw materials into capitalized property, under investment expenditure in chapters 21 or 23 (expenditure) (for €1.9 million in the municipal budget in 2018).

B - ASSET-BASED OPERATIONS (CHAPTER 041)

	Chap	TITLES	INVESTMENT	
			EXPENDITURE CARRIED OUT	REVENUE CARRIED OUT
City	041	Asset-based operations	73 873 567	73 873 567
Dept	041	Asset-based operations	684 145	684 145
TOTAL 041			74 557 712	74 557 712

These entries corresponded to accounting entries balanced in terms of expenditure and revenue within the investment section.

In the municipal budget, this mainly entailed :

- **repaying advances paid under the framework of contracting authority delegations** for €25.8 million (chapter 23), specifically including €19.6 million in virtue of the redevelopment of Les Halles.

- **acquiring public easements** free of charge for €20.6 million (expenditure chapter 21 and revenue chapter 13). This mainly concerned :

- The Bédier Ouest Joint Development Zone (13th) €13.2 million
- The Claude Bernard Joint Development Zone (19th) €5.2 million
- The Parc du Millénaire (19th) €1.4 million

- **incorporating research and listing fees into construction expenditure** for €8.6 million (expenditure chapters 21 and 23 and revenue chapter 20). In 2018, research and listing fees followed by investments effectively carried out were transferred under expenditure executed in 2016 and 2017. These accounting entries made it possible to incorporate nearly €9 million under the scope of investment expenditure eligible for the FCTVA, which created €1.4 million in revenue for 2019.

- **reinstating the annual share of capitalized rents** for €11.2 million (expenditure chapter 16 and revenue chapter 1068). The annual share of rents capitalized in 2016 and 2017 corresponding to the 2018 annuity, which was €6.7 million and €4.5 million, respectively, was reinstated.

- **incorporating investment expenditure for special arrondissement budgets in municipal holdings** in 2018, for an amount of €6.2 million (expenditure chapters 20 and 21 and revenue chapter 23).

In addition, a **bond issue** carried out in 2018 resulted in paid-in capital for an amount of €1.2 million (V598 Natixis, Crédit Agricole and Société Générale €300-million loan in April 2018).

In the departmental budget, this mainly entailed entries **incorporating research and listing fees into construction expenditure for €0.4 million and the repayment of advances paid** on agreements for €0.3 million.

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

The 2018 budgetary projection in virtue of the transfer from the operational section to the investment section was €595.9 million, including €475.1 million in the municipal budget and €120.8 million in the departmental budget. This transfer contributes to the self-financing generated in virtue of the fiscal year in question and specifically makes it possible to ensure the repayment of debt annuities in capital. These budgetary entries are not the subject of any budgetary execution.

4) PROGRAMMED AUTHORIZATIONS (AUTORISATIONS DE PROGRAMME: AP)

On December 31, 2018, ongoing programmed authorizations represented €14 billion. The €1.5-billion AP limit corresponding to completed operations was recorded in the administrative account, bringing the ongoing programmed authorization balance at the end of 2018 to €12.5 billion.

€1.4 billion was mandated for programmed authorizations (real credits and non-budgeted operations) in 2018, bringing the total of accumulated mandates for the ongoing programmed authorizations at the end of 2018 to €9 billion.

	GROSS AP STOCK ON 31/12/2018	RECORDED AP LIMITS	GROSS AP BALANCE ON 31/12/2018	PERENNIAL MANDATES ON ACCUMULATED APS AT THE END OF 2018	INCLUDING MANDATES ISSUED IN 2018
City	12 027 613 061,68	1 462 060 923,05	10 565 552 138,63	7 792 577 162,24	1 246 284 562,43
Department	2 013 825 142,63	59 424 263,56	1 954 400 879,07	1 245 257 361,75	197 755 321,57
COMBINED	14 041 438 204,31	1 521 485 186,61	12 519 953 017,70	9 037 834 523,99	1 444 039 884,00

2018 ADMINISTRATIVE ACCOUNT FOR THE CITY

FINANCIAL BALANCE

OPERATIONAL SECTION

EXPENDITURE

ACTUAL OPERATIONS

Chapters 011, 012, 65, 656, 014	4 632 465 675,50
66 Financial charges	137 647 075,02
67 Specific charges	10 429 923,15
Total actual expenditure	4 780 542 673,67
Balance of actual operations	

NON-BUDGETED OPERATIONS FROM SECTION TO SECTION

Total non-budgeted expenditure	584 572 385,25
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TOTAL (ACTUAL AND NON-BUDGETED OPERATIONS) 5 365 115 058,92

REVENUE

ACTUAL OPERATIONS

Accounts 70 to 75 + 013	5 227 990 363,67
76 Financial revenue	20 715 966,08
77 Specific revenue	201 829 607,18
Total actual and mixed revenue	5 450 535 936,93
669 993 263,26	

NON-BUDGETED OPERATIONS FROM SECTION TO SECTION

Total non-budgeted expenditure	279 482 362,44
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TOTAL (ACTUAL AND NON-BUDGETED OPERATIONS) 5 730 018 299,37

OPERATIONAL RESULT FROM THE YEAR

002 Deferred previous deficit	0,00
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TOTAL OPERATIONAL RESULT (BEFORE ASSIGNMENT)

SURPLUS 364 903 240,45

002 Deferred previous surplus	326 132 282,38
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SURPLUS 691 035 522,83

INVESTMENT SECTION

EXPENDITURE

ACTUAL OPERATIONS

Financial expenditure

10 Endowments and miscellaneous funds	3 531 273,04
13 Subsidies	3 859 768,09
16 16 Loan repayments (excluding revolving credit)	227 695 283,03
16449 Revolving credit	0,00

26 Shares	3 875 691,00
27 Other financial fixed assets	23 296 419,88

Capital expenditure

20 Intangible fixed assets	35 746 847,00
204 Capital grants paid	285 612 397,18
21 Tangible fixed assets	261 794 847,72
23 Ongoing fixed assets	570 226 109,96

45 Operations for third-party accounts	29 614 106,60
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Total actual expenditure	1 445 252 743,50
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SELF-FINANCING NEED (EXPENDITURE - REVENUE) 547 512 247,81

NON-BUDGETED OPERATIONS WITHIN THE SECTION

Total	73 873 567,42
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NON-BUDGETED OPERATIONS FROM SECTION TO SECTION

Total	279 482 362,44
Total (actual and non-budgeted operations)	1 724 735 129,86

TOTAL INVESTMENT EXPENDITURE 1 798 608 673,36

INVESTMENT RESULT FROM THE YEAR

001 Deferred previous deficit	0,00
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TOTAL INVESTMENT RESULT

REVENUE

ACTUAL OPERATIONS

Own resources from external origins

10 Endowments and miscellaneous funds (except 1068)	124 207 143,74
138 Non-assigned investment subsidies	0,00
27 Loan repayments	33 009 764,72

Other definitive external resources

20 Intangible fixed assets	5 525,12
204 Capital grants	0,00
21 Tangible fixed assets	47 602,49
23 Ongoing fixed assets	423 995,05
26 Share transfers and related outstanding debt	0,00
13 (except 138) Investment subsidies	61 595 056,46

Other non-definitive external resources

163 Bond issues	323 842 500,00
164 Loans with credit establishments (excluding revolving credit) †	50 000 000,00
16449 Revolving credit	0,00
165 Security deposits received	56 986,64
168 Other loans and assimilated debt	274 818 952,19

45 Operations for third-party accounts	29 732 969,28
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Total actual revenue	897 740 495,69
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NON-BUDGETED OPERATIONS WITHIN THE SECTION

Total	73 873 567,42
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NON-BUDGETED OPERATIONS FROM SECTION TO SECTION

Total	584 572 385,25
Total (actual and non-budgeted operations)	1 556 186 448,36
R1068 Last year's assignment	6 362 467,13

TOTAL INVESTMENT REVENUE 1 562 548 915,49

DEFICIT

001 Deferred previous surplus	30 802 268,67
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DÉFICIT -205 257 489,20

2018 ADMINISTRATIVE ACCOUNT FOR THE DEPARTMENT

FINANCIAL BALANCE

OPERATIONAL SECTION		REVENUE	
EXPENDITURE		REVENUE	
ACTUAL AND MIXED OPERATIONS		ACTUAL AND MIXED OPERATIONS	
Chapters 011, 012, 65, 6586, 014	2 546 349 662,26	Accounts 70, 73, 731, 74, 75, 013	2 759 792 006,73
016 APA	133 157 373,14	016 APA	10 326 112,51
015/017 RSA	406 482 132,26	015/017 RSA	265 074 496,54
66 Financial charges		76 Financial revenue	214 901,46
67 Specific charges	1 722 695,62	77 Specific revenue	62 729 010,39
68 Endowments with provisions	8 406 025,00	78 Reversals on provisions	107 672,00
Total actual and mixed expenditure	3 096 117 888,28	Total actual and mixed revenue	3 098 244 199,63
BALANCE FOR ACTUAL AND MIXED OPERATIONS		2 126 311,35	
NON-BUDGETED OPERATIONS FROM SECTION TO SECTION		NON-BUDGETED OPERATIONS FROM SECTION TO SECTION	
Total non-budgeted expenditure	166 556 939,96	Total non-budgeted revenue	92 521 898,59
TOTAL (ACTUAL AND NON-BUDGETED OPERATIONS)	3 262 674 828,24	TOTAL (ACTUAL AND NON-BUDGETED OPERATIONS)	3 190 766 098,22
OPERATIONAL RESULT FOR THE YEAR		DEFICIT	
002 Deferred previous deficit	0,00	002 Deferred previous surplus	120 584 234,11
TOTAL OPERATIONAL RESULT (BEFORE ASSIGNMENT)		SURPLUS	48 675 504,09
INVESTMENT SECTION		REVENUE	
EXPENDITURE		REVENUE	
ACTUAL OPERATIONS		ACTUAL OPERATIONS	
DEPARTMENTAL CAPITAL (DIRECT INVESTMENTS)	44 696 416,21	10 (except 1068) Own funds from external origins	5 328 958,43
Capital grants		Capital grants	
20 Intangible fixed assets	820 725,56	20 Intangible fixed assets	0,00
21 Tangible fixed assets	2 976 167,40	23 Ongoing fixed assets	8 187,89
23 Ongoing fixed assets	38 806 794,33	27 Other financial fixed assets	4 959 050,00
018 RSA	2 092 728,92	274 Loan repayments	208 611,24
NON-DEPARTMENTAL CAPITAL	136 921 582,51	018 RSA	0,00
204 Capital grants paid	136 921 582,51	13 Capital grants received	131 566 097,84
45 Construction for third-party accounts	12 569 938,85	165 Security deposits received	0,00
Financial expenditure		204 Capital grants paid	0,00
13 Subsidies	23 184,00	45 Third-party shares in work carried out for their behalf	4 041 574,82
165 Security deposits	0,00	Total actual revenue	146 112 480,22
26 Shares	844 200,00		
27 Other financial fixed assets	2 700 000,00		
10 Endowments and miscellaneous funds	0,00		
Total actual expenditure	197 755 321,57		
SELF-FINANCING NEED (EXPENDITURE - REVENUE)		51 642 841,35	
NON-BUDGETED OPERATIONS WITHIN THE SECTION		NON-BUDGETED OPERATIONS WITHIN THE SECTION	
Total	684 144,73	Total	684 144,73
NON-BUDGETED OPERATIONS FROM SECTION TO SECTION		NON-BUDGETED OPERATIONS FROM SECTION TO SECTION	
Total	92 521 898,59	Total	166 556 939,96
Total (actual and non-budgeted operations)	290 961 364,89	Total (actual and non-budgeted operations)	313 353 564,91
		R1068 Last year's assignment	45 646 114,71
TOTAL DÉPENSES D'INVESTISSEMENT	290 961 364,89	TOTAL RECETTES D'INVESTISSEMENT	358 999 679,62
INVESTMENT RESULT FOR THE YEAR		SURPLUS	
001 Déficit antérieur reporté	44 434 120,54	001 Excédent antérieur reporté	0,00
TOTAL INVESTMENT RESULT		SURPLUS	23 604 194,19

2012- 2018 CONSOLIDATED FINANCIAL BALANCES CITY AND DEPARTMENT OF PARIS FROM THE 2012 AA TO THE 2018 AA

IN MILLIONS OF EUROS

	CA 2012	CA 2013	CA 2014	CA 2015	CA 2016	CA 2017	CA 2018	Variation 2017/2018
Current operational revenue	7 874	7 878	8 076	7 889	8 237	8 377	8 465	1%
Current administrative charges	7 038	7 213	7 398	7 529	7 551	7 630	7 717	1%
ADMINISTRATIVE SAVINGS	836	665	678	360	686	747	748	0,1%
Financial balance	-79	-92	-97	-99	-105	-112	-117	4%
Total actual operational revenue	7 895	7 897	8 107	7 914	8 264	8 399	8 486	1%
Total actual operational expenditure	7 138	7 325	7 527	7 653	7 683	7 764	7 855	1%
GROSS SAVINGS	757	573	581	261	581	635	631	-1%
Loan repayments (with revolving credit)	200	200	197	200	200	197	199	1%
NET SAVINGS	577	373	384	61	381	438	432	-1%
Actual investment revenue	577	671	686	621	538	466	613	32%
FINANCING CAPACITY FOR INVESTMENTS	1 334	1 243	1 266	882	1 118	1 101	1 244	13%
Actual investment expenditure	1 662	1 740	1 529	1 397	1 629	1 408	1 346	-4%
Financing need	528	697	460	715	710	504	301	-40%
New loans	470	630	510	741	681	793	374	-53%
Working capital on 1/1	288	230	163	213	233	202	485	141%
Variation in working capital	-58	-67	50	20	-30	283	73	-74%
Working capital on 12/31	230	163	213	233	202	485	558	15%
Outstanding debt on 1/1	2 892	3 219	3 655	4 120	4 640	5 159	5 721	11%
Outstanding debt on 12/31	3 219	3 655	4 120	4 640	5 159	5 721	5 922	4%
Variation in the outstanding debt	237	436	466	520	518	562	201	-64%
Financing capacity	80,3%	71,4%	82,8%	63,1%	68,7%	78,2%	92,4%	18%

PRINCIPAL FINANCIAL RATIOS FOR THE PARISIAN LOCAL AUTHORITY (CITY AND DEPARTMENT)

	CA 2012	CA 2013	CA 2014	CA 2015	CA 2016	CA 2017	CA 2018
1. NET SAVINGS RATE							
Net savings / Actual operational revenue	7,1%	4,7%	4,7%	0,8%	4,6%	5,2%	5,1%
<i>measures the municipality's ability to conserve a positive net savings.</i>							
2. DEBT INDICATORS							
Outstanding debt in capital / Actual operational revenue	40,8%	46,3%	50,8%	58,6%	62,4%	68,1%	69,8%
Outstanding debt in capital / Gross savings	4,3	6,4	7,1	17,8	8,9	9,0	9,4
<i>numbers of years necessary for the repayment of the debt's capital.</i>							
Outstanding debt in capital / Population (in euros)	1 426	1 611	1 811	2 040	2 288	2 537	2 639
3 . RIGIDITY INDICATOR FOR STRUCTURAL CHARGES							
Personnel charges / Actual operational revenue	26,7%	26,7%	27,2%	28,1%	27,3%	29,9%	28,2%
<i>measures the leeway in terms of expenditure reductions.</i>							
4 . MOBILIZATION COEFFICIENT FOR TAX POTENTIAL (CITY ONLY)							
Revenue from direct contributions 4 taxes (TH, TFB, TFNB, TP followed by CVAE) / Tax potential 4 taxes	53,6%	53,1% ⁽¹⁾	53,3%	52,4%	53,8%	43,5% ⁽²⁾	44,6%
<i>measures the fiscal leeway (possibility of increasing the rate and thereby the revenue).</i>							
5 . TAX EFFORT (CITY ONLY)							
Revenue from direct contributions 3 taxes (TH, TFB, TFNB) / Tax potential 3 taxes	45,2%	45,0%	44,9%	44,8%	44,8%	44,7%	45,5%
<i>measures the fiscal leeway for household taxes (possibility of increasing the rate and thereby the revenue).</i>							

⁽¹⁾ The 2013 tax potential mobilization coefficient ratio was corrected in order to reduce the GIR with holding in the municipal section, following the professional tax reform.

⁽²⁾ For 2017, the tax potential mobilization coefficient was modified in application of article R2313-2 from the CGCT, due to the creation of the Greater Paris Metropolis in 2016.

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.

MAIRIE DE PARIS

DIRECTION DE L'INFORMATION
ET DE LA COMMUNICATION

DIRECTION DES FINANCES ET DES ACHATS

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