



DIRECTION DES FINANCES ET DES ACHATS

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# FINANCIAL REPORT

**20  
19**

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YEAR

2019

JUNE **2020**



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# FOREWORD

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More than ever, the 2019 administrative account illustrates the relevance and efficacy of the budgetary strategy that has been continuously implemented since 2014. Throughout the term of office, and into this year, we have been committed to stabilizing direct taxes in favor of Parisians' buying power and implementing an ambitious investment program in favor of improving ecological transition, public services and the quality of the living environment.

Our constant search for balance in the level of expenditure for the administration's daily operational needs allowed us to reach this budgetary exemplarity. Consequently, personnel expenditure increased by 1.1%. Moreover, we benefited from the ongoing momentum of operational revenue while guaranteeing, in accordance with the Mayor's promise in 2014, the stability of the tax rate for local direct taxes. In Paris, the residential tax rate remained stable at 13.38% compared to more than 25.5% on average in cities with over 100,000 inhabitants.

**"€1.57 BILLION WAS DEDICATED TO INVESTMENTS IN FAVOR OF ADAPTING THE CITY TO THE CLIMATE CRISIS, STRENGTHENING PUBLIC SERVICES FOR PARISIANS AND PREPARING THE CITY OF TOMORROW."**

However, 2019 was historic since it was the first year in which equalization expenditure (€607 million) was higher than the endowments and compensation received from the State (€601 million). It is important to remember that equalization expenditure, without denying its redistributing importance, went from €86 million in 2010 to €607 million while in parallel the overall operational endowment from the State decreased over the same period, from €1,263 million to €73 million.

€1.57 billion was dedicated to investments in favor of adapting the city to the climate crisis, strengthening public services for Parisians and preparing the city of tomorrow. This investment program has turned Paris into a city that is even more community-oriented, attractive and resilient.

The efficient management of operational expenditure made it possible to continue to guarantee the full supportability of the financing of our investments, with a self-financing over 75%, allowing us to decrease total outstanding debt (-€39 million).

Consequently, the City easily respected the clauses of the financial contract concluded in the summer of 2018 with the State, with a 0.24%-increase over one year for operational expenditure (excluding equalization) compared to the authorized 1.14% and an 8.77-year debt reduction period for the local authority, which is well below the 12-year cap set by the law.

In keeping with previous fiscal years, we have kept our promises in favor of Paris

**Emmanuel GRÉGOIRE**

*Senior Deputy Mayor of Paris  
In charge of Architecture, Urban Planning, Grand Paris,  
transformation of public policies  
and relations with arrondissements.*

The table below presents the key figures by accounting since 2013

In M€	2013 AA	2014 AA	2015 AA	2016 AA	2017 AA	2018 AA	2019 AA	Change 2019-2018
Direct Contributions	3 456	3 293	3 533	3 559	3 640	3 680	3 736	1,5%
Including tax payouts from the Greater Paris Metropolis				527	527	527	525	-0,3%
Including tax payouts from the Ile-de-France region					475	475	475	0,0%
Direct contributions excluding tax payout				3 032	2 638	2 677	2 736	2,2%
Household waste removal tax	446	451	458	467	471	479	487	1,8%
Street-sweeping tax	104	104	104	104	104	104	104	-0,2%
Indirect tax revenue	1 124	1 293	1 272	1 532	1 709	1 663	1 774	6,7%
Including parking fees *	63	64	110	109	107			
Including tax on electricity (City + Department)	74	70	68	69	71	69	67	-1,8%
Including real estate tax (DMTO+TADE)	918	1 089	1 016	1 274	1 441	1 505	1 587	5,5%
Including other taxes	69	69	78	81	89	90	120	33,2%
<b>TAXES</b>	<b>5 130</b>	<b>5 141</b>	<b>5 367</b>	<b>5 663</b>	<b>5 925</b>	<b>5 926</b>	<b>6 101</b>	<b>3,0%</b>
Personal Autonomy Allowance Compensation (CNSA)	12	10	7	18	17	10	5	-47,7%
Welfare Compensation (TICPE + FMDI)	260	259	259	259	259	258	258	0,0%
Other compensations (including TSCA)	72	86	86	85	96	96	100	4,3%
<b>COMPENSATION FOR PROFESSIONAL TRANSFERS</b>	<b>344</b>	<b>355</b>	<b>353</b>	<b>362</b>	<b>372</b>	<b>364</b>	<b>363</b>	<b>-0,1%</b>
Overall operational endowment (DGF)	1 227	1 134	930	283	124	100	73	-26,7%
Compensation paid by the Greater Paris Metropolis				453	453	453	453	0,0%
Compensation endowments (DCTP, DCTH, DCTF)	48	44	47	43	45	45	57	27,7%
Other endowments (DGD, DSI)	16	16	16	16	16	20	17	-15,3%
<b>ENDOWMENTS</b>	<b>1 291</b>	<b>1 194</b>	<b>993</b>	<b>795</b>	<b>639</b>	<b>618</b>	<b>601</b>	<b>-2,8%</b>
<b>SUBSIDIES AND SHARES <sup>1</sup></b>	<b>213</b>	<b>238</b>	<b>288</b>	<b>265</b>	<b>318</b>	<b>287</b>	<b>288</b>	<b>0,3%</b>
License fees paid by licensees	213	204	202	196	210	206	214	4,3%
License fees and usage revenue from the public domain <sup>(2)</sup>	67	74	78	81	88	112	115	3,3%
Shares from Parisian users	168	167	175	175	174	171	170	-0,6%
Including parking fees *						233	237	1,8%
<b>OPERATING REVENUE</b>	<b>449</b>	<b>445</b>	<b>455</b>	<b>453</b>	<b>471</b>	<b>721</b>	<b>736</b>	<b>2,2%</b>
<b>SURPLUS FROM JOINT DEVELOPMENT ZONES</b>	<b>0</b>	<b>213</b>	<b>12</b>	<b>2</b>	<b>59</b>	<b>35</b>	<b>42</b>	<b>22,3%</b>
Rental revenue (Building revenue)	189	197	170	479	400	337	244	-27,4%
Collections on beneficiaries	86	89	90	81	47	35	32	-9,1%
Construction for third parties	45	61	42	11	8	2	3	73,2%
ESA refund	36	32	28	25	29	33	29	-11,9%
Other revenues	96	111	92	101	109	107	130	21,5%
<b>TOTAL MISCELLANEOUS ONGOING OPERATIONAL REVENUE</b>	<b>451</b>	<b>489</b>	<b>421</b>	<b>697</b>	<b>592</b>	<b>514</b>	<b>439</b>	<b>-14,6%</b>
<b>ONGOING OPERATIONAL REVENUE</b>	<b>7 878</b>	<b>8 076</b>	<b>7 889</b>	<b>8 237</b>	<b>8 377</b>	<b>8 465</b>	<b>8 571</b>	<b>1,3%</b>
<b>PAYROLL</b>	<b>2 111</b>	<b>2 209</b>	<b>2 227</b>	<b>2 252</b>	<b>2 324</b>	<b>2 396</b>	<b>2 424</b>	<b>1,1%</b>
<b>GENERAL CHARGES</b>	<b>823</b>	<b>821</b>	<b>815</b>	<b>776</b>	<b>768</b>	<b>802</b>	<b>792</b>	<b>-1,2%</b>
Social welfare, including:	848	845	855	850	817	837	811	-3,1%
Social welfare for children	324	307	301	290	295	288	261	-9,5%
Social welfare for people with disabilities (PCH, ACTP)	65	70	72	79	77	78	76	-2,3%
Housing assistance for people with disabilities	142	146	154	162	150	156	160	2,5%
Personalized autonomy allowance (APA)	133	135	140	128	135	133	131	-1,3%
Housing assistance for the elderly	146	149	148	144	116	107	105	-2,4%
Welfare, future contracts	381	399	411	416	404	401	401	0,0%
including welfare allowance share	318	337	355	362	354	359	364	1,3%
Contribution to the City of Paris's Social Action Center	314	313	312	344	353	356	368	3,4%
<b>TOTAL SOCIAL WELFARE</b>	<b>1 543</b>	<b>1 558</b>	<b>1 578</b>	<b>1 611</b>	<b>1 574</b>	<b>1 594</b>	<b>1 580</b>	<b>-0,9%</b>
<b>SUBSIDIES AND SHARES</b>	<b>527</b>	<b>526</b>	<b>551</b>	<b>538</b>	<b>527</b>	<b>532</b>	<b>548</b>	<b>3,0%</b>
Police prefecture	290	292	285	284	287	216	218	1,1%
Contribution to IDFM	367	374	378	382	385	388	392	1,1%
Contribution to SYCTOM	119	126	119	107	104	113	98	-13,3%
<b>CONTRIBUTIONS</b>	<b>776</b>	<b>791</b>	<b>782</b>	<b>773</b>	<b>776</b>	<b>716</b>	<b>708</b>	<b>-1,1%</b>

\* Following a legal change, from 2018 Parking fees were removed from Taxes and moved into Operating Revenue

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

<sup>2</sup> Fees & income for use of public property : including duties for roads and terraces

In M€

	2013 AA	2014 AA	2015 AA	2016 AA	2017 AA	2018 AA	2019 AA	Change 2019-2018
Solidarity fund for municipalities in the Ile-de-France region (FSRIF)	131	141	151	161	171	181	198	9,1%
DMTO equalization fund (stamp duty)	88	81	97	91	118	135	168	24,8%
Municipal equalization fund (FPIC)	67	116	157	184	174	187	192	2,8%
CVAE equalization fund	16	18	24	28	28	19	19	0,1%
Solidarity fund for departments in the Ile-de-France region (FSDIF)		27	27	28	28	28	30	8,9%
<b>EQUALIZATION EXPENDITURE</b>	<b>302</b>	<b>383</b>	<b>456</b>	<b>491</b>	<b>520</b>	<b>549</b>	<b>607</b>	<b>10,5%</b>
<b>NATIONAL FUND FOR THE INDIVIDUAL GUARANTEE OF REVENUE (FNGIR)</b>	<b>898</b>	<b>898</b>	<b>898</b>	<b>898</b>	<b>898</b>	<b>898</b>	<b>898</b>	<b>0,0%</b>
<b>OTHER ONGOING ADMINISTRATIVE CHARGES</b>	<b>234</b>	<b>211</b>	<b>222</b>	<b>212</b>	<b>243</b>	<b>228</b>	<b>233</b>	<b>2,0%</b>
<b>ONGOING ADMINISTRATIVE CHARGES</b>	<b>7 213</b>	<b>7 398</b>	<b>7 529</b>	<b>7 551</b>	<b>7 630</b>	<b>7 717</b>	<b>7 790</b>	<b>0,9%</b>
<b>ADMINISTRATIVE SAVINGS (OPERATIONAL SURPLUS)</b>	<b>665</b>	<b>678</b>	<b>360</b>	<b>687</b>	<b>747</b>	<b>748</b>	<b>782</b>	<b>4,5%</b>
Financial revenue	19	31	25	27	22	21	29	38,7%
Financial charges	112	128	124	133	134	138	140	1,7%
<b>FINANCIAL BALANCE</b>	<b>-93</b>	<b>-97</b>	<b>-99</b>	<b>-106</b>	<b>-112</b>	<b>-117</b>	<b>-111</b>	<b>-4,9%</b>
<b>TOTAL ACTUAL OPERATIONAL REVENUE</b>	<b>7 897</b>	<b>8 107</b>	<b>7 914</b>	<b>8 264</b>	<b>8 399</b>	<b>8 486</b>	<b>8 601</b>	<b>1,4%</b>
<b>TOTAL ACTUAL OPERATIONAL EXPENDITURE</b>	<b>7 325</b>	<b>7 527</b>	<b>7 653</b>	<b>7 683</b>	<b>7 764</b>	<b>7 855</b>	<b>7 930</b>	<b>1,0%</b>
<b>GROSS SAVINGS</b>	<b>573</b>	<b>581</b>	<b>261</b>	<b>581</b>	<b>635</b>	<b>631</b>	<b>671</b>	<b>6,3%</b>
Subsidies and endowments received	352	352	356	279	299	323	253	-21,7%
- including investment subsidies received	156	143	102	127	133	176	140	-20,5%
- including police fines	32	33	35	37	33	38	0	-99,3%
- including FCTVA	149	168	209	115	133	109	113	3,7%
Revenue from the transfer of fixed assets	122	122	156	173	100	262	234	-10,9%
Operations for third parties	24	22	27	9	6	10	18	88,8%
Loan repayments	72	15	19	13	5	1	8	799,4%
Other financial fixed assets	66	168	57	43	8	17	0	-98,5%
Other actual investment revenue	34	6	7	21	48	1	2	223,4%
<b>ACTUAL INVESTMENT REVENUE</b>	<b>671</b>	<b>686</b>	<b>621</b>	<b>538</b>	<b>466</b>	<b>613</b>	<b>515</b>	<b>-16,0%</b>
Intangible fixed assets	13	10	11	22	26	37	48	30,2%
Capital grants	507	455	377	460	349	400	423	5,9%
Acquisitions	206	213	244	401	320	193	250	29,0%
including Real Estate Account	131							
Construction	949	800	626	619	570	608	680	11,9%
Operations for third parties	23	20	4	15	20	42	45	7,9%
Loans granted	0		6		9		7	
Other actual investment expenditure	41	31	129	111	113	66	116	73,8%
<b>ACTUAL INVESTMENT EXPENDITURE</b>	<b>1 740</b>	<b>1 529</b>	<b>1 397</b>	<b>1 629</b>	<b>1 408</b>	<b>1 346</b>	<b>1 568</b>	<b>16,5%</b>
<b>FINANCING CAPACITY FOR INVESTMENTS</b>	<b>1 243</b>	<b>1 266</b>	<b>882</b>	<b>1 118</b>	<b>1 101</b>	<b>1 244</b>	<b>1 185</b>	<b>-4,7%</b>
<b>LOAN REPAYMENTS</b>	<b>200</b>	<b>197</b>	<b>200</b>	<b>200</b>	<b>197</b>	<b>199</b>	<b>223</b>	<b>12,1%</b>
<b>FINANCING NEED <sup>(3)</sup></b>	<b>697</b>	<b>460</b>	<b>715</b>	<b>710</b>	<b>504</b>	<b>301</b>	<b>606</b>	<b>101,4%</b>
<b>NEW LOANS</b>	<b>630</b>	<b>510</b>	<b>741</b>	<b>681</b>	<b>793</b>	<b>375</b>	<b>250</b>	<b>-33,3%</b>
Working capital on January 1st	230	163	213	233	202	485	586	20,7%
Variation in working capita	-67	50	20	-30	283	100	-358	-456,1%
Working capital on December 31st	163	213	233	202	485	586	228	-61,1%
Total outstanding debt on January 1st	3 219	3 655	4 120	4 640	5 159	5 721	5 922	3,5%
Total outstanding debt on December 31st	3 655	4 120	4 640	5 159	5 721	5 922	5 882	-0,7%
<b>CHANGE IN OUTSTANDING DEBT</b>	<b>436</b>	<b>466</b>	<b>520</b>	<b>518</b>	<b>561</b>	<b>201</b>	<b>-39</b>	<b>-119,6%</b>
<b>FINANCING CAPACITY</b>	<b>71,4%</b>	<b>82,8%</b>	<b>63,1%</b>	<b>68,7%</b>	<b>78,2%</b>	<b>92,4%</b>	<b>75,6%</b>	<b>-18,2%</b>

<sup>3</sup> Need for Financing requirement (actual investment expenditure+ Refunding of loan investment -financing capacity).

## KEY FIGURES PRESENTED BY CATEGORY

Actual operational expenditure amounted to €7.93 billion (actual expenditure).

The investment budget amounted to €1.8 billion. The table below presents the breakdown between expenditure and revenue from the 2019 AA according to the categories representing the different public policies.

In M€	2017 AA	2018 AA	2019 AA	Evolution 2018/2019
<b>ACTUAL OPERATIONAL REVENUE</b>	<b>8 398,9</b>	<b>8 485,7</b>	<b>8 600,5</b>	<b>1,4%</b>
<b>TAXES</b>	<b>4 806,3</b>	<b>4 922,4</b>	<b>5 089,4</b>	<b>3,4%</b>
Direct local taxes	2 638,0	2 677,4	2 735,6	2,2%
Indirect taxes	1 592,7	1 662,4	1 762,7	6,0%
Appointed taxes	575,5	582,6	591,1	1,4%
<b>ENDOWMENTS AND COMPENSATIONS</b>	<b>2 017,2</b>	<b>2 002,2</b>	<b>1 986,2</b>	<b>-0,8%</b>
<b>ADMINISTRATIVE REVENUE</b>	<b>1 553,2</b>	<b>1 540,1</b>	<b>1 495,9</b>	<b>-2,9%</b>
Security	3,6	1,6	1,7	8,8%
Education, professional training and traineeships	41,2	37,4	45,0	20,3%
Culture, social life, youth, sports and activities	120,9	128,4	107,6	-16,2%
Social welfare	358,6	334,6	333,5	-0,3%
Regional development and housing	435,1	347,6	305,2	-12,2%
Economic development	75,5	65,7	67,6	2,8%
Environment	84,0	120,5	119,1	-1,2%
Transportation	242,6	335,8	339,9	1,2%
General services	191,9	168,7	176,4	4,6%
<b>FINANCIAL REVENUE</b>	<b>22,2</b>	<b>20,9</b>	<b>29,0</b>	<b>38,7%</b>
<b>ACTUAL OPERATIONAL EXPENDITURE</b>	<b>7 763,9</b>	<b>7 854,6</b>	<b>7 929,8</b>	<b>1,0%</b>
<b>PAYROLL</b>	<b>2 321,4</b>	<b>2 396,3</b>	<b>2 423,5</b>	<b>1,1%</b>
<b>ADMINISTRATIVE EXPENDITURE (EXCLUDING PAYROLL)</b>	<b>3 861,7</b>	<b>3 859,8</b>	<b>3 844,8</b>	<b>-0,4%</b>
Security	303,1	232,7	237,8	2,2%
Education, professional training and traineeships	241,0	234,3	236,2	0,8%
Culture, social life, youth, sports and activities	268,3	258,8	262,4	1,4%
Social welfare	1 710,3	1 741,0	1 718,7	-1,3%
Regional development and housing	103,9	99,8	86,9	-12,9%
Economic development	35,8	32,7	36,0	10,3%
Environment	338,5	356,9	346,0	-3,1%
Transportation	480,5	525,0	543,1	3,4%
General Services	380,2	378,5	377,7	-0,2%
<b>EQUALIZATION AND TAX PAYOUTS</b>	<b>1 446,8</b>	<b>1 460,8</b>	<b>1 521,5</b>	<b>4,2%</b>
<b>FINANCIAL CHARGES</b>	<b>134,0</b>	<b>137,6</b>	<b>140,0</b>	<b>1,7%</b>
<b>GROSS SAVINGS (DIFFERENCE BETWEEN OPERATIONAL REVENUE-EXPENDITURE)</b>	<b>635,0</b>	<b>631,1</b>	<b>670,7</b>	<b>6,3%</b>
<b>ACTUAL INVESTMENT REVENUE</b>	<b>465,8</b>	<b>612,9</b>	<b>514,7</b>	<b>-16,0%</b>
<b>ACTUAL INVESTMENT EXPENDITURE</b>	<b>1 604,8</b>	<b>1 544,9</b>	<b>1 791,5</b>	<b>16,0%</b>
Loan repayments	197,2	199,0	223,0	12,1%
Operational expenditure	1 407,6	1 346,0	1 568,5	16,5%
<b>NEW LOANS</b>	<b>792,5</b>	<b>375,0</b>	<b>250,0</b>	<b>-33,3%</b>
Including Issuances' premium	5,9	1,2	1,8	50,0%
Bank and bond debt on 12/31/N	5 523,4	5 699,3	5 726,3	0,5%
Total outstanding debt on 12/31/N	5 720,7	5 921,5	5 882,1	-0,7%
<b>DEBT REDUCTION PERIOD</b>	<b>9,01</b>	<b>9,38</b>	<b>8,77</b>	<b>-6,5%</b>
<b>ACTUAL OPERATIONAL EXPENDITURE REPROCESSED AS "GROWTH EXPENDITURE NORM"</b>	<b>6 328,9</b>	<b>6 399,6</b>	<b>6 415,2</b>	<b>0,24%</b>
Growth expenditure norm	6 328,9	6 442,3	6 515,7	1,14%
Difference in the growth expenditure norm	-	-42,7	-100,5	

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

\* 2019 growth expenditure norm = (2018 AA standard scope + 1.14 %).



# I/ GENERAL PRESENTATION OF THE 2019 ADMINISTRATIVE ACCOUNTS (AA) BALANCE

## 1 / THE AA GENERAL BALANCE FOR 2019

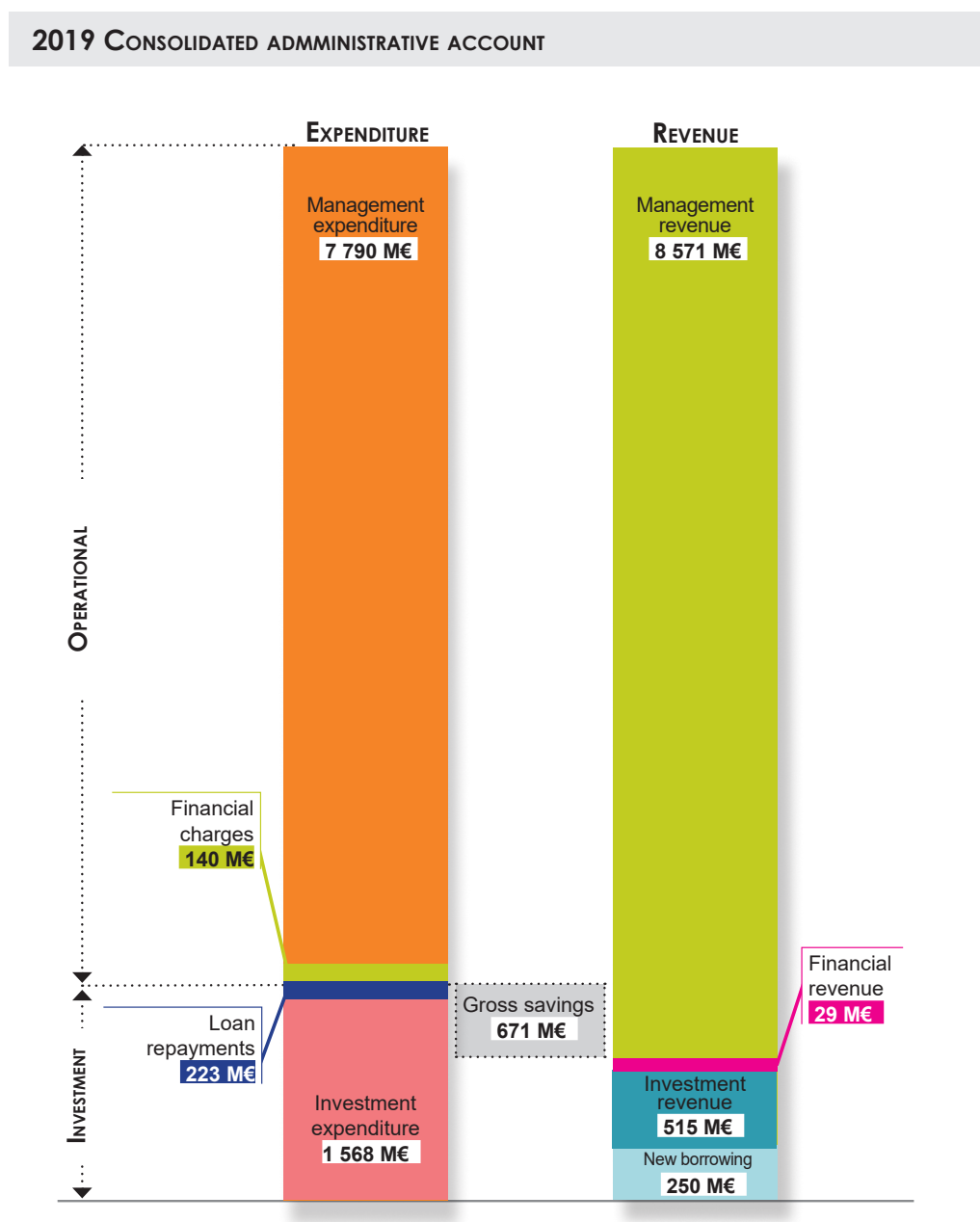
Between 2018 and 2019, actual operational expenditure grew by €75.3 million and actual operational revenue by €114.8 million. Gross savings for the local authority amounted to €670.7 million.

Investment expenditure amounted to €1,568.5 million in 2019, €222.5 million more than 2018. This change can be explained by a decrease in expenditure during the 2016-2018 period, before an acceleration of expenditure in 2019, related to the term of office's investment program. This increase, itemized within different expenditure entries, showed growth in capital expenditure (purchases, construction, intangible fixed assets) of €139.4 million, while other expenditure rose by €59.5 million and lastly, paid subsidies by €23.6 million.

Loan repayments amounted to €223 million, an increase of €24 million compared to 2018. New loans amounted to €250 million. Outstanding debt on December 31, 2019 represented 68.1% of actual operational revenue, e.g. a ratio lower than the average in French cities with more than 100,000 inhabitants (excluding the City of Paris) on December 31, 2018 (83%)<sup>(1)</sup>.

Budgetary execution conveyed in the 2019 AA fully respects the contractualized standards between the State and the City. Therefore :

- Operational expenditure targeted under the financial contract increased by 0.24% compared to a norm set at 1.14%. The local authority's expenditure thus remained €100.5 million lower than the cap set in the financial contract;
- the local authority's financing need amounted to €27 million, at a level clearly lower than the cap set by the financial contract at €552 million;
- the debt reduction period for the local authority (or debt ratio/gross savings) amounted to 8.77 years compared to the 12-year cap announced in the public finances scheduling law for 2018-2022.



<sup>(1)</sup> The most recent consolidated data available, report from the Finances and Local Public Administration Authority / 2019 Local Authority Finances (DGFIP data from December 31, 2019/ DGCL calculations).

## 2 / DESCRIPTION OF THE MAJOR EXPENDITURE AND REVENUE ENTRIES

### 2.1 2019 INVESTMENT EXPENDITURE WAS COVERED BY 75.6% THANKS TO THE FINANCING CAPABILITY OF THE PARISIAN LOCAL AUTHORITY.

#### ► 2.1.1. INVESTMENT EXPENDITURE

Investment expenditure reached **€1,568.5 million in 2019**. Gross savings from the operational section (€670.7 million) and actual investment revenue (€514.7 million) covered 75.6% of investment expenditure for the year (92.4% in 2018). This change is explained through the dynamism of investment expenditure in 2019 (+€222.5 million) and the decrease in investment revenue (-€98.3 million).

**Capital expenditure** amounted to €976.9 million and represented 62% of actual investment expenditure. It breaks down as follows :

- €679.7 million in construction expenditure ;
- €249.6 million in acquisitions;
- €47.6 million in intangible fixed assets (specifically examination fees, listing fees and research costs).

Among this capital expenditure, €155.6 million was earmarked for real estate easement acquisitions, including €110.5 million in virtue of social housing.

**Capital subsidies** represented €423.4 million, including €239.8 million in favor of social housing.

**Other investment expenditure**, in an amount of €168.2 million, consisted of :

- €115.5 million in other expenditure, including €37.4 million in financing assistance for joint development zones ;
- €45.5 million for third-party account operations ;
- €7.2 million in loans granted to third parties.

#### EVOLUTION IN ACTUAL INVESTMENT EXPENDITURE (EXCLUDING LOAN REPAYMENTS) BY THE PARISIAN LOCAL AUTHORITY SINCE 2012 IN MILLION OF €



#### ► 2.1.2. INVESTMENT REVENUE

**ACTUAL INVESTMENT REVENUE REACHED €514.7 MILLION IN 2019, €98.3 MILLION LESS THAN THE 2018 AA. .**

This change is largely due to the modification of the budgetary cycle for police fines under the framework of the parking reform, which removed the municipal share from the revenue earned from police fines (-€37.9 million), as well as the return to the regular collection of brick-and-mortar subsidies paid by the State, after the year 2018, which was affected by the regularization of two advances from 2017 (-€40 million). Similarly, revenue from transfers declined by €28.5 million compared to 2018, a fiscal year marked by the transfer of the Morland building (4th arrondissement) in the amount of €133 million.

The decrease observed in certain revenue entries was, however, compensated by the increase in other entries such as revenue from construction work carried out for third-party accounts (+€8.5 million).

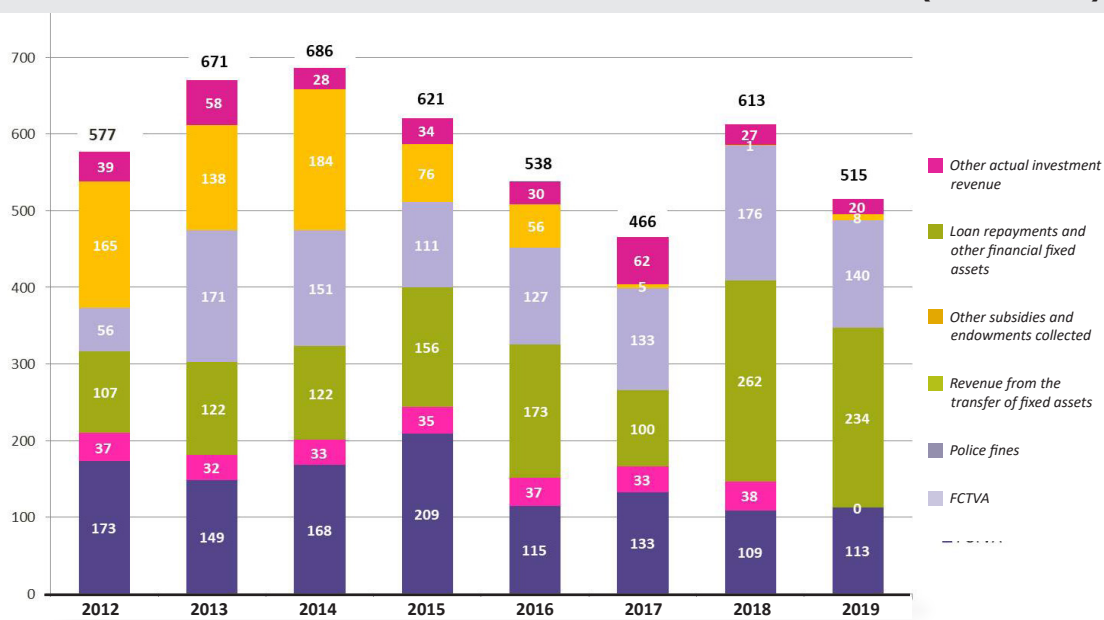
**2019 revenue consisted of :**

- **subsidies and endowments** received in the amount of **€252.8 million**. They included €112.9 million in virtue of the VAT compensation fund (Fonds de Compensation pour la Taxe sur la Valeur Ajoutée: FCTVA) as well as €0.3 million in revenue from police fines (departmental share). Other capital subsidies collected by the local authority (€139.6 million) specifically corresponded to €85.1 million paid by the State in virtue of brick-and-mortar subsidies, €11.5 million for the development tax, €5.8 million for the departmental endowment for middle schools and €4.1 million paid by SOLIDEO (company in charge of building infrastructure for the Olympic games) in virtue of facilities built by the City for the 2024 Olympic and Paralympic Games ;
- **revenue from the transfer of fixed assets**, which reached **€233.9 million**. The main operations amounted to €69.6 million in virtue of the balance from the installment plan for the sale of property for future completion (Vente en l'Etat Future d'Achèvement: VEFA) concluded with the Société Civile du Forum des Halles de Paris (SCFHP), €45.3 million from the sale of 198 rue Aubervilliers (19th arrondissement),

€37.9 million from the transfer of 20 rue Bruneseau (13th arrondissement) and €35 million from 11 rue Léon Jouhaux (10th arrondissement) ;

- **€19.9 million in other actual investment revenue.** €18 million in revenue from third-party accounts, including €12.6 million from construction work in Parisian museums and €3.9 million from roadwork;
- **€8.1 million from loan repayments and advances,** including €4.2 million from the repayment of an advance with the Société Anonyme d'Exploitation du Palais Omnisports de Paris Bercy (SAE POPB) and €2.2 million in virtue of share transfers.

### EVOLUTION IN ACTUAL INVESTMENT REVENUE BY THE PARISIAN LOCAL AUTHORITY SINCE 2012 (IN MILLION OF €)



## 2.2 THE OPERATIONAL SECTION CLEARED A GROSS SAVINGS OF €670.7 MILLION (COMPARED TO €631.1 MILLION IN 2018, AN INCREASE OF €39.5 MILLION)

### ► 2.2.1. OPERATIONAL EXPENDITURE

**ACTUAL OPERATIONAL EXPENDITURE REACHED €7,929.8 MILLION IN 2019, +1% COMPARED TO THE 2018 AA. UNDER THE SCOPE OF EXPENDITURE COVERED BY THE GROWTH EXPENDITURE STANDARD CONTRACTUALIZED WITH THE STATE, EXPENDITURE ONLY GREW BY 0.24%.**

Consequently, the level of operational expenditure fully respected the cap defined by the State's financial contract, established by the public finance scheduling law for the years 2018 to 2022 <sup>(2)</sup>. **Under the framework of this approach, the local authority demonstrated that the fundamentals of its financial strategy were healthy and controlled over the long term.**

#### RESPECTING THE NORMS OUTLINED UNDER THE FRAMEWORK OF THE STATE'S FINANCIAL CONTACT AGREEMENT

The financial contract with the State is based on three standards set in application of article 29 under law #2018-32 from January 22, 2018 regarding public finance planning between 2018-2022 :

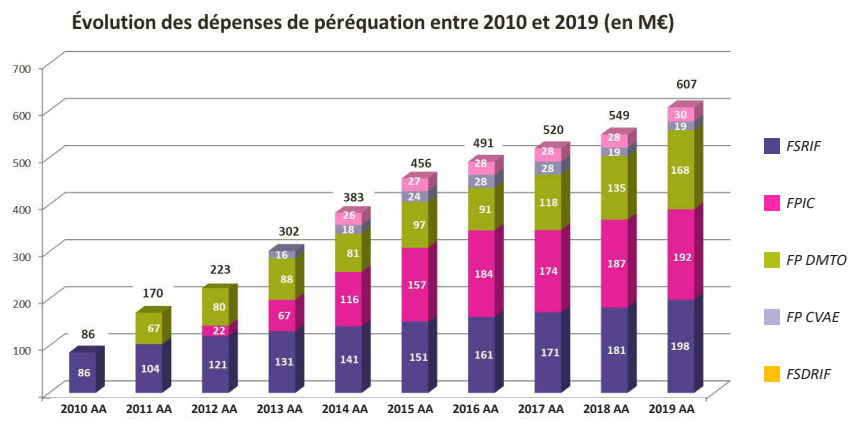
- **the growth expenditure norm**, which implies that actual operational expenditure for the local authority (excluding equalization) increases by at least 1.14% each year, as of the 2017 AA.
  - **In 2019, operational expenditure under the scope of this standard grew by 0.24%** for a norm set at 1.14%. Consequently, it amounted to €6,415.2 million, compared to the standard set at €6,515.7 million, demonstrating the local authority's sobriety in operational expenditure.
- **The continuation** of an annual financing need lower than €552 million. The financing need consists of new loans minus loan repayments.
  - Amounting to €27 million in 2019, the local authority's financing need was clearly lower than the limit set by the financial contract. Compliance with this standard demonstrated that borrowing was under control.
- **the continuation of a debt reduction period under 12 years.** The debt reduction period corresponds to the debt ratio/gross savings, which makes it possible to evaluate the tenability of the local authorities' debt.
  - **standard was also respected, with a period of 8.77 years in 2019, a decrease compared to the 2018 AA (9.38 years),** demonstrating that the financing strategy for the term of office's program is fully supportable.

- **Equalization** included redistribution mechanisms that are supposed to reduce inequalities between the different local authorities. For the Parisian local authority, equalization expenditure (excluding FNGIR) reached €606.9 million in 2019, e.g. 10.5% (€57.6 million) more than the 2018 AA. Consequently, compared to the 2010 fiscal year, Paris's annual contribution to national and regional solidarity increased seven-fold (e.g. €521 million).

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

In 2019, total equalization for municipalities and departments in France amounted to approximately €3 billion (compared to €2.7 billion in 2018). Therefore, the Parisian local authority finances more than 20% of this thanks to its contribution to different funds.

## EVOLUTION IN EQUALIZATION EXPENDITURE BETWEEN 2010 AND 2019 (IN MILLION OF €)



- 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 cooperative public establishments (Etablissements Publics de Coopération Intercommunale: EPCI) with their own tax system. Its amount has been set by the law at €1 billion since 2016. The City's contribution to the FPIC reached €192 million in 2019 (+2.8%). With a contribution representing 19.2% of the fund, Paris remains its primary contributor. In addition, the City's contribution grew more rapidly than its fiscal resources in 2019, due to the fact that the contribution limit to the FPIC was raised. Under the framework of the 2019 finance law, this cap was increased to 14% of fiscal revenue from municipalities, compared to 13.5% previously.
  - Paris's 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)** grew by 9.1% compared to the 2018 AA and amounted to €197.9 million, e.g. a contribution henceforth representing 60% of the fund. With horizontal equalization measures specific to the Ile-de-France region, the FSRIF's purpose is to ensure the redistribution of wealth between municipalities in the region. Its amount is set each year by the law, and amounted to €330 million in 2019, stable compared to 2018. Due to the stability of this amount, Paris's contribution, formerly capped at half of the fund's growth, increased by €16.5 million in 2019, while Paris's contribution grew by only €10 million per year in previous years.
  - The Parisian local authority also participated in the **Solidarity fund for departments in the Ile-de-France region (Fonds de Solidarité des Départements de la Région d'Ile-de-France: FSDRIF)** in the amount of €30 million in 2019, e.g. a contribution representing 50% of the fund's amount. The FSDRIF amount, meant to ensure balanced resources between the departments within the region, has been set by law at €60 million since 2014.
  - Paris's contribution to **three equalization funds for transfer rights subject to payment (Droits de Mutation à Titre Onéreux: DMTO)**, set up in 2011 (historic fund), 2014 (solidarity fund) and this year (interdepartmental solidarity fund) increased by 24.8% compared to 2018, going from €134.8 million to €168.2 million. Paris's contribution for 2019 thus represented 14.3% of DMTO revenue collected by the local authority in 2018 and 11% of the amounts collected at the national scale under the framework of equalization measures.
  - Lastly, the contribution to the **equalization fund for corporate added-value contributions (Fonds de Péréquation de la Cotisation sur la Valeur Ajoutée des Entreprises: CVAE)** amounted to €18.6 million, e.g. a stable amount compared to 2018. However, Paris saw its contribution rate to the fund grow, going from 30% of the national amount in 2018 to 34% in 2019, due to an overall decrease in the fund from €62.6 million to €55.5 million.
- **Personnel expenditure represented 30.6% of actual operational expenditure (stable compared to the 2018 AA) and amounted to €2,423.5 million in 2019.**

Compared with the 2018 AA, personnel expenditure recorded €27.2 million in growth, e.g. a change of 1.14%, which is due in large part to the spontaneous evolution in payroll, related to the increase in Shift-Age-Technical Skills (Glissement Vieillesse Technicité: GVT), specifically corresponding to the establishment of new promoted/promotable ratios in 2019.

Performance in 2019 was also affected by :

- The transition of a large number of professions to a compensation system taking into account professional functions, constraints, expertise and commitments (Régime Indemnitare tenant compte des Fonctions, des Sujétions, de l'Expertise et de l'Engagement Professionnel: RIFSEEP), including the technical department at the end of the year (+€1.9 million) ;
- Within the scope of personnel expenditure, the reimbursement of a portion of the salary for technicians, workers and service personnel (Techniciens, Ouvriers et de Service: TOS) working in combined middle school-high school establishments (+€2.7 million) to the Ile-de-France region ;
- the regularization and revaluation of remuneration rates paid to substitute caretakers (+€2.4 million) ;
- the dynamism of the 2019 operational plan, which specifically included changes to the DPSP's workforce due to the creation of a Parisian municipal police force (+€1.8 million) ;
- the organization of the European elections (+€1.3 million).

<sup>(3)</sup> Article 253 under the 2019 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).

- ▶ **Social expenditure** amounted to €1,718.7 million, a decrease of 1.3% compared to the 2018 AA, including €1,580 million in social welfare.
    - **Expenditure in virtue of welfare benefits (Revenu de Solidarité Active: RSA)** represented €363.9 million for the allocation share, €5 million more than the 2018 AA. This change is largely due to the revaluation of benefits in April 2018 (+1%, full-year effect) and April 2019 (+1%).
    - **Social welfare for people with disabilities** reached €239.6 million in the 2019 AA, an increase of €0.4 million compared to the 2018 AA.
    - **Expenditure related to child welfare (Aide Sociale à l'Enfance)** amounted to €278.7 million in the 2019 AA, a decrease of €37.4 million compared to the 2018 AA. This change specifically resulted from the one-time adjustment of €15.2 million in 2018 allocated to the payment of housing fees in Parisian ASE establishments.
    - **Expenditure earmarked for the elderly and the personalized autonomy allowance (Allocation Personnalisée d'Autonomie: APA)** represented €240.3 million in the 2019 AA, €4 million less than the 2018 AA. This reduction can be mainly explained by a decline in expenditure related to the housing of elderly people receiving legal social welfare, due to a trend-like decrease in the number of beneficiaries (-8.1% from December 2018 to December 2019).
    - **The contribution to the City of Paris's Social Action Center (Centre d'Action Sociale de la Ville de Paris: CASVP)** reached €368.2 million, €12.3 million more than 2018. This change is related to the elimination of the participation formerly requested from recipients of the Senior Paris Pass and the Paris Access Pass as well as the growth of the establishment's payroll.
    - **Expenditure related to day nurseries and daycare centers** represented €99.9 million, e.g. an increase of €2.9 million compared to 2018. This growth can be explained, on the one hand, by the full-year financing of spots newly opened in 2018 and, on the other hand, by the creation of 1,266 new spots in 2019, all administrative methods combined.
- All of these measures are detailed in the presentation per category hereafter (see section II. "Presentation per public policy," "Social Welfare" category).

#### **IN 2019, HALF OF THE EXPENDITURE FOR THE SOLIDARITY ALLOWANCE WAS NOT OFFSET BY THE STATE.**

The amount to pay in virtue of individual solitary allowances (RSA, APA and PCH) corresponded to the remaining balance not covered by State subsidies. In 2019, this amounted to €279 million, e.g. 50% of AIS's expenditure. Given the overall stagnation of State compensation, the decline in PCH expenditure (-2%) and the growth of RSA expenditure (+1%), the remaining amount to pay for the City grew by 2% (€5 million) compared to 2018.

- ▶ **The amount of general charges decreased by €10 million compared to the 2018 AA and amounted to €792.1 million.** This change was specifically related to the creation of additional spots in specialized establishments for youth suffering from serious behavioral issues, which led to a drop in the recourse to interim services (-€8.1 million compared to the 2018 AA). It can also be explained by a decline in expenditure earmarked for street parking payment methods (parking meter maintenance, bankcard terminals, mobile telephone payments) due to a reduction in the number of machines to maintain (-€1.1 million).

Lastly, the outsourcing of management for the Jean Bouin stadium led to a decrease of €0.8 million in expenditure related to stadiums compared to the 2018 AA.

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

- ▶ **Contributions from the Parisian local authority dropped by €8.2 million compared to the 2018 AA and amounted to €708.2 million :**
  - **the contribution to Ile-de-France Mobilités (IdFM),** amounted to €392.1 million, €4.4 million more than the 2018 AA due to the growth in contributions paid by each local authority ;
  - **the contribution to the Police prefecture** amounted to €218.4 million, including €89.9 million in virtue of the Paris firefighter brigade (Brigade de Sapeurs-Pompiers de Paris: BSPP). This contribution is an increase of €2.3 million corresponding to the BSPP's modernization plan, which is specifically supposed to improve firefighter working conditions ;
  - **the contribution to the inter-municipal federation for waste management** (Syndicat Intercommunal de Traitement des Ordures Ménagères: SYCTOM) amounted to €97.6 million, a decrease of €15 million compared to the 2018 AA, due in large part to the one-time payment of a thirteenth installment in 2018.

- ▶ **Participations and operational subsidies paid to organizations, individuals, other private legal authorities and other mandatory contributions amounted to €548.1 million, e.g. an increase of €15.7 million compared to the 2018 AA.**

Within this amount, operational subsidies paid to individuals, organizations and other private legal authorities amounted to €229.8 million, €5.1 million more than 2018. This growth can largely be explained through the €3.5-million increase in subsidies to community day nurseries, which amounted to €57 million in 2019, compared to €53.5 million in 2018, making it possible to finance the creation of 592 new spots in 2019 in addition to the full-year effect of the new spots created in 2018.

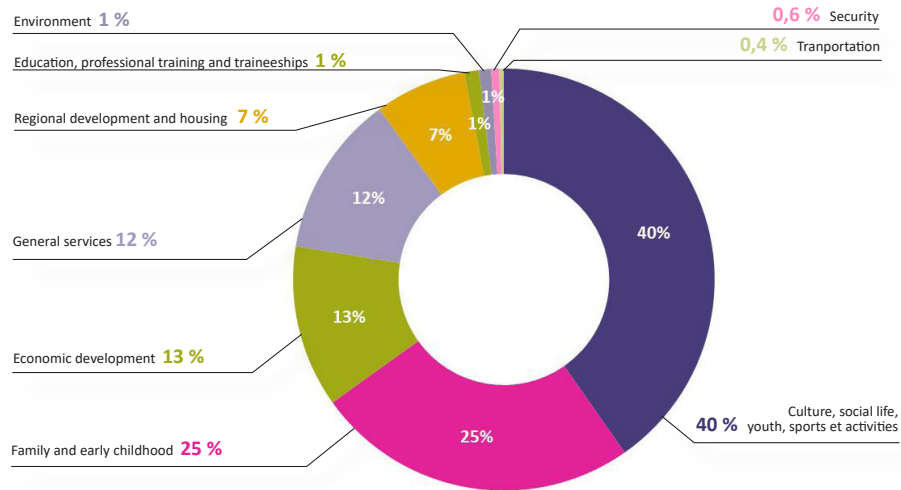
Furthermore, subsidies paid to public authorities amounted to €215.9 million, e.g. €12.3 million more than the 2018 AA. Following the Ecole du Breuil's change to self-management on January 1, 2019, the subsidy collected by the school grew by €4.3 million compared to 2018. In addition, the contribution to the Autolib' Vélib' Métropole Syndicate (Syndicat Autolib' Vélib' Métropole: SAVM) amounted to €23.2 million, e.g. +€3.8 million, due in large part to the constituted provision under the framework of the dispute with the holder of the Autolib' contract terminated in 2018. Lastly, it should be noted the €3-million increase in the subsidy allocated to the Paris Museums public establishment (Etablissement Public Paris Musées: EPPM), corresponding to the reopening of the Paris Liberation Museum – the General Leclerc Museum – Jean Moulin Museum and the preparations for the reopening of the Carnavalet Museum in 2020.

Lastly, other mandatory contributions amounted to €93.1 million, a decrease of €0.1 million compared to the 2018 AA, while participations amounted to €9.3 million, a drop of €1.6 million, specifically after the return to self-management for the Bobigny interdepartmental parky.

All of these measures are detailed according to sector hereafter (see section II. "Presentation per public policy").

Operational subsidies paid to individuals, organizations and other private legal authorities were distributed in accordance with the chart below.

### DISTRIBUTION OF OPERATIONAL SUBSIDIES PAID TO ORGANIZATIONS, INDIVIDUALS AND OTHER PRIVATE LEGAL AUTHORITIES - CA 2019



► Lastly, financial costs amounted to €140 million, an increase of €2.4 million compared to the 2018 AA.

### EVOLUTION IN ONGOING OPERATIONAL EXPENDITURE FOR THE PARISIAN LOCAL AUTHORITY SINCE 2012 IN MILLION OF €



\* Actual operational expenditure (€7,930 million) indicated in the consolidated financial analysis (page 7) corresponds to the amount of ongoing operational expenditure (€7,790 million) plus financial charges (€140 million).

#### ► 2.2.2. OPERATIONAL REVENUE

**ACTUAL OPERATIONAL REVENUE COLLECTED IN THE 2019 AA AMOUNTED TO €8,600.5 MILLION, A 1.4%-INCREASE COMPARED TO THE 2018 AA (€8,485.7 MILLION).**

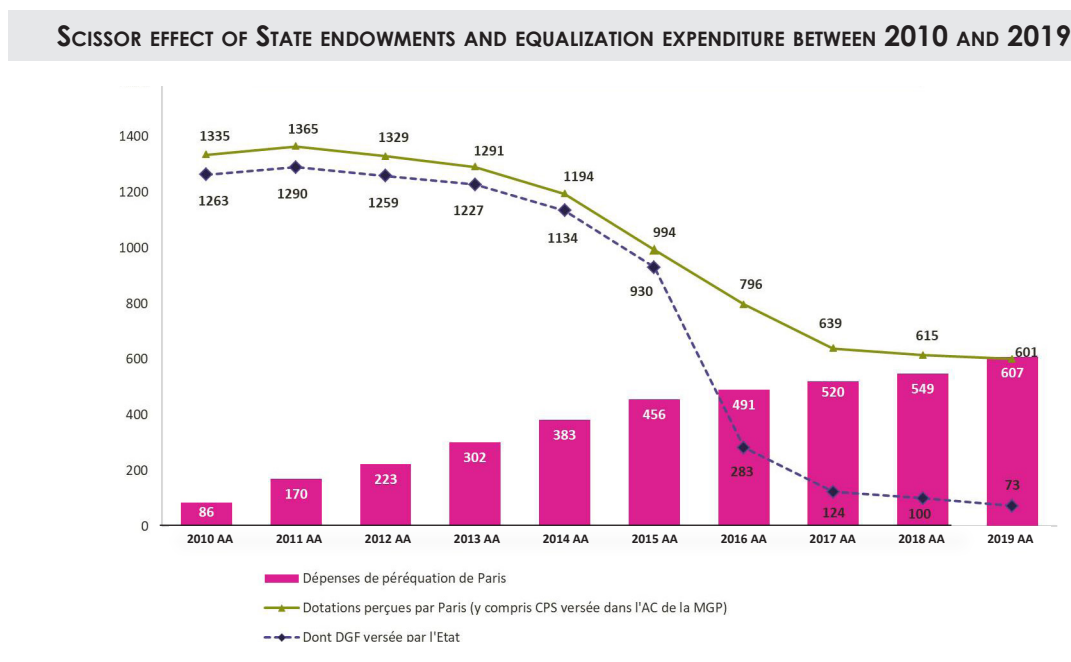
► The total amount of endowments amounted to €600.8 million in the 2019 AA compared to the €613.9 million appraised in 2018 over the same scope, e.g. a decrease of €13.1 million (-2.1%). The decline in endowments can be explained in large part through the balanced elimination of the flat-rate endowment paid to the local authority by the State and the loss in tax exemption compensation decided on by lawmakers, which specifically finances increases in vertical equalization endowments (urban and rural solidarity endowments).

Consequently, the overall operational endowment (Dotation Globale de Fonctionnement: DGF) declined by €26.7 million and amounted to €73.3 million, while compensatory tax allowances grew by €10.6 million due to the new CFE exemption for companies making less than €5,000 in revenue (+€8.5 million). As for the endowment collected in virtue of the VAT compensation fund for operational expenditure, it increased by €1.8 million in 2019. Other endowments remained stable.

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 then reallocates compensation to the City, representing the difference between transferred resources and charges (€453.1 million).

In 2019, the scissor effect related to the decrease in State endowments and the growth in equalization expenditure was once again accentuated. For the first time, equalization expenditure reached a level higher than that of the endowments paid by the State. Consequently, under operations, financial relations between the State and the City of Paris resulted in a negative balance for the latter in the amount of €6 million.

This scissor effect represents a loss in annual resources of €1,255 million compared to their 2010 level..



- **Endowments paid to the local authority by the Greater Paris Metropolis (MGP) and by the Ile-de-France region** in virtue of fiscal revenue transfers amounted to €1,453.7 million in 2019 compared to €1,458.6 million in 2018. Its details appear in the table below :

	2018 AA	2019 AA
MGP compensatory allocation (fiscal share)	527,1 M€	527,1 M€
MGP compensatory allocation (ex-CPS share)	453,1 M€	453,1 M€
MGP compensatory allocation (charge transfers)	0 M€	-1,8 M€
RIF compensatory allocation (CVAE share)	475,3 M€	475,3 M€
Endowment supporting regional investment (DSIT)	3,1 M€	0 M€
<b>TOTAL</b>	<b>1 458,6 M€</b>	<b>1 453,7 M€</b>

The €1.8-million decrease takes into account the charges transferred in 2018 to the MGP for the calculation of the compensatory allocation. Initially, this only affected the compensatory allocation received in 2019. The €1.8-million overpayment from 2018 was returned to the MGP. Lastly, the endowment supporting regional investment (Dotation de Soutien à l'Investissement Territorial: DSIT), which was supposed to return the CVAE to the metropolis's member regions, was eliminated under the framework of the 2019 finance law. This financial support paid by the MGP amounted to €3 million in 2018.

- The revenue collected in virtue of **compensation for professional transfers**, including individual solidarity allowance compensation, reached €384.7 million in 2019, an increase of €3.1 million compared to 2018. Endowments paid by the National Solidarity Agency for Autonomy (Caisse Nationale de Solidarité pour l'Autonomie: CNSA) in virtue of the Disability Compensation Benefit (Prestation Compensation du Handicap: PCH), which amounted to €14.8 million in 2019, grew by €2.6 million compared to the 2018 AA due to more significant adjustments than in 2018.
- **Direct contributions** <sup>(4)</sup> amounted to **€2,735.4 million, e.g. +2.2% (€58 million) compared to the 2018 AA.**

<sup>(4)</sup> 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.

	2018 AA	2019 AA	2019/2018 Evolution
Residential tax <i>Including a surcharge on second homes</i>	808,05 61,57	827,26 61,53	2,4 % -0,1 %
Real estate tax on developed and undeveloped properties	1 031,47 M€	1 048,51 M€	1,7 %
Corporate property tax	334,85 M€	326,06 M€	-2,6 %
Complementary shares (excluding the waste disposal tax)	5,41 M€	3,66 M€	-32,4 %
Supplementary shares (excluding the waste disposal tax)	29,22 M€	23,56 M€	-19,4 %
Flat-rate tax on utility companies	2,77 M€	3,04 M€	9,8 %
Corporate added-value contribution	465,64 M€	503,32 M€	8,1 %
<b>TOTAL DIRECT CONTRIBUTIONS</b>	<b>2 677,4 M€</b>	<b>2 735,41 M€</b>	<b>2,2 %</b>

► **TAXES BASED ON REAL ESTATE RENTAL VALUES** (residential tax, property tax and corporate property tax) benefited from an automatic revaluation :

- of +2.2% for residential premises, corresponding to the change in the consumer price index standardized between November 2017 and November 2018 <sup>(5)</sup> and the spontaneous momentum resulting from constructions, extensions and the physical modifications of premises as well as the end of exemptions ;
- of -1% for professional premises (a +1.2%-evolution resumed in 2018 and a +0.2%-evolution based on Parisian prices).

They also benefited from physical revaluations related to the end of exemptions and new constructions, specifically.

The €17-million increase from **property taxes** came from legal revaluations (€11 million) and physical variations in the bases (€6 million).

The growth in revenue from the **residential tax** (+€19 million, e.g. +2.4%) can be explained in large part through the automatic revaluation (+2.2%) of housing.

**Corporate property taxes** (Cotisation Foncière des Entreprises: CFE) decreased by €8.7 million, e.g. -2.6%, in 2019. This change was related to the new exemption on CFE minimum bases for companies making less than 5,000 euros in revenue and not owning their own premises (-€8.5 million), as well as the negative revaluation of the bases for professional premises in Paris in 2019 (-1%).

The **corporate value-added contribution** (Cotisation sur la Valeur Ajoutée des Entreprises: CVAE) amounted to €503.3 million in 2019, e.g. an increase of €37.7 million compared to 2018. The CVAE collected in 2019 summarily corresponded with the accounting and fiscal situation of companies for the year 2017. The growth in CVAE remained mainly related to the financial, insurance and real estate sectors, which represented 42% of the CVAE's growth between 2018 and 2019 (+€16.1 million out of +€37.7 million).

The **supplementary and complementary tax** are formed by regularizations carried out by tax services on local taxes, in virtue of the ongoing fiscal year or previous ones, with, at times, adjustments made over several years. Their decrease conveys, in fact, a return to a previous rhythm, since these supplementary shares are budgeted each year in the amount of €25 million, 2018 (€35 million) being an exceptional year.

**In accordance with the local authority's commitment for the stability of Parisian direct tax rates, rates remained the same in 2019, and Paris kept local tax rates much lower than those applied in other cities and metropolises with more than 100,000 inhabitants**, as the table below indicates.

TOTAL RATE OF LOCAL TAXES VOTED ON BY THE MUNICIPALITY, ITS INTER-MUNICIPAL ASSOCIATION AND THE DEPARTMENT	RATES APPLICABLE IN PARIS IN 2019	AVERAGE CITY RATES FOR METROPOLISES WITH MORE THAN 100,000 INHABITANTS (EXCLUDING PARIS)*	AVERAGE CITY RATES FOR MORE THAN 100,000 INHABITANTS
Residential tax	13,38%	31,74%	25,47%
Property tax on developed property	13,50%	42,28%	30,50%
Property tax on undeveloped property	16,67%	41,94%	35,69%
Corporate property tax	16,52%	29,98%	27,59%

\* Source :Source: SFL-FORUM Authority – "2019 Taxation Rate for Large Local Authorities".

\*\* Source: DGCL – "Local Authorities according to the Numbers" 2019, p. 56.

**Total revenue from the street-sweeping tax and the household waste removal tax (Taxe d'Enlèvement des Ordures Ménagères: TEOM) amounted to €591.1 million compared to €582.6 million in 2018.** This increase of +1.5% (€8.4 million) resulted from the natural evolution of the TEOM.

► **Indirect tax revenue amounted to €1,762.7 million**, compared to €1,662.4 million in 2018, e.g. €100.3 million more (+6%), due to the growth in revenue from real estate taxes and the tourism tax.

- Revenue from **real estate taxes** reached €1,586.8 million, compared to €1,504.7 million in 2018, e.g. an increase of 5.5% (€82 million), related to the growth in real estate prices, combined with a slight rise in transactions (+1,021). Consequently, for older homes, the price per m2 reached an average of €10,210 in the last quarter of 2019, compared to €9,570 in the last quarter of 2018, e.g. +6.6% in one year.

<sup>(5)</sup> Article 1518 bis from the General Tax Code;



- **Other indirect tax revenue** amounted to €175.9 million in 2019, an increase of +11.7% (+€18.3 million). This growth was mainly related to the growth of tourism tax revenue (€95 million in 2019, e.g. +€15 million compared to 2018), after basing rates on a percentage of the nightly price for unrated hosts, and specifically Airbnb rentals, or those pending classification<sup>(6)</sup>.
- It should be noted that tourism tax revenue, neutralized in expenditure, was collected on behalf of the State's public establishment "Société du Grand Paris" (SGP), in the amount of €10.7 million, in accordance with the Finance law's provisions<sup>(7)</sup>.

OTHER NON-ITEMIZED TAXES	2018 AA	2019 AA	2019/2018 Evolution
TNet tourism tax*	80,0 M€	95,0 M€	+15,0 M€
Tax on electricity consumption (TCFE)	68,6 M€	67,4 M€	-1,2 M€
Tax on performances / Tax on gaming parlors**	0,6 M€	4,5 M€	+3,9 M€
Local tax on external advertising (TLPE)	8,4 M€	9,0 M€	+0,6 M€
<b>TOTAL</b>	<b>157,6 M€</b>	<b>175,9 M€</b>	<b>+18,3 M€</b>

\* Tourism tax minus the share collected on behalf of the Société du Grand Paris (SGP), which amounted to €10.7 million  
 \*\* A new tax collected from Parisian gaming parlors starting in 2019.

Furthermore, for the first time, the Parisian local authority collected revenue from gaming parlors (€4.5 million), which substituted the balance from the former tax on performances (€0.6 million in 2018).

- Revenue from the **tax on electricity consumption** (Taxe sur la Consommation Finale d'Electricité: TCFE) amounted to €67.4 million, a decrease of 1.7% compared to the 2018 AA (€68.6 million), due to a slight reduction in electrical consumption.
  - **Parking fees** amounted to €236.9 million, €4.1 million more than the 2018 AA, specifically due to revenue from the flat-rate parking fine, which reached €65.4 million, an increase of €5.3 million following improvements made to its enforcement. This change is detailed in the presentation per category hereafter (see section II. "Presentation according to public policy," "Transportation" section).
- **Operational and usage-fee revenue** grew by €11.4 million, and reached €4995 million in the 2019 AA. This increase mainly resulted from the following changes :
- revenue related to City concessions monitored by the department of finances and purchasing grew by €4.9 million compared to 2018, mainly due to usage-fee adjustments;
  - revenue from public road fees increased by €4.1 million compared to the 2018 AA mainly due to adjustments on the taxation of scaffolding and screens;
  - usage fees related to the public service delegation contract for the management of the Palais Omnisports de Paris-Bercy (12th arrondissement) grew by €1.2 million compared to the 2018 AA due to a usage-fee payment adjustment;
  - revenue collected in virtue of cemetery concessions amounted to €7.6 million, e.g. €0.9 million more than the 2018 AA.

All of these measures are detailed according to sector hereafter (see section II. "Presentation according to public policy").

- **Participation from the State (excluding AIS), other local authorities and third parties** reached €266.8 million, compared to €269.4 million in the 2018 AA. This €2.6-million decrease is mainly due to shifting the State's participation in the Support Fund for Integration Policies (Fonds d'Appui aux Politiques Insertion: FAPI) from 2017 (+€1.7 million) to 2018).
- **Rental revenue** reached €244.4 million, €92.3 million less than in 2018. In accordance with decree #2015-1546 from November 27, 2015, the City obtained, via a letter dated on June 20, 2018, the joint authorization from the Minister in charge of Initiatives and Public Accounts and the Minister of the Interior to transfer the surplus balance from the public service contract for available social housing stock in 2018 from the investment section to the operational section, e.g. €152.7 million recouped for the 2019 fiscal year. This revenue, also known as capitalized rent, dropped by €72.3 million compared to 2018.
- **Other ongoing operational revenue** amounted to €199.6 million, an increase of €23.9 million compared to the 2018 AA. This change can be explained in large part through a one-time revenue of €41.7 million related to the sale of an Elogie-Siemp real estate complex in the city of Athis-Mons (91).

This growth was notably offset by the decrease in revenue resulting from accounting regulation operations (-€4.9 million) as well as revenue collected in virtue of building utilities (-€1.4 million), corresponding to the reimbursement of special arrondissement budgets.

It should also be noted that, in 2018, there was the one-time collection of revenue related to the organization of the 2024 Olympic and Paralympic Games, specifically the reimbursement of the unused portion of the subsidy paid to the 2024 Paris GIP by the City, in the amount of €2.3 million.

All of these measures are detailed according to sector hereafter (see section II. "Presentation according to public policy").

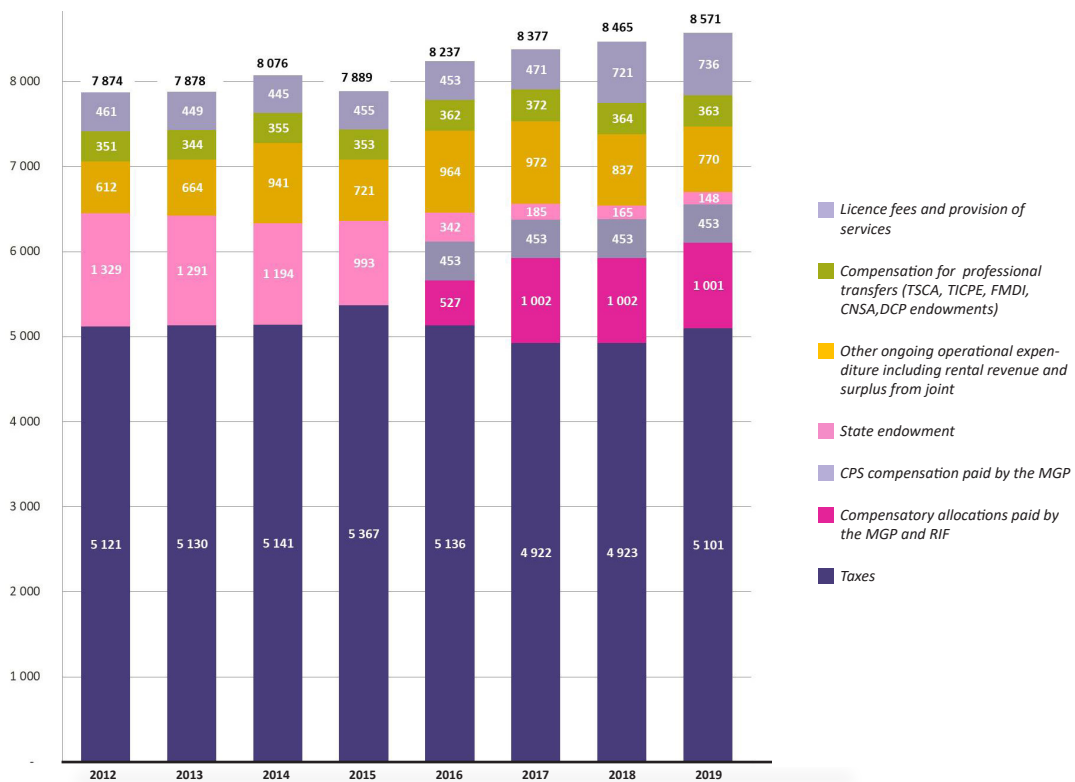
- **The surplus from joint development zones** represented €42.3 million, compared to €34.6 million in 2018, confirming the completion of supplementary development projects.

Lastly, financial revenue amounted to €29 million, an increase of €8.1 million compared to the 2018 AA.

<sup>(6)</sup> Article 44 Law #2017-1775 from December 28, 2017.

<sup>(7)</sup> Article 163 from law 2018-1317 december 28, 2018 for 2019.

## EVOLUTION IN ONGOING OPERATIONAL REVENUE FOR THE PARISIAN LOCAL AUTHORITY SINCE 2012 IN MILLION OF €



### ► 2.2.3. CONTROLLED DEBT CONVEYED A DEBT REDUCTION PERIOD OF 8.77 YEARS, MUCH LOWER THAN THE 12-YEAR STANDARD SET BY THE LAW

► **ON DECEMBER 31, 2019 BANKING AND BOND DEBT AMOUNTED TO €5,726.3 MILLION**, to which was added other debt contracted under the framework of real estate and development operations (€46.3 million) and the loan repayment schedule for the Philharmonic (€109.5 million).

Despite maintaining gross savings at a high level, which grew by €39.5 million compared to 2018, and amounted to €670.7 million in 2019, the local authority's financing ability for investments decreased compared to 2018 and amounted to €1,185 million. Indeed, while investment revenue dropped by €98.2 million, amounting to €514.7 million, investment expenditure increased by €222.5 million, reaching €1,568.5 million.

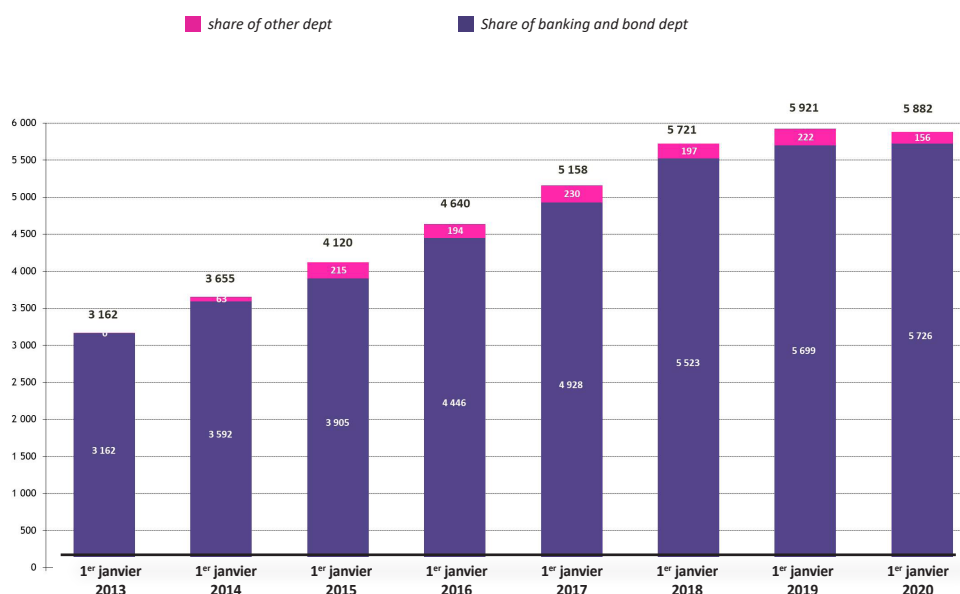
Consequently, the City financed 75.6% of its investments in 2019 with its own revenue.

New loans amounted to €250 million in 2019, compared to €375 million the year before.

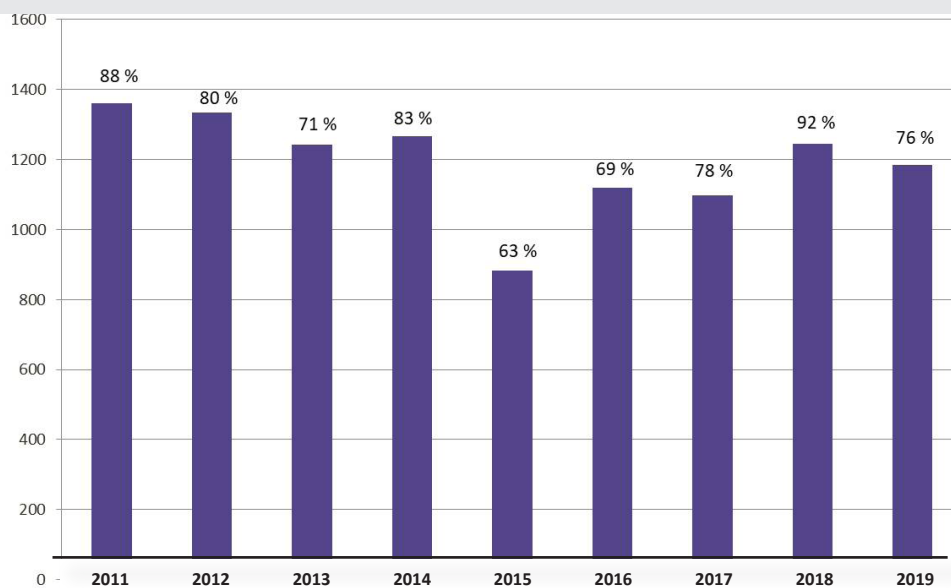
**Consequently, total outstanding debt for the City decreased by €39.4 million at the end of the 2019 fiscal year. It amounted to €5,882.1 million on December 31, 2019** compared to €5,921.5 million on December 31, 2018. Banking and bond debt increased by €27 million (+0.5%) and amounted to €5,726.3 million at the end of 2019.

These developments resulted in a debt reduction period of 8.77 years (compared to 9.38 years at the end of 2018), much lower than the 12-year standard set by the law, and conveyed the Parisian local authority's ability to guarantee the tenability of its debt and financing trajectory for its ambitious investment program.

## EVOLUTION IN OUTSTANDING BANKING DEPT AND TOTAL DEPT (EN M€)



## THE PARISIAN LOCAL AUTHORITY'S INVESTMENT FINANCING CAPABILITY SINCE 2011 IN MILLION OF € AND THE % OF THE AMOUNT OF INVESTMENTS CARRIED OUT



## II/ PRESENTATION ACCORDING TO 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

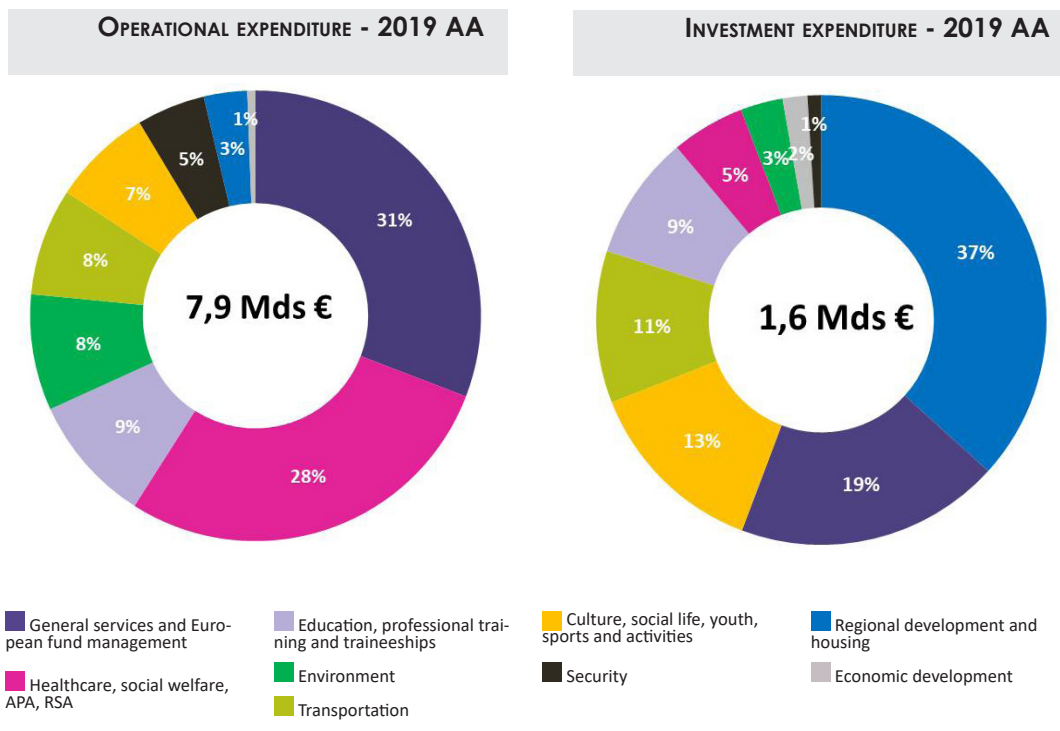
### METHODOLOGICAL CLARIFICATION :

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

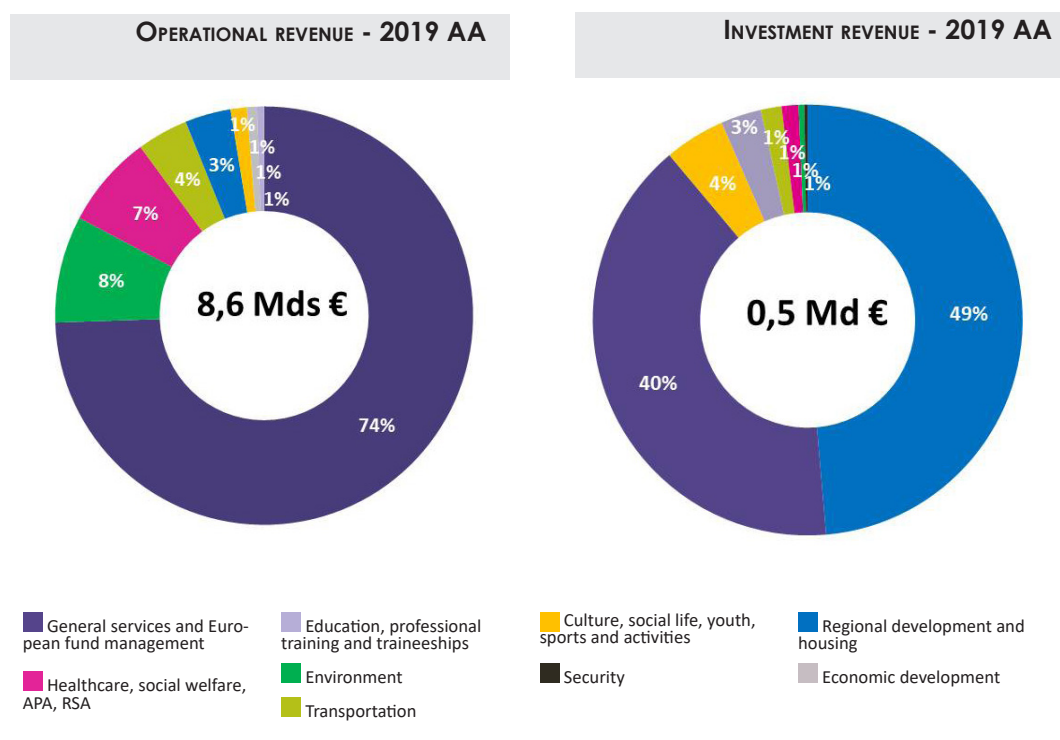
Operations balanced in terms of expenditure and revenue were also neutralized in order to convey the local authority’s concrete financial effort in favor of the different policies conducted.

# PRELIMINARY PRELIMINARY

## EXPENDITURE ITEMIZED ACCORDING TO PUBLIC POLICY IN THE 2019 AA



## DISTRIBUTION OF REVENUE ACCORDING TO PUBLIC POLICY IN THE 2019 AA



**CORRELATION BETWEEN THE GENERAL PRESENTATION (SECTION I) AND THE PRESENTATION ACCORDING TO PUBLIC POLICY (SECTION II) IN THE 2019 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 cross-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 - 2019 AA**

**OVERVIEW BY TYPE**

Personnel charges	2 423,5
General charges	792,1
Social welfare	1 580,2
Subsidies and participations	548,1
Contributions	708,2
Equalization expenditure	606,9
FNGIR	898,2
Other ongoing administrative expenditure	232,6
Financial charges	140,0

**TOTAL ACTUAL OPERATIONAL EXPENDITURE (A) 7 929,8**

**OVERVIEW BY CATEGORY**

389,3	Security
728,4	Education, professional training, traineeships
568,1	Culture, social life, youth, sports and activities
2 235,6	Healthcare and social work
246,3	Regional development and housing
46,5	Economic development
660,1	Environment
611,0	Transportation
2 444,5	General services

**7 929,8 TOTAL ACTUAL OPERATIONAL EXPENDITURE (A)**

The scope of budgetary documents adds the cross-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)**

**642,7**

Non-budgetary transfer expenditure between sections (chapter 042)	620,3
Transfer of the regional share of the tourism tax by the City to the SGP	10,7
Charges marked as long-term lease advances for the Porte de Versailles	11,7

**BUDGETARY TOTAL TOTAL BUDGÉTAIRE (A) + (B) 8 572,5**

## OPERATIONAL REVENUE - 2019 AA

### OVERVIEW BY TYPE

Taxes and contributions	6 101,2
Compensation for professional transfers	363,4
Endowments and tax transfers	600,9
Subsidies and participations	288,0
Operational revenue	736,5
Surplus from Joint Development Zones	42,3
Other ongoing operational revenue	439,2
Financial revenue	29,0

**TOTAL ACTUAL OPERATIONAL REVENUE (A) 8 600,5**

### OVERVIEW BY CATEGORY

1,7	Security
45,0	Education, professional training, traineeships
107,6	Culture, social life, youth, sports and activities
618,0	Healthcare and social work
305,2	Regional development and housing
67,6	Economic development
710,2	Environment
339,9	Transportation
6 405,4	General services

**TOTAL ACTUAL OPERATIONAL REVENUE (A) 8 600,5**

The scope of budgetary documents adds the cross-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)	367,8
Non-budgetary transfer revenue between sections (chapter 042)	333,1
Reattribution of real estate transfer revenue to the investment section (account 775)	162,0
Additional transfer revenue	0,8
Capitalized rent collected under operations (by special dispensation)	-150,4
Transfer of the regional share of the tourism tax by the City to the SGP	10,7
Charges marked as long-term lease advances for the Porte de Versailles	11,7
<b>BUDGETARY TOTAL (A) + (B)</b>	<b>8 968,4</b>

## INVESTMENT EXPENDITURE - 2019 AA

### OVERVIEW BY TYPE

Intangible fixed assets	47,6
Capital grants	423,4
Acquisitions	249,6
Construction	679,7
Operations for third parties	45,5
Loans granted	7,1
Other actual investment expenditure	115,5
<b>TOTAL ACTUAL INVESTMENT EXPENDITURE(A)</b>	<b>1 568,5</b>

### OVERVIEW BY CATEGORY

15,5	Security
140,5	Education, professional training, traineeships
208,6	Culture, social life, youth, sports and activities
82,8	Healthcare and social work
575,9	Regional development and housing
27,8	Economic development
47,7	Environment
171,4	Transportation
298,3	General services
<b>1 568,5</b>	<b>TOTAL ACTUAL INVESTMENT EXPENDITURE (A)</b>

The scope of budgetary documents adds the cross-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

### NEUTRALIZATIONS (B)

**685,5**

Non-budgetary transfer expenditure between sections (chapter 040)	333,1
Asset-based transactions (chapter 041)	66,9
Neutralized and balanced transactions	62,6
Loan repayments	223,0
<b>BUDGETARY TOTAL (A) + (B)</b>	<b>2 254,0</b>



## INVESTMENT REVENUE - 2019 AA

### OVERVIEW BY TYPE

Subsidies and endowments received	252,8
Revenue from the transfer of fixed assets	233,9
Operations for third parties	18,0
Loan repayments	7,9
Other financial fixed assets	0,2
Other actual investment revenue	1,8
<b>TOTAL ACTUAL INVESTMENT REVENUE (A)</b>	<b>514,7</b>

### OVERVIEW BY CATEGORY

1,3	Security
15,7	Education, professional training, traineeships
23,5	Culture, social life, youth, sports and activities
6,5	Healthcare and social work
250,3	Regional development and housing
0,0	Economic development
2,2	Environment
8,0	Transportation
207,1	General services
<b>514,7</b>	<b>TOTAL ACTUAL INVESTMENT REVENUE (A)</b>

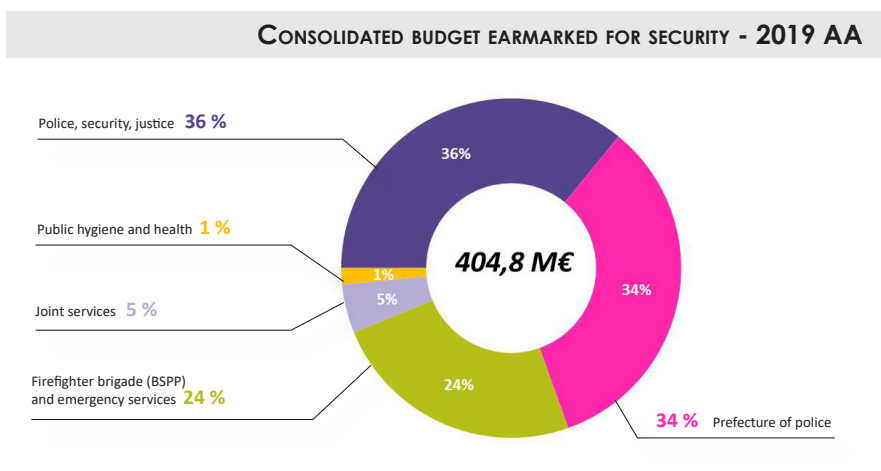
The scope of budgetary documents adds the cross-flows detailed below to this revenue, which is neutralized in the financial analysis since it is balanced in terms of expenditure and revenue within the consolidated budget :

### NEUTRALIZATIONS (B)

**1 173,1**

Non-budgetary transfer revenue between sections (chapter 040)	620,3
Asset-based transactions (chapter 041)	66,9
Neutralized and balanced transactions	62,6
Capitalized rent collected under operations (by special dispensation)	150,4
New loans (types 16311 and 1641)	248,2
Paid-in capital corrections (chapter 041)	1,8
Operational budget surplus	187,5
Additional transfer revenue	-0,8
Reattribution of real estate transfer revenue to the investment section (account 775)	-162,0
<b>BUDGETARY TOTAL (A) + (B)</b>	<b>1 687,7</b>

## CONSOLIDATED BUDGET EARMARKED FOR SECURITY - 2019 AA



IN MILLIONS OF €	2018 AA	2019 AA
Operational expenditure	378,6	389,3
<i>Including payroll</i>	<i>145,6</i>	<i>151,6</i>
Investment expenditure	13,6	15,5
Operational revenue	1,6	1,7
Investment revenue	0,5	1,3

## OPERATIONAL SECTION

### Expenditure

**FOR THE 2019 FISCAL YEAR, THE OPERATIONAL BUDGET EARMARKED FOR SECURITY, PAYROLL INCLUDED, AMOUNTED TO €389.3 MILLION, AN INCREASE OF €10.7 MILLION COMPARED TO 2018.**

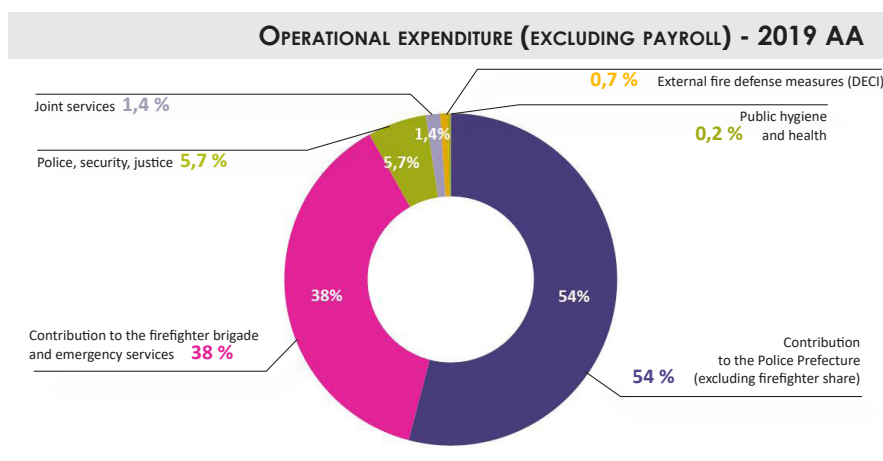
While the year 2018 had been affected by the transfer of 1,898 agents from the Police prefecture to the 2019 PB under the framework of the Paris status reform, 197 new positions were created for this category under the Department of Prevention, Security and Protection (Direction de la Prévention, de la Sécurité et de la Protection: DPSP): 180 safety inspector positions to strengthen the security workforce, 10 positions to reinforce surveillance in parks and gardens, 3 positions in drug addiction prevention, 3 positions to round out Paris's share of social assistants in arrondissement police precincts and 1 position to help prevent professional noise and olfactory pollution.

Under the framework of the reconversion plan, many conversions and transfers were also carried out under this category, specifically in order to provide Parisian security officers, who have been recognized as physically unfit, with professional job prospects compatible with their current health.

In total, for the year 2019, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries for the security category amounted to +192 budgetary jobs.

**Operational expenditure earmarked for security represented €238 million, excluding payroll, an increase of €5 million compared to the 2018 AA.**

## OPERATIONAL EXPENDITURE (EXCLUDING PAYROLL) - 2019 AA



The main expenditure supported by the City in virtue of security was the contribution paid to the Police prefecture, which amounted to €218.4 million in 2019, €2.3 million (+1.1%) more than the 2018 AA.

Within this contribution, the share meant to finance the Paris Firefighter Brigade (BSPP) increased by €2.8 million and amounted to €89.9 million. This change was due to the implementation of the BSPP modernization plan, specifically aiming to improve firefighter working conditions and stabilize their commitment in the Parisian region. Among the main measures implemented: compensation reevaluation, an intensification of maintenance work and regulatory upkeep, a digital transformation plan, increased recourse to reserve firefighters and the leasing of housing.

As for the share dedicated to Police prefecture operations, it decreased by €0.5 million, which was related to the reduction in Police prefecture operational fees following the Paris status reform.

Excluding its contribution to the Police prefecture, expenditure related to security represented €19.3 million, an increase of €2.7 million. Expenditure earmarked for the protection and surveillance of public space amounted to €13.6 million, €1.6 million more than 2018.

Building caretaker and public space expenditure reached €11.2 million, an increase of €1 million, in order to buttress security in administrative buildings and the surveillance of public events and places, specifically for the Hôtel de Ville's night shelter for solitary women (+€0.7 million) and expansions for the "Paris Breathe" project (+€0.3 million).

The subsidy paid to the Parisian Landlord Security Association (Groupement Parisien Inter-Bailleurs de Surveillance: GPIS) amounted to €0.8 million, compared to €0.4 million in 2018, in order to finance the expansion of the security staff's scope and hours.

Subsidies earmarked for helping victims and preventing radicalization amounted to €1.4 million, an €0.2 million more than the 2018 AA. This was specifically due to the payment of two one-time subsidies in support of the families of the firefighters who were victims of the accident on the rue de Tréville (9th arrondissement), and the families of the police officers who were victims of the attack against the Prefecture, respectively.

Expenditure related to fires and emergencies reached €91.6 million, an increase of €2.6 million compared to the 2018 AA.

In addition, €89.9 million was earmarked for the financing of the Paris Firefighter Brigade (BSPP), €1.7 million was paid in virtue of external fire defense measures (Défense Extérieure Contre les Incendies: DECI), a decrease of €0.2 million compared to the 2018 AA, due to the renegotiation of the DECI agreement with the independent Eau de Paris public company, in charge of handling water access for fires.

Operational expenditure for joint services represented €3.4 million in 2019, €1 million more than the 2018 AA, mainly due to an increase in TAM services (+€0.6 million), the purchase of equipment under the framework of the future Parisian police force, mainly mountain bike equipment and tactical vests, as well as research and analysis fees for the creation of the municipal police force (+€0.2 million).

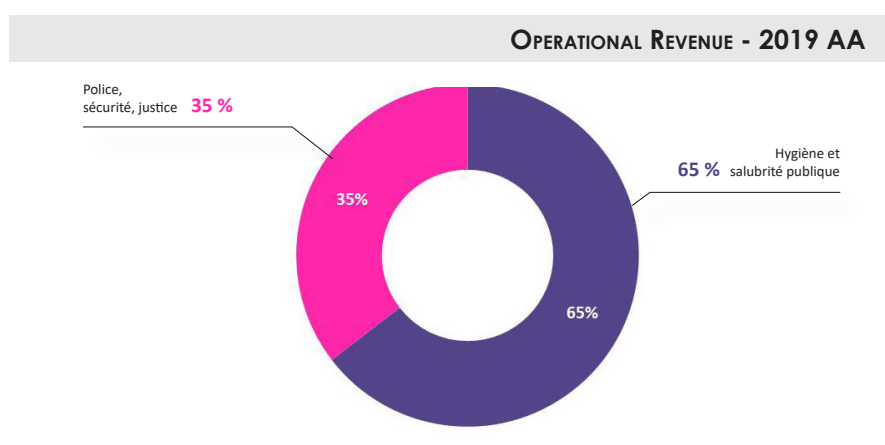
Lastly, expenditure dedicated to the regulatory monitoring of hygiene grew by €0.3 million in 2019, reaching a total of €0.6 million, due to the financing of building safety measures following the explosions on the rue de Tréville (9th arrondissement) and the rue Riquet (18th arrondissement).

## Revenue

OPERATIONAL REVENUE RELATED TO SECURITY REACHED €1.7 MILLION IN THE 2019 AA, AN INCREASE OF €0.1 MILLION.

This growth corresponded in large part to the subsidy paid by the Interministerial delinquency prevention fund (Fonds Interministériel de Prévention de la Délinquance: FIPD) in order to implement the safety plan in Paris elementary and middle schools.

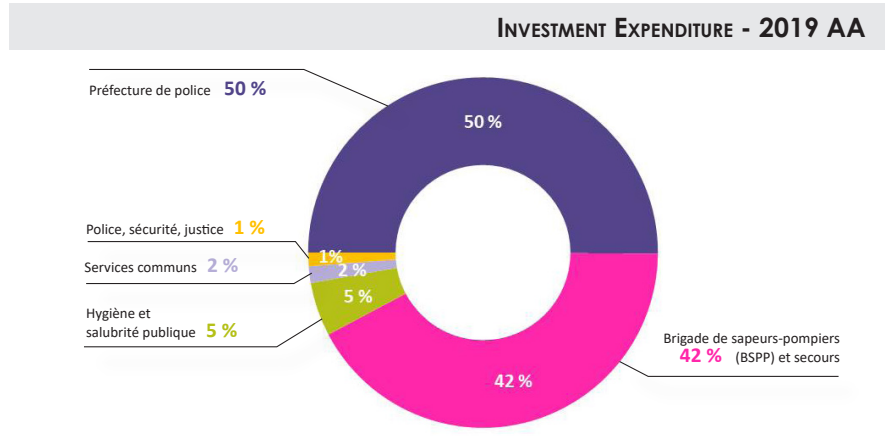
Revenue related to the regulatory monitoring of hygiene decreased by €0.2 million and represented €1.1 million. The subsidy paid by the Regional Health Agency under the framework of the agreement related to hygiene inspections in Parisian housing was stable (€1 million). This obvious decline compared to 2018 was related to revenue from fines issued for squalor. This reduction was also related to the one-time categorization in 2018 of fines for compulsory renovations carried out between 2013 and 2016.



## INVESTMENT SECTION

### Expenditure

INVESTMENT EXPENDITURE IN VIRTUE OF THE "SECURITY" CATEGORY AMOUNTED TO €15.5 MILLION, E.G. AN INCREASE OF €1.9 MILLION COMPARED TO 2018.



€7.8 million was earmarked for expenditure for **the protection of property and individuals**, e.g. an €2.6 million more than 2018 due to an upsurge in the City's participation in the financing of maintenance work for the Police prefecture. This increase can also be explained through accelerated construction of the Prefecture's buildings, specifically its historic buildings on the Ile-de-la-Cité.

€6.5 million was dedicated to expenditure for **fire prevention and emergencies**:

- €4.7 million paid to the Police prefecture in order to finance construction in Paris Firefighter Brigade stations;
- €1.8 million was mobilized for external fire defense measures (DECI).

Expenditure for **public hygiene and health** reached €0.8 million in 2019 and was related to compulsory maintenance for buildings in jeopardy.

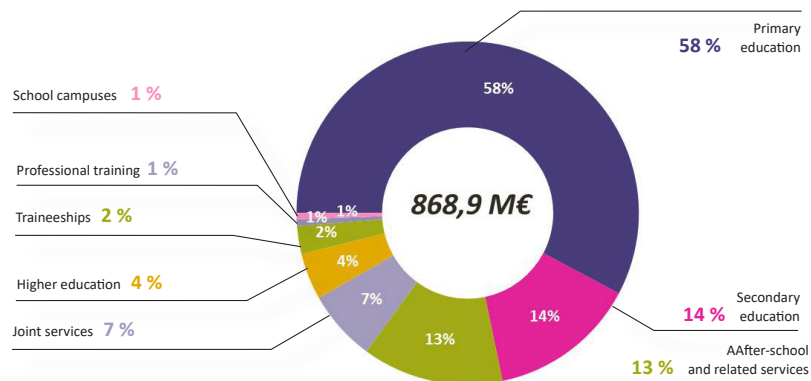
Expenditure for **joint services** amounted to €0.2 million and largely concerned furniture acquisitions and maintenance work in premises.

€0.2 million was earmarked for **safety upgrades** expenditure, specifically the acquisition of anti-intrusion equipment.

### Revenue

INVESTMENT REVENUE AMOUNTED TO €1.3 MILLION (+€0.8 MILLION). THIS CORRESPONDED TO REIMBURSEMENTS PAID BY THIRD PARTIES FOLLOWING COMPULSORY RENOVATIONS CARRIED OUT BY THE CITY.

### CONSOLIDATED BUDGET EARMARKED FOR EDUCATION, PROFESSIONAL TRAINING AND TRAINEESHIPS - 2019 AA



IN MILLIONS OF €	2018 AA	2019 AA
Operational expenditure	729,8	728,4
<i>Including payroll</i>	495,5	492,2
Investment expenditure	168,8	140,5
Operational revenue	37,4	45,0
Investment revenue	9,2	15,7

## OPERATIONAL SECTION

### Expenditure

FOR THE 2019 FISCAL YEAR, THE OPERATIONAL BUDGET EARMARKED FOR EDUCATION AND TRAINING AMOUNTED TO €728.4 MILLION, INCLUDING €492.2 MILLION IN VIRTUE OF PAYROLL.

In order to accompany a dynamic investment policy, 23 positions were created in the 2019 PB in virtue of expanding and opening more Parisian elementary and middle school facilities within the Department of Educational Affairs (Direction des Affaires Scolaires: DASCO).

9 new positions were created in order to strengthen school dining services.

5 positions were created in favor of the Arc-en-Ciel summer activity program.

After reclassifying 60 assistant activity leader positions as activity leaders, the 2019 PB also enabled the deployment of 60 new City Educational Directors in schools.

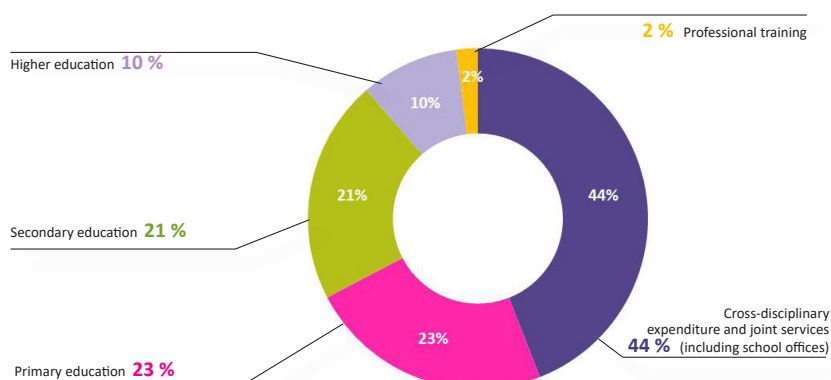
Furthermore, the self-management of the Ecole du Breuil was conveyed through the elimination of 76 positions and 10,896 hourly allowances with the Department of Green Spaces and the Environment (Direction des Espaces Verts et de l'Environnement: DEVE).

In response to the decrease in school-age demographics, many job redeployments were carried out under the "Education" category.

In total, for the year 2019, the balance of budgetary entries amounted to -127 budgetary jobs for this category.

Excluding payroll, operational expenditure related to education, professional training and traineeships amounted to €236.2 million, an increase of €1.9 million compared to the 2018 AA.

### OPERATIONAL EXPENDITURE (EXCLUDING PAYROLL) - 2019 AA



Operational expenditure for this category included expenditure directly meant for primary, secondary or higher education establishments or programs (€127.3 million), cross-expenditure (related and joint services, for €104.1 million) and expenditure for professional training and traineeships (€4.8 million).

**Within this first category (€127.3 million), expenditure in virtue of primary education amounted to €55 million in the 2019 AA.**

This amount included, on the one hand, €10.6 million earmarked for ongoing operational expenditure in schools: €1.5 million for **nursery schools**, €3.3 million for **elementary schools** and €5.8 million in virtue of **multipurpose schools**. As for nursery schools, the 2019 AA decreased by €2.1 million compared to the 2018 AA and by €3.4 million for elementary schools, while expenditure for multipurpose schools increased by €4.4 million. This change in expenditure is explained by a shift in credits earmarked for the financing of the educational establishment beautification program in multipurpose schools as well as by an expenditure level noticeably higher in 2018 compared to a regular year.

This group included, on the one hand, **cross-expenditure for primary education** which amounted to €44.4 million, €3.1 million less than the 2018 AA. It specifically included:

- Expenditure supporting private primary education (€29.8 million), a slight increase of €0.2 million in order to take into account actual workforce numbers ;
- The contribution paid by the City to the Ministry of National Education in virtue of teaching dispensations (€12 million), an amount that, like in 2018, dropped by €3 million after renegotiating the agreement setting the City's participation terms 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;
- Energy performance partnership contracts (€1.7 million), a decrease of €0.3 million compared to 2018;
- The budget allocated to the "Priority elementary and middle schools" initiative remained stable at €0.7 million.

**Expenditure related to secondary education amounted to €47.8 million, an increase of €4 million.**

Among this expenditure, €42 million was earmarked for middle schools, including €17.1 million for public middle schools, excluding payroll, and €22.2 million for private middle schools.

Expenditure for public middle schools decreased by €2 million compared to the 2018 AA. This drop can be (€1.6 million) largely explained through the transfer of expenditure from the "Public middle schools" category, dedicated to the middle school student initiative program, to "Secondary education initiatives." The operational endowment to private middle schools grew by €0.5 million in order to account for the increase in workforce numbers.

€2.7 million was dedicated to **secondary education initiatives**, which included the "middle school student initiative" program and subsidies related to secondary education initiatives. This entry increased by €1.6 million compared to the 2018 AA, following the transfer of expenditure from the "Public middle schools" category.

**€5.9 million** was dedicated to ongoing operational expenditure in **municipal high schools**, an increase of €4 million. Following the Ecole du Breuil's change to self-management on January 1, 2019, its subsidy grew by €4.3 million. In parallel, expenditure for municipal high schools decreased by €0.3 million.

**Lastly, expenditure earmarked for higher education reached €22.1 million in the 2019 AA**, an €0.2 million more than the 2018 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 €2.1 million to art schools. Support for structures assisting with student life represented €1.9 million.

**Cross-expenditure related to education amounted to €104.1 million, e.g. an increase of €0.8 million.**

Included in this amount, expenditure related to **school offices and dining services** represented the largest expenditure entry with €81.5 million. Subsidies to school offices (€78.7 million) grew by €6.4 million compared to the 2018 AA. This increase was mainly related to the 2019 transfer of "Middle school dining services" expenditure, which amounted to €8.3 million in 2018, to "School office subsidies" (€5.4 million), and "Independent middle school and combined middle/high school dining services". **Subsidiary educational services** represented €13.7 million in the 2019 AA, a slight growth of €0.1 million compared to the 2018 AA. Expenditure for extracurricular activities (€11.9 million) decreased by €0.1 million, while expenditure in virtue of school transportation (€1.5 million) increased by €0.2 million in 2019. Expenditure in support of educational activities (€0.3 million) remained stable compared to 2018.

Expenditure in virtue of **field trips** represented €7.5 million in the 2019 AA, €0.1 million less than the 2018 AA.

Lastly, **joint services** for education and professional training represented €1.3 million (-€0.1 million).

**Expenditure related to professional training and traineeships amounted to €4.8 million in the 2019 AA**, compared to €3.5 million in 2018.

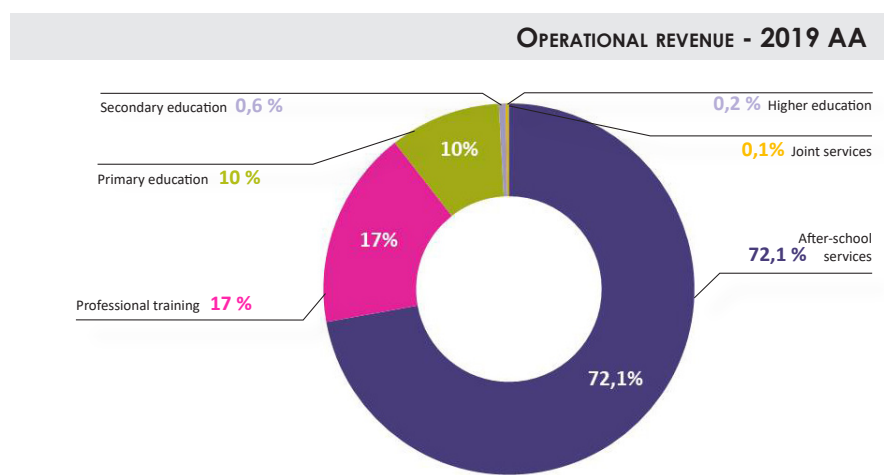
Within this budget, **traineeships** represented €4.1 million, an increase of €1.4 million compared to 2018 due to the City's effort in recruiting trainees. The number of trainees in 2019 totaled 960 compared to 862 in 2018.

Training expenditure for employees with **subsidized contracts** amounted to €0.15 million, a decrease of €0.2 million compared to 2018 due to the reduced number of employees with subsidized contracts decided on by the State, which also had an impact on operational revenue.

**Professional training** represented €0.5 million, €0.1 million more than 2018 owing to an increase in rental expenditure for establishments where municipal courses are given.

### Revenue

**OPERATIONAL REVENUE RELATED TO EDUCATION, PROFESSIONAL TRAINING AND TRAINEESHIPS AMOUNTED TO €45 MILLION IN THE 2019 AA, €7.6 MILLION MORE THAN THE 2018 AA.**



Within this amount, entries for **primary education** amounted to €4.4 million, a decrease of €0.7 million compared to the 2018 AA, due to the 2019 renouncement of the dual revenue/expenditure entry for fluids in combination elementary/middle schools. Up until then, middle schools reimbursed elementary schools, which paid for the fluids. With the merger of the City and Department's budget, this accounting practice could be removed. In parallel, a €0.3-million subsidy from the FEDER was collected under the framework of the "Oasis playground" project.

Revenue related to **secondary education** amounted to €0.3 million, €1.3 million less than the 2018 AA. This significant decrease can be explained through the personalized self-management of the Ecole du Breuil, which has directly collected, since January 1, 2019, the establishment's revenue.

Other revenue related to **subsidiary educational services** represented €32.5 million, e.g. +€15 million. CAF participations were redistributed over the course of the 2019 fiscal year between the "Education, professional training and traineeships" category and the "Culture, social life, youth, sports and activities" category. Consequently, €17 million in additional CAF revenue was added in 2019, thanks to the transfer from the "Culture" category. This increase was partially reduced by a €2-million decrease in revenue from extracurricular activities following the reduction in the school-age demographic and the drop in CAF financing for certain Youth/Childhood Contract initiatives. Other revenue related to subsidiary educational services represented €15.5 million. €11.5 million was collected from extracurricular activities in virtue of participations from the State (€6.1 million) and families (€5.4 million), €3.3 million in revenue was collected in virtue of family participations for middle school dining services and revenue in virtue of field trips represented €0.8 million

State participations related to **traineeships** represented €3.7 million in the 2019 AA, e.g. €5.4 million less than the 2018 AA. The end of the subsidized contract program explains this decrease.

Revenue collected in virtue of **professional training** represented €4.1 million, stable compared to the 2018 AA. This largely corresponded to registration fees for continuing education dispensed within municipal adult courses.

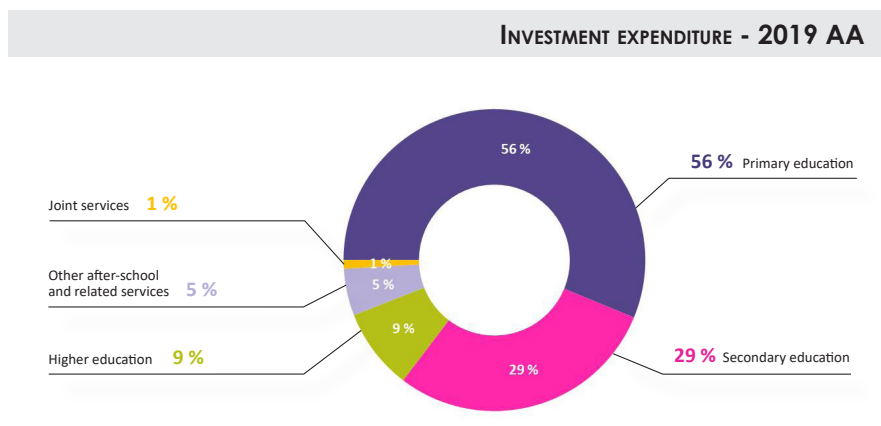
Revenue collected in virtue of **higher education** represented €0.1 million.

## INVESTMENT SECTION

### Expenditure

**IN 2019, INVESTMENT EXPENDITURE IN FAVOR OF EDUCATION, PROFESSIONAL TRAINING AND TRAINEESHIPS AMOUNTED TO €140.5 MILLION, E.G. A DECREASE OF €28.3 MILLION COMPARED TO 2018. THIS WAS MAINLY RELATED TO ACCOUNTING REGULARIZATIONS CARRIED OUT IN 2018 (€9.4 MILLION) AND THE SUBSIDY PAYMENT SCHEDULE FOR ESPCI'S RENOVATION, RELOCATION AND EQUIPMENT (€22.5 MILLION IN 2018).**

## INVESTMENT EXPENDITURE - 2019 AA



**Primary school education represented the main expenditure entry, with €79 million (e.g. +€3.1 million).**

New schools and renovation work represented €17.8 million compared to €28.6 million in the 2018 AA, due to the completion of a certain number of construction and renovation projects such as the Clichy Batignolles school in August 2019 (17th arrondissement), the Dupleix – Cardinal Amette school complex (15th arrondissement) in the spring of 2019 as well as the elementary school on the rue de Torcy in the 18th arrondissement (€0.2 million compared to €0.5 million in 2018). Other projects were also finished, such as the nursery school on the rue de Tolbiac in the 13th arrondissement (€0.07 million compared to €0.8 million in 2018), the school in the Charolais Rambouillet neighborhood in the 12th arrondissement (€0.06 million versus €1.2 million in 2018) as well as the elementary school on rue Gambetta in the 20th arrondissement (€0.06 million compared to €1.6 million in 2018).

It should be noted that in 2019, €5 million was earmarked for the Chapelle International multipurpose school (18th arrondissement), €3.2 million for the renovation of the Kuss school complex in the 13th arrondissement, €1.6 million for the primary school on the rue de Constantinople in the 8th arrondissement as well as €1 million for the nursery school on the rue Picpus in the 12th arrondissement.

School maintenance and equipment represented €61.2 million, an increase of €14 million versus the previous year. Consequently, €24.7 million (compared to €20.4 million in 2018) was earmarked for local interest budgets, €13.6 million for energy-related renovations and the roll-out of the Climate plan in schools. €18.6 million was mobilized for furniture, IT equipment, back-to-school upgrades, €1.9 million for safety upgrades and €2.2 million for the improvement of staff working conditions.

**Secondary education mobilized €40.9 million, e.g. an increase of €8 million compared to 2018.**

**€36.5 million** was earmarked for **middle schools**, e.g. €5.8 million more than in the 2018 AA.

€18.5 million was dedicated to construction work in establishments (compared to €14.7 million in 2018), specifically in the following middle schools: Maurice Utrillo middle school in the 18th arrondissement (€6.3 million), Lucie Faure middle school in the 20th arrondissement (€4.1 million), Claude Chappe middle school in the 19th arrondissement (€3.2 million). Other investment expenditure in middle schools amounted to €17.9 million, including €10.2 million for maintenance and €3 million for the subsidization of independent middle schools (compared to €5 million in 2018). €0.02 million was earmarked for digital technology in middle schools.

**€3.7 million** was dedicated to **municipal high schools** compared to €1.9 million in 2018.

€1.2 million was related to the maintenance of municipal high schools and adult municipal high schools. In addition, €2.5 million in construction costs (compared to €0.4 million in 2018) was spent in high schools, including Lucas de Nehou high school in the 5th arrondissement (€0.9 million) and Théophile Gautier high school in the 4th arrondissement (€0.8 million).

**€0.5 million** was earmarked for the maintenance and equipment at the **Ecole du Breuil**.

**Higher education was budgeted €12.2 million in 2019, compared to €39.3 million in the 2018 AA.**

The main projects concerned the payment of the annual share of the subsidy granted to the Condorcet Campus's Public Establishment for Scientific Cooperation for its installation on the Chapelle site (€3.3 million compared to €6.5 million in 2018). In addition, €1.5 million was earmarked for security upgrades for Paris Descartes University.

Upkeep and support in art schools represented €1.3 million. This corresponded to capital grants (€1.1 million), construction costs (€0.1 million) and implementing accessibility measures for the Estienne School (€0.1 million).

€1.5 million was also allocated to student life in the form of a subsidy paid to the Regional Center for Academic and University Works (Centre Regional des Oeuvres Universitaires et Scolaires: CROUS). This was a decrease of €0.2 million compared to 2018.

**Investment expenditure in after-school services, housing and school dining services amounted to €7.1 million compared to €4.6 million in 2018.**

€5.9 million (compared to €4.3 million in 2018) made it possible to finance upgrade renovations and construction work in school kitchens and €1.2 million (compared to €0.3 million in 2018) for after-school services.



**Lastly, joint services for education mobilized €1.3 million in 2019, compared to €1.5 million in 2018.**

Initiatives in favor of preventing incompetence in the workplace were developed in the amount of €0.3 million in 2019. As for the improvement of working conditions, this mobilized €0.9 million.

### Revenue

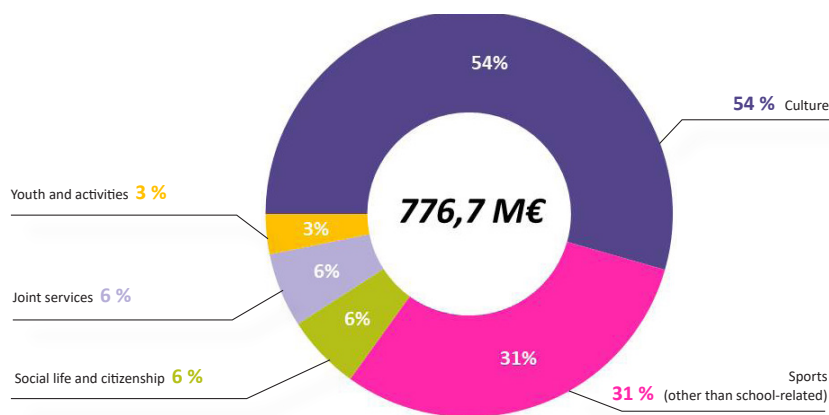
**INVESTMENT REVENUE AMOUNTED TO €15.7 MILLION, COMPARED TO €9.2 MILLION IN 2018. €9.9 MILLION WAS COLLECTED FROM PRIMARY EDUCATION AND €5.8 MILLION FROM SECONDARY EDUCATION.**

Among the revenue related to **primary education**, €8.6 million corresponded to a subsidy in virtue of the endowment in support of local public investment paid by the prefecture for the acquisition of a lot and the construction of a multipurpose 8-class school on rue Constantinople in the 8th arrondissement, €1.2 million corresponded to a FEDER subsidy under the framework of the "Oasis playground" project in order to adapt school playgrounds to climate change.

For **secondary education**, the departmental equipment endowment for middle schools represented €5.8 million.

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

#### CONSOLIDATED BUDGET EARMARKED FOR CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES - 2019 AA



IN MILLIONS OF €	2018 AA	2019 AA
Operational expenditure	557,9	568,1
<i>Including payroll</i>	299,0	305,7
Investment expenditure	178,2	208,6
Operational revenue	128,4	107,6
Investment revenue	8,6	23,5

## OPERATIONAL SECTION

### EXPENDITURE

**FOR THE 2019 FISCAL YEAR, THE OPERATIONAL BUDGET DEDICATED TO CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES AMOUNTED TO €568.1 MILLION, INCLUDING €305.7 MILLION IN VIRTUE OF PAYROLL.**

88 positions were created in 2019 under this category, in order to support the creation of new facilities and strengthen the cultural policy.

Within the Department of Cultural Affairs (Direction des Affaires Culturelles: DAC), the increase in new conservatories as well as the educational teacher reform was conveyed through the creation of 24 positions and 2,630 teaching hours. The library sector saw the creation of 23 positions including 2 for the self-management of the Roger Viollet fund and 13 positions to strengthen the mobile team meant to ensure replacements in libraries as well as 8 positions to facilitate the operations of teams in charge of Sunday openings for 2 multimedia libraries (Robert Sabatier and Jean-Pierre Melville).

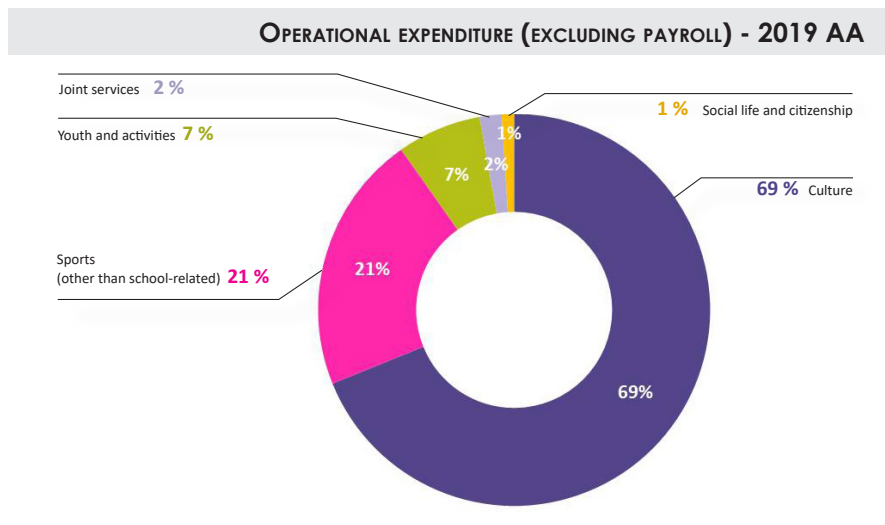
28 positions were created under the Department of Youth and Sports (Direction de la Jeunesse et des Sports: DJS) for the operations of 2 gyms and an athletic center as well as the self-management of the Bobigny athletic center (SIPS 93). One position was created for the DJS's IT initiative and another position for the performance support unit.

Furthermore, 8 logistical positions were created in arrondissement town halls, as well as 3 technical positions in order to improve the coordination and mobilization of municipal services intervening in the public space.

Lastly, 24 positions were created through the conversion of hourly allowances in order to hire temporary lecturers in conservatories. 18 conversions were also planned in order to grant tenure to conservatory contractual professors.

In total, for the year 2019, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries amounted to +110 budgetary jobs for this category.

**Excluding payroll, operational expenditure related to the category "culture, social life, youth, sports and athletics" amounted to €262.4 million in the 2019 AA, an increase of €3.6 million.**



**The budget earmarked for culture amounted to €180.7 million in the 2019 AA, €2.4 million more than 2018.**

Expenditure related to the **theater**, mainly composed of subsidies to cultural establishments, represented €89.1 million in the 2019 AA, an increase of €2.7 million compared to the 2018 AA, essentially due to the reopening of the Théâtre du Châtelet in September 2019. The share of this expenditure dedicated to supporting live performances amounted to €43.3 million, and expenditure for musical expression equaled €45.7 million.

Expenditure earmarked for **museums** represented €56 million. This expenditure corresponded to the subsidy attributed to the Paris Museums public establishment (Etablissement public Paris Musées: EPPM), an increase of €3 million compared to the 2018 AA. This growth specifically made it possible to ensure the opening of the Liberation Museum of Paris – General Leclerc Museum – Jean Moulin Museum, on the occasion of the 75th anniversary of the Liberation of Paris.

€21.7 million was allocated to **artistic activities and cultural manifestations**, €8 million was dedicated to subsidies in virtue of artistic education and non-professional practices, €7.2 million in virtue of the visual arts, €2.3 million for the organization of the “Nuit Blanche” event, €1.8 million in virtue of cross-disciplinary resources for cultural initiatives (mainly ongoing charges for the buildings that the City provides to cultural establishments) and €1.4 million for subsidies in virtue of the cultural initiative. Lastly, €1.1 million was earmarked for conservatory operational fees.

€7.3 million was earmarked in 2019 to the conservation of **cultural heritage**, with €2.7 million for maintenance and promotion of cultural heritage, including €1.3 million for historic fountains, €2.3 million in subsidies, €0.6 million for the “Remembrance” budget and €0.4 million for the budget dedicated to historical heritage.

€4.2 million was mobilized for operations in **libraries and multimedia libraries**.

€2.1 million was allocated to the **cinema**. This €4-million decrease compared to the 2018 AA was due to a scope effect. The subsidy to the Forum des Images, which houses the “TUMO” digital creation school is now budgetarily supported under category 6 “Economic development”.

**Archival** services represented an expenditure of €0.4 million.

**Expenditure dedicated to sports represented €56.1 million in the 2019 AA, €0.2 million less than the 2018 AA.**

€22 million was granted to **athletic events** in 2019, an increase of €0.6 million. This expenditure included school transportation, sports programs, sporting events, support for professional clubs, local sports, as well as assistance for international sporting events and the 2024 Olympic and Paralympic Games.

Expenditure in virtue of sports programs and events decreased by €0.1 million and support for elite clubs grew by €0.4 million due to the creation of the professional basketball team “Paris Basketball” in 2018.

The increase in expenditure related to major international sporting events (+€1.1 million compared to the 2018 AA) can be largely explained through the Women’s World Cup Championship, which took place in France in 2019. Expenditure related to the 2024 Olympic and Paralympic Games dropped by €0.7 million compared to the 2018 AA, since a portion of the budget for Olympic Days was covered by the Olympic Games Organizational Committee in 2019.

Expenditure earmarked for **swimming pools** represented €18.7 million, €0.8 million more than the 2018 AA. €14.3 million was granted to externalized management, an increase of €0.5 million, and €4 million to self-management, €0.3 million more than in 2018. The growth in externally managed swimming pools can be explained through the opening of the Yvonne Godard swimming pool (20th arrondissement) and the Elisabeth swimming pool (14th arrondissement) conveying the intensification of the municipality’s athletic offering. Moreover, €0.4-million in credits were earmarked in order to rent time slots in athletic centers.

The budget dedicated to **stadiums** amounted to €6.4 million.

€4.7 million was put aside for the management of **athletic facilities and gyms**, for which operational and ongoing maintenance expenditure decreased by €0.7 million compared to the 2018 AA, mainly due to the fact that caretaker expenditure was covered by the DPSP for 2 sites (Berlemont – 11th arrondissement – and the Gymnase des Fillettes – 18th arrondissement) in 2019.

Lastly, €4.2 million was dedicated to the management of **interdepartmental parks**, €0.5 million less than the 2018 AA due to the self-management of the Parc de Bobigny.

**Initiatives for youth and activities amounted to €18.2 million, including €13.4 million for activity centers and summer camps.**

The budget dedicated to the operations of **activity centers** amounted to €9.3 million in 2019 compared to €10.3 million in 2018, which was an atypical year owing to the implementation of the clean transportation contract and the Activity Center Festival.

€4.1 million was allocated to the financing of **summer camps**.

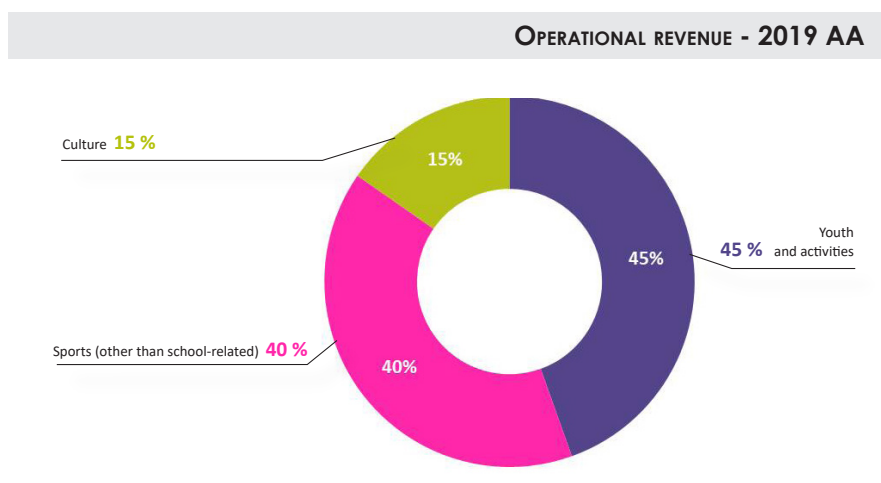
Lastly, €4.8 million was earmarked for **other youth activities**, e.g. an increase of €0.1 million compared to the 2018 AA. This expenditure specifically included the volunteer youth leadership diploma initiative and the Paris Youth Vacation program.

The section **“social and civic life”** represented **€2.7 million**, including €1.2 million dedicated to gender equality, €0.7 million towards discrimination prevention and €0.8 million dedicated to the nightlife policy.

**Joint services** had a budget of €4.8 million in 2019, an increase of €2 million, due to a change in accounting procedures where the budget is now voted on according to category (credits executed in 2018 to another category).

**Revenue**

**OPERATIONAL REVENUE RELATED TO CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES AMOUNTED TO €107.6 MILLION, A DECREASE OF €20.8 MILLION COMPARED TO THE 2018 AA. THIS DOWNTURN CAN BE EXPLAINED THROUGH THE TRANSFER OF REVENUE FROM THE FAMILY BENEFITS OFFICE (CAISSE D’ALLOCATIONS FAMILIALES: CAF) TO THE EDUCATION CATEGORY (CATEGORY 2).**



**Revenue related to the youth and activities sector represented €47.9 million in the 2019 AA.**

In 2019, **activity centers** generated €44 million in revenue, e.g. a decrease of €20.4 million compared to 2018. This revenue included €25.2 million in virtue of CAF participations for the financing of activity centers, under the framework of Childhood Youth Contracts, and €18.8 million in virtue of participations from activity center users.

CAF participations were redistributed over the course of 2019 between the category “Education, professional training and traineeships” and the category “Culture, social life, youth, sports and activities.” The bulk of these participations is now categorized as revenue under the “Education” category. Consequently, €17 million in CAF revenue was transferred to the “Education” category in 2019. It should be added that following the decrease in the school-age demographic and owing to the fact that the CAF no longer finances certain measures under the new version of Childhood Youth Contracts (Contrat Enfance Jeunesse: CEJ), there was an overall €3-million decline in CAF revenue.

Other revenue from this sector included €0.6 million from the Arc-en-Ciel summer activity program and €3.3 million in revenue from **other youth activities**.

**Operational revenue related to the athletics sector represented €43.2 million, an increase of €0.7 million compared to the 2018 AA.**

Revenue from **stadiums** represented €32.1 million, including a payment in virtue of the POPB (Palais Omnisports de Paris-Bercy) public service delegation (+€1.2 million) following the adjustment in payment deferrals and a payment of €0.4 million in virtue of the public domain occupation agreement for the Parc des Princes.

Revenue from the organization of major international sporting events such as the **2024 Olympic and Paralympic Games represented €0.5 million**, a decrease of €2 million (during the dissolution of the 2024 Paris GIP in 2018, the City recouped the unused share of the subsidy).

Revenue related to **swimming pools** remained stable in 2019 in the amount of €8.8 million.

Revenue collected from **athletic programs** represented €1.8 million in the 2019 AA, an increase of €0.1 million.

**€16.5 million in revenue was collected in virtue of culture in 2019, €0.5 million less than the 2018 AA.**

€11.5 million was accumulated in virtue of **cultural events**, €0.3 million more than the 2018 AA, specifically related to the implementation of a policy that will make conservatories accessible to a wider audience. The cross-disciplinary resources from cultural initiatives and the “Nuit Blanche” event generated €0.2 million and €0.4 million in revenue, respectively.

Revenue from **theaters** represented €1.7 million, a decrease of €0.5 million compared to 2018, related to the ending of the advertising contract for the Théâtre du Châtelet, whose renovations were completed.

Revenue from **libraries** amounted to €1.3 million.

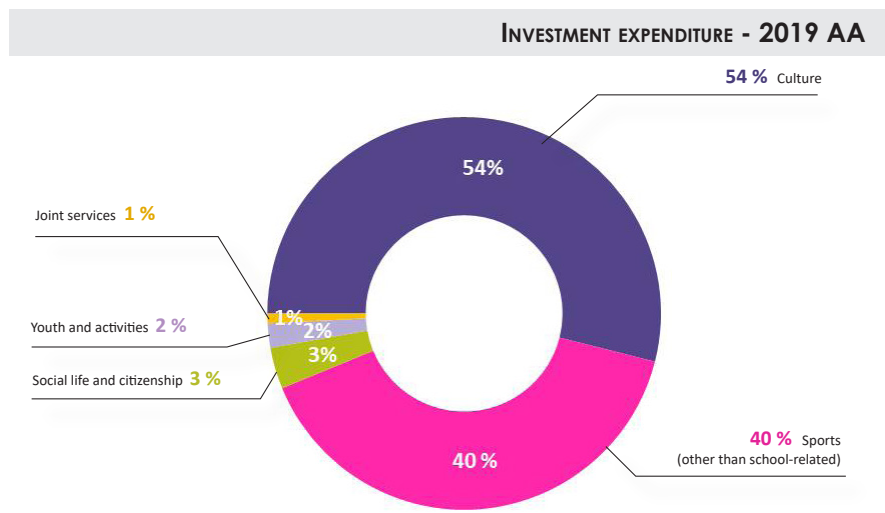
Operational revenue related to **cultural heritage** was €0.1 million, in accordance with the advertisement display schedule for certain cultural edifices undergoing renovations.

€1.9 million in revenue was collected from **cinemas and other performance spaces**, an increase of €0.4 million compared to the 2018 AA. This growth can be explained through an upturn in revenue from film shoots.

**INVESTMENT SECTION**

**Expenditure**

**€208.6 MILLION WAS DEDICATED TO THE CATEGORY “CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES” IN 2019, COMPARED TO €178.2 MILLION IN 2018.**



**€112.5 million was earmarked for the cultural sector, compared to €80.7 million in 2018.**

€41.2 million was invested in favor of **museums**, e.g. an increase of €12.8 million compared to 2018. €22 million was earmarked for the renovation of the Carnavalet Museum (compared to €12.2 million in 2018) in light of its reopening in 2020. €5.4 million was dedicated to relocating, to the 14th arrondissement, the Liberation of Paris Museum – General Leclerc Museum – Jean Moulin Museum, making it possible to reopen its doors on August 25, 2019. Modernization and accessibility upgrades carried out in the Paris Modern Art Museum led to an expenditure of €5 million, allowing it to reopen in October 2019. In addition, €2.5 million in subsidies was granted to the Paris Museums public establishment for the financing of minor maintenance work and artwork acquisitions.

Expenditure in terms of **support for artistic creation** amounted to €19.8 million, €6.1 million more than 2018. This expenditure was mainly related to maintenance work and renovations carried out in **Parisian theaters**, whose amount equaled €19.3 million. Under this framework, €13.5 million was earmarked for the renovation of the Théâtre du Châtelet (compared to €10.4 million in 2018), whose reopening was planned for September 2019. The renovation of the Théâtre de la Ville, whose operational calendar was postponed, led to an expenditure of €3.6 million. Lastly, a capital grant of €0.5 million was granted to the **cinema** sector.

Expenditure in favor of **safeguarding cultural heritage, memory and archives** represented an investment of **€18.3 million** in 2019 compared to €17.2 million in 2018. This expenditure entry largely concerned the “religious edifice plan,” which mobilized €16.3 million in 2019. Under this framework, €2.5 million was dedicated to major upkeep and €2.4 million to making buildings safer. Regarding

individual projects, €2 million was mobilized for repairing the roof of the Saint-Philippe du Roule church (8th arrondissement), €1.6 million for the restoration of the Saint-Germain-des-Près church (6th arrondissement) and €1.4 million for the renovation of the facades and roof of the Saint-Louis-en-L'île church (4th arrondissement).

In addition, €0.6 million was earmarked for the maintenance of historic fountains, including €0.3 million for the one on the Champs-Élysées. Cultural heritage also mobilized €0.6 million in 2019, including €0.3 million for the maintenance of historic libraries and €0.3 million for the digitization of library works. The installation and maintenance of commemorative plaques, statuary and monuments was allocated €0.6 million. Lastly, €0.2 million was allocated to archival services.

Expenditure for **non-professional education and practices** amounted to **€14.5 million** in 2019 compared to €7.3 million in 2018. This change can be explained through completed construction on the Darius Milhaud conservatory (14th arrondissement), which was inaugurated in September 2019.

**€10.5 million** was earmarked for **cultural initiatives**, compared to €6.6 million in 2018. In addition, €4.2 million was paid in the form of subsidies to structures and organizations, including €2 million for the Musical Theater Association of Paris. In addition, €3.1 million was spent on the installation of contemporary artworks in the public space. Lastly, the maintenance of major cultural facilities mobilized €0.9 million.

**Libraries and multimedia libraries** benefited from **€8.2 million** in investment expenditure, an increase of €0.9 million compared to 2018. €4.4 million was specifically earmarked for the acquisition of new collections, €1.8 million for building maintenance and €0.9 million for the purchasing of equipment and furniture.

#### **€83.1 million was dedicated to sports, e.g. €1.1 million more than 2018.**

Investment expenditure related to **swimming pools** amounted to **€37.3 million** compared to €35.5 million in 2018. The swimming pool plan (major upkeep and renovations) was granted €9 million. Among individual projects, €8.3 million was earmarked for the completion of construction on the Elisabeth swimming pool, which opened in February 2020 in the 14th arrondissement, €9.3 million for the renovation of the Blomet swimming pool, in the 15th arrondissement, whose completion is planned for 2020. €7.7 million for the completion of construction on the Yvonne Godard swimming pool in the 20th arrondissement, which opened in December 2019 and lastly, €1.7 million for the renovation of the Saint-Merri swimming pool, in the 4th arrondissement, which was completed in September 2019.

**€23.4 million** was invested in **athletic facilities and gymnasiums** compared to €23.1 million in 2018. €9.8 million was earmarked for facility maintenance. Regarding individual projects, €5.9 million was dedicated to the creation of a gymnasium at 122 rue des Poissonniers (18th arrondissement), €1.7 million for a new gymnasium in the Chapelle International neighborhood (18th arrondissement) and €1.4 million for renovations in the Halle Carpentier (13th arrondissement).

**€18 million** was earmarked for **preparations for the 2024 Paris Olympic and Paralympic Games**. €10.5 million was spent in 2019 in virtue of the Parisian contribution to the Société de Livraison des Ouvrages Olympiques (Solideo), in charge of building sites and infrastructure projects. Moreover, €5 million was dedicated to restructuring the Gymnase des Fillettes (18th arrondissement).

**Other athletic facilities**, such as interdepartmental parks or international athletic facilities, mobilized **€1.1 million** in 2019. In addition, €0.8 million was paid in the form of investment grants to organizations in charge of park management.

**€2.7 million** was earmarked for **stadiums**, including €1 million for the installation and maintenance of synthetic grass and €0.6 million for standard upgrades to the Boutroux stadium in the 13th arrondissement.

The maintenance and renovations of **public showers** amounted to an expenditure of **€0.6 million**.

#### **€7.1 million was earmarked for social and civic life, e.g. an increase of €2.4 million compared to 2018.**

€3.5 million was allocated to the maintenance and modernization of arrondissement town halls. In addition, the restoration of carpentry and facades in the 10th arrondissement town hall mobilized €1.7 million, the renovation of the 13th arrondissement town hall was allocated €0.5 million and the 5th arrondissement town hall was earmarked €0.3 million.

**As for expenditure in virtue of youth, €4.1 million was invested in 2019**, including €1.7 million for the reconstruction of the Hébert community center (18th arrondissement) and €1.3 million for facility maintenance through localized investment expenditure.

**Lastly, €1.7 million was dedicated to joint services related to culture, youth, sports and local and civic life.**

#### **Revenue**

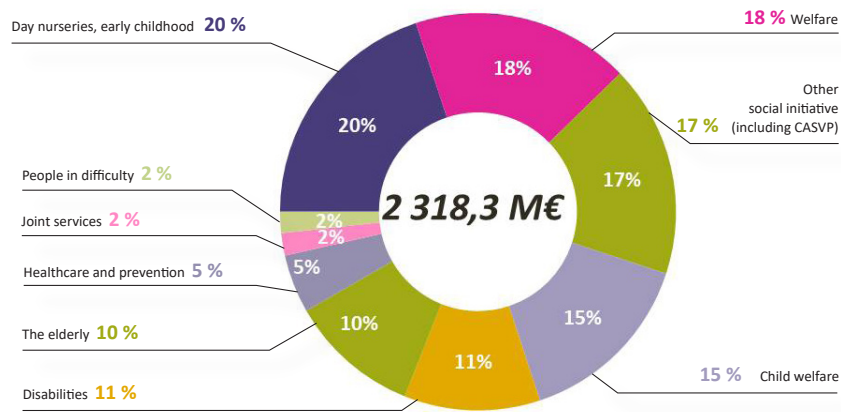
#### **INVESTMENT REVENUE FOR CULTURE, SOCIAL LIFE, YOUTH, SPORTS AND ACTIVITIES AMOUNTED TO €23.5 MILLION IN THE 2019 AA, COMPARED TO €8.6 MILLION IN 2018.**

This increase can be largely explained through €12.6 million in revenue collected under the framework of renovations carried out in Parisian museums and corresponding to donations collected by the Paris Museum public establishment, which repays the City for financing the renovations carried out.

A co-financing of €3.5 million was collected from the installation of contemporary artworks in the public space.

Lastly, €4.1 million was collected in virtue of participation payments from SOLIDEO.

## CONSOLIDATED BUDGET EARMARKED TO SOCIAL WELFARE AND SOLIDARITY - 2019 AA



IN MILLIONS OF €	2018 AA	2019 AA
Operational expenditure	2 253,0	2 235,6
Including payroll	512,0	516,9
Investment expenditure	87,3	82,8
Operational revenue	620,2	618,0
Investment revenue	8,4	6,5

## OPERATIONAL SECTION

## EXPENDITURE

**IN THE 2019 AA, THE OPERATIONAL BUDGET DEDICATED TO HEALTH AND SOCIAL WELFARE AMOUNTED TO €2,235.6 MILLION, INCLUDING €516.9 MILLION IN VIRTUE OF PAYROLL.**

140 positions were created for this category in 2019.

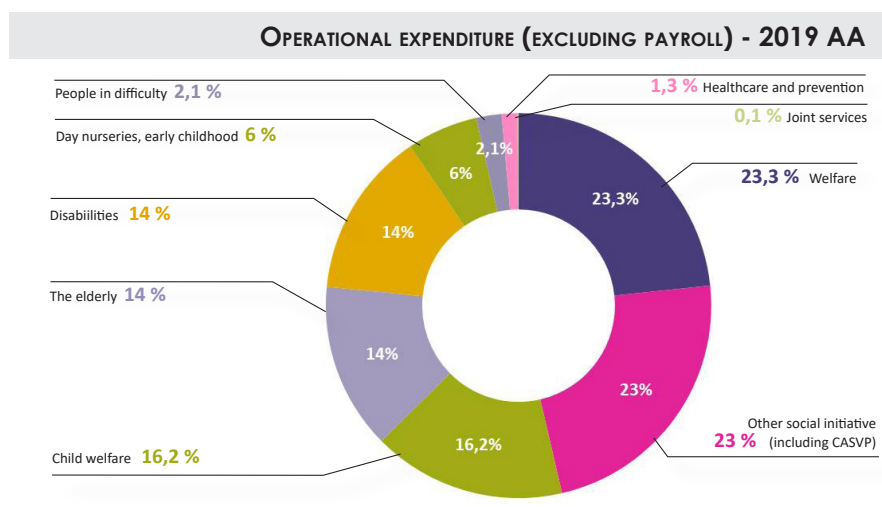
In order to support this term of office's plan to create 5,000 new spots in day nurseries, 76 positions were created under the Department of Families and Early Childhood (Direction des Familles et de la Petite Enfance: DFPE), including 44 in order to open or increase capacity in establishments, 4 new jobs for the care of children with disabilities, 3 new positions created for Paris Habitat nursery schools, and 25 new positions in order to expand staff in charge of covering long-term absences.

In the Department of Social Welfare, Childhood and Health (Direction de l'Action Sociale, de l'Enfance et de la Santé: DASES), 55 new positions were created in 2019, in order to successfully carry out the children's social welfare reform. This restructuring focuses on two specific areas: childcare and childhood experiences. One position was created in the autonomy sector. Eight positions were also created in order to implement the rat extermination plan.

Due to professional conversions, the deployment of MSD (musculoskeletal disorders) prevention referents was continued in 2019, with 20 new positions created with the DFPE. Under the DASES, five positions were changed from C to B under the framework of the rat extermination plan.

In total, over the year 2019, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries amounted to +109 budgetary jobs for this category.

**Expenditure earmarked for health and social welfare, excluding payroll, amounted to €1,718.7 million in the 2019 AA, a decrease of €22.3 million compared to the 2018 AA.**



Expenditure related to **welfare** (Revenu de Solidarité Active: RSA) represented €401 million, a stable level compared to the 2018 AA. Within this amount were allowances and waivers, which amounted to €364 million, e.g. an increase of €4.7 million, due to revaluing the allowance in April 2018 (+1%; full-year effect) and in April 2019 (+1%). Initiatives in favor of welfare recipients, implemented under the framework of the Parisian Plan for Integration through Employment (Plan Parisien pour l'Insertion par l'Emploi: PPIE), amounted to €37 million, e.g. a decrease of €4.8 million, mainly related to reduced participation in subsidized contracts, corresponding to a decline in numbers, decided on by the State (-€4 million).

**Expenditure for children's social welfare** (Aide Sociale à l'Enfance: ASE) amounted to €278.7 million in the 2019 AA, €37.4 million less than the 2018 AA. This drop in ASE expenditure can be mainly explained through a one-time adjustment in 2018 of €15.2 million allocated to the payment of housing fees in ASE Parisian establishments (Etablissements Parisiens de l'ASE: EPASE). The remaining amount specifically resulted from the decrease in interim services for youth suffering from serious behavioral issues (-€8.1 million compared to the 2018 AA) thanks to adding housing in youth homes and new openings in specialized structures. In addition, the Coye-la-Forêt boarding school was closed (-€1.7 million) and ASE expenditure for housing families in hotels managed by Samu Social dropped, due to the lower number of families assisted (-€1.2 million).

**Credits related to families and early childhood** represented €102.5 million, €3 million more than the 2018 AA. This expenditure level reflected the City's significant commitment in favor of early childhood. Consequently, it contributed to the City achieving its objective of opening 5,000 new spots in childcare centers by 2020

Within these credits, €99.9 million was earmarked for expenditure related to **day nurseries and drop-in daycare centers**, e.g. an increase of €2.9 million compared to 2018.

This growth can be explained, on the one hand, by the full-year financing of spots opened in 2018 and, on the other hand, by the opening of 1,266 new spots in 2019, all administrative methods combined, with specifically :

- the opening of 42 spots on rue Spinoza, in the 11th arrondissement,
- the opening of 99 spots on the rue de Cîteaux, in the 12th arrondissement
- the opening of 65 spots on the rue Nicolo, in the 16th arrondissement,
- the opening of 42 spots on the rue Orfila, in the 20th arrondissement.

Lastly, €2.6 million was mobilized for **measures in favor of families**, in order to continue the financing of initiatives falling under the scope of the Parisian strategy for childhood and families. These credits specifically made it possible to finance 7 new "Ludomouv" mobile game libraries.

**Expenditure dedicated to the elderly and the personalized autonomy allowance** (Allocation Personnalisée d'Autonomie: APA) represented €240.3 million in the 2019 AA, a decrease of €4 million compared to the 2018 AA. This reduction can be largely explained through the decline in expenditure for housing the elderly receiving legal social welfare (6,136 beneficiaries in December 2019 compared to 6,676 in December 2018, e.g. -8.1%.

Expenditure carried out in virtue of the **APA** amounted to €132.2 million in the 2019 AA, e.g. €0.8 million less than 2018. This budget included :

- €81.2 million in virtue of the at-home APA, an increase of €0.3 million compared to the 2018 AA due to a slight upturn in the number of beneficiaries, which went from 15,698 in 2018 to 15,803 in 2019 (+0.7% ;
- €50.2 million in virtue of APA in establishments, compared to €51.4 million in the 2018 AA, e.g. a decrease of €1.2 million due to a slight downturn in the number of beneficiaries (8,327 recipients in 2019 compared to 8,452 in 2018) and a decline in the overall CASVP endowment, also due to a drop in the number of beneficiaries (1,546 in 2019 compared to 1,583 in 2018) ;



- €0.9 million in virtue of issuing and processing universal employment service checks (Chèques Emploi Service Universel: CESU) paid to 7,883 beneficiaries and participation paid to the CASVP in virtue of creating APA application files..

Lastly, €21 million was earmarked for **prevention and support expenditure** for the elderly, an increase of €1.6 million compared to the 2018 AA.

Within these credits, €11.6 million was allocated to day reception centers (mainly participation in 6 "Paris Emeraude" information and coordination centers for the elderly as well as a portion of the cost for day reception centers for people with Alzheimer's). This expenditure grew by €2 million compared to the 2018 AA due to a payment in virtue of a preliminary fund for a new financing model for at-home support and assistance services (Services d'Aide et d'Accompagnement à Domicile: SAAD). Moreover, €3.1 million was allocated to at-home help, €0.6 million to cross-disciplinary initiatives for the elderly at home and €0.4 million in subsidies.

Lastly, €5.3 million was allocated to initiatives financed under the framework of the financiers' conference (+€0.1 million). Resulting from the law meant to help society adapt to the aging process from December 28, 2015, its goal is to coordinate financing to prevent the loss of autonomy based on a common strategy in each department.

**Social welfare for people with disabilities** reached €239.6 million in the 2019 AA, €0.4 million more than the 2018 AA.

In this respect, **housing fees and participation in reception centers** represented the largest expenditure entry, with €155.2 million in the 2019 AA (€141.6 million for housing fees and €13.6 million for day reception centers), €2.7 million more than the 2018 AA. This change is due to the creation of 62 new spots in day reception centers and a slight increase in the number of beneficiaries receiving housing assistance (2,128 in 2019 compared to 2,117 in 2018)).

**Allowances paid in virtue of the Disability compensation benefit (Prestation de Compensation du Handicap: PCH) and the Compensatory allowance for third parties (Allocation Compensatrice pour Tierce Personne: ACTP)** came to a total of €76.1 million (€60.1 million for the PCH and €16 million for the ACTP, respectively). The €0.5-million decrease to the ACTP can be explained through an approximately 4%-decline in the number of recipients between 2018 and 2019 (2,157 beneficiaries). The downturn in expenditure allocated to the PCH (-€1.3 million), despite more recipients (+3% in 2019), can be explained by a reduction in this allowance's average unit price.

€8.4 million was earmarked for **other initiatives** in favor of people with disabilities, including €3.4 million in virtue of orienting and informing people with disabilities through the contribution to the Departmental center for people with disabilities (Maison Départementale des Personnes Handicapées: MDPH 75), stable compared to 2018 and €3.7 million in virtue of legal social welfare for the financing of at-home help.

**Assistance to people in need** represented €36.4 million in the 2019 AA, e.g. an increase of €2.2 million compared to the 2018 AA. This budget specifically included the contribution to the Housing solidarity fund (Fonds de Solidarité Logement: FSL) in an amount of €19 million. €5.6 million was dedicated to the financing of initiatives conducted under the framework of exclusion prevention (+€1.3 million compared to 2018) and €5.3 million was earmarked for subsidies allocated in virtue of refugee initiatives (+€0.9 million) conveying the local authority's effort in these two areas. €1.3 million was mobilized for community dining services, €2.2 million for shelter in hotel accommodations and €2.9 million for subsidies allocated in virtue of solidarity.

**Other social interventions** represented a budget of €396.1 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 €368.2 million, e.g. €12.3 million more than 2018. This change is related to eliminating participation formerly requested from recipients of the Seniors Paris Pass and the Paris Access' Pass (more than 134,000 beneficiaries in 2019, +5% compared to 2018), whose full-year impact started in 2019, and the increase in payroll for the establishment (Shift-Age Technical Skills and exogenous measures just like the City).

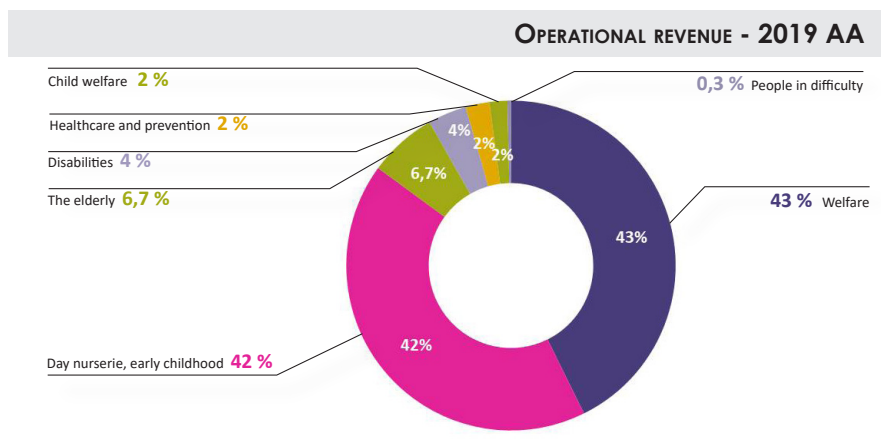
Initiatives in virtue of **specialized prevention and social connections** reached €27.9 million, an €0.8 million more than the 2018 AA. Within this budget, €19 million was dedicated to participation in specialized prevention clubs, €6.1 million in the financing of social centers and €2.1 million of subsidies in virtue of social connections. Lastly, €0.7 million was dedicated to the assistance fund for young Parisians.

€22.7 million was allocated to **healthcare and prevention expenditure**, €0.9 million more than the 2018 AA. Within this budget, €10.7 million was dedicated to **maternal and infant protection (Protection Maternelle et Infantile: PMI) and family planning**. In addition, €12 million was earmarked for **health-related prevention and education initiatives as well as medical centers**, an increase of €1.2 million compared to 2018. This mainly included credits dedicated to prophylactics (€3.6 million), laboratories (€1.7 million), education-based prevention initiatives (€1.7 million), drug addiction prevention (€1.6 million) and medical centers (€1.3 million). The change in this expenditure can be largely explained through the deployment of a mobilization plan against the use of crack cocaine.

Lastly, **expenditure related to joint services** amounted to €1.4 million.

## REVENUE

**OPERATIONAL REVENUE RELATED TO SOCIAL WELFARE AND HEALTHCARE REPRESENTED €618 MILLION, A DECREASE OF €2.2 MILLION COMPARED TO THE 2018 AA.**



With an amount of €263.8 million, the majority of revenue was related to compensation in virtue of the **welfare allowance**, mainly through a percentage of the internal tax on energy consumption (Taxe Intérieure de Consommation sur les Produits Energétiques: TICPE). This represented revenue of €246.6 million, stable compared to the 2018 AA. €11.5 million was also collected in virtue of the departmental mobilization fund for integration (Mobilisation Départementale pour l'Insertion: FMDI).

Revenue related to **early childhood and day nurseries** represented €261.9 million, €2.4 million more than 2018, related to the opening of new spots in childcare facilities. CAF participations represented most of the revenue, with €173.3 million, e.g. €3 million more than the 2018 AA, due to the increase in the number of spots. Family participation amounted to €86.4 million, €1.5 million less than the 2018 AA, specifically due to the social movement in May 2019, which caused day nurseries to close.

Revenue pertaining to **welfare for the elderly** amounted to €41.4 million in the 2019 AA, a decrease of €4.9 million. This change was mainly related to a decline in the endowments paid by the National Solidarity and Autonomy Office (Caisse Nationale de Solidarité pour l'Autonomie: CNSA) in virtue of the APA (€5.2 million in the 2019 AA compared to €10 million in the 2018 AA).

Revenue related to the **policy in favor of people with disabilities** amounted to €23.6 million, €2.7 million more than the 2018 AA. It included, in the amount of €16.7 million, endowments paid by the CNSA in virtue of the PCH (€14.8 million) and the MDPH 75 (€1.9 million). Endowments in virtue of the PCH increased by €2.6 million compared to the 2018 AA, due to more significant adjustments than in 2018. It also included €2.2 million in virtue of overpayments and reimbursements related to unused universal employment service checks (CESU).

€14.4 million in revenue was collected in 2019 in virtue of **healthcare-related prevention and education, healthcare establishments and the PMI**. This revenue was mainly composed of reimbursements from social security organizations covering user costs in these centers as well as user participation.

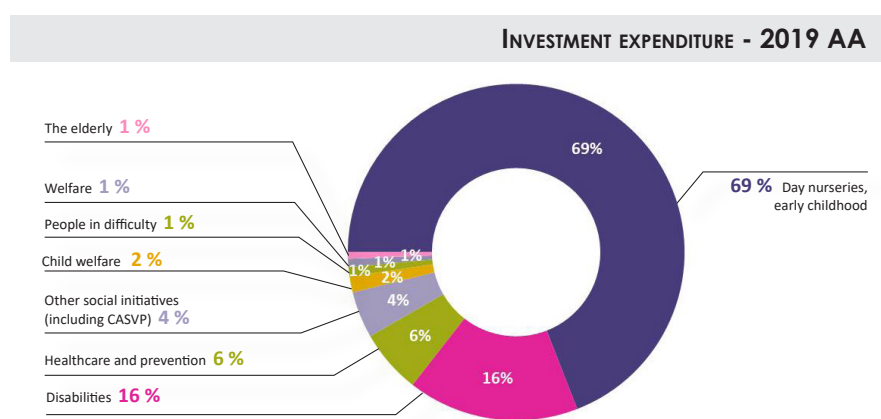
Revenue related to **social welfare for children** amounted to €10.9 million, a decrease of €2.6 million compared to the 2018 AA, due to a drop in reimbursements for expenditure related to emergency housing and the evaluation of unaccompanied minors.

Moreover, €2.1 million in revenue was collected in 2019 thanks to the City of Paris's contract with the State under the framework of the Poverty Prevention Strategy, which plans on the joint financing of **integration projects**.

## INVESTMENT SECTION

### Expenditure

**INVESTMENT EXPENDITURE IN TERMS OF HEALTHCARE, SOCIAL WELFARE AND WELFARE AMOUNTED TO €82.8 MILLION, IN 2019, E.G. A DECREASE OF €4.5 MILLION COMPARED TO 2018 (€87.3 MILLION).**



**SOCIAL WELFARE ACCOUNTED FOR 93.1% OF EXPENDITURE, E.G. €77.1 MILLION INVESTED IN 2019, A DECREASE OF €5.5 MILLION COMPARED TO 2018.**

The City invested **€57.2 million** in favor of **early childhood (day nurseries, drop-in daycare centers and multi-reception centers)** under the framework of opening 5,000 new spots by 2020.

€32.5 million was earmarked for the construction and reorganization of day nurseries (compared to €42.6 million in 2018), specifically community day nurseries located in the Clichy Batignolles joint development zone in the 17th arrondissement (€4.3 million), on the rue de la Justice in the 20th arrondissement (€3.3 million) and on the rue du Luxembourg in the 6th arrondissement (€2.7 million). In 2019, the amount of expenditure decreased due to construction being completed on several structures, specifically the community day nursery located on the boulevard Davout in the 20th arrondissement.

Furthermore, maintenance and equipment for day nurseries represented an expenditure of €24.7 million compared to €20.3 million in 2018.

€12.8 million was allocated for **accessibility upgrade** expenditure, compared to €9 million in 2018. This can be largely explained through accelerated construction in this domain within school facilities (€5.4 million), athletic facilities (€1.6 million), arrondissement town halls (€1.3 million) and cultural facilities (€1.2 million).

€3.7 million was earmarked for **the elderly**, including a capital grant of €3.1 million allocated to the CASVP. This specifically enabled the financing of reorganization and modernization upgrades in the Belleville EHPAD (20th arrondissement). €0.5 million financed the gerontology master plan.

€1.3 million was spent in favor of **childhood protection** (€2.5 million in 2018), including €0.9 million for the creation of the Family and Departmental Reception Service Center (Service d'Accueil Familial et Départemental) in Lagny-sur-Marne (77). This decrease was due to delays in construction for several projects like the Angela Davis and Jean Coctet treatment, educational and pedagogical institutes (Instituts Thérapeutique, Educatif et Pédagogique: ITEP) as well as extending the planning period for the Monsieur le Prince Social Childhood Center project (Maison d'Enfants à Caractère Social: MECS).

Investment expenditure in virtue of **solidarity** amounted to €1.3 million. €0.6 million was earmarked for exclusion prevention and €0.5 million was spent in favor of social centers (Archipélia cultural-social center in the 20th arrondissement, the Saint Bernard neighborhood organization in the 11th arrondissement and the Ménilmontant shelter in the 20th arrondissement).

In addition, €0.8 million in capital grants were made in favor of establishments receiving **people with disabilities** (€2.5 million in 2018). This decrease can be explained by a shift in certain liquidations (unpaid project balances deferred to 2020 and projects still pending in 2019).

**In 2019, healthcare expenditure amounted to €5.1 million (+€2.2 million).**

This increase largely concerned expenditure in favor of healthcare-related prevention and education policies, which were allocated €2.5 million in 2019 (+€1.5 million). Under this framework, €1.1 million was paid in the form of subsidies to the AP-HP and community organizations, as well as €0.6 million for the financing of initiatives under the framework of the Parisian environmental health plan. €2.6 million was earmarked for expenditure for maintenance work and upgrading equipment in healthcare centers (€1.5 million) and PMIs (€1.1 million).

**Structural expenditure related to welfare amounted to €0.6 million**, a decrease of €1.3 million compared to 2018. This downturn is due to the completed installation of the Parisian Integration Center (Espace Parisien d'Insertion: EPI) for central arrondissements on the rue Château Landon (10th arrondissement).

## Revenue

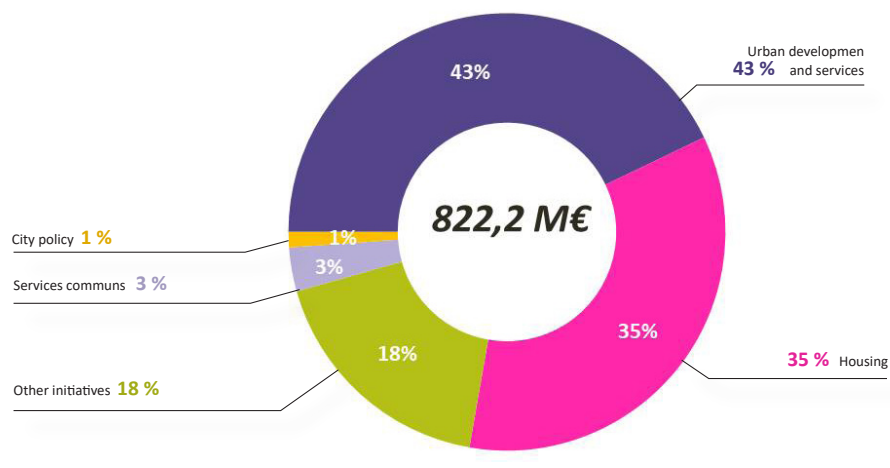
**INVESTMENT REVENUE IN FAVOR OF HEALTHCARE AND SOCIAL WELFARE AMOUNTED TO €6.5 MILLION IN 2019 (COMPARED TO €8.4 MILLION IN 2018).**

This largely resulted from CAF subsidies following the creation and renovation of day nurseries and multi-reception structures.

In 2018, the City of Paris collected a one-time revenue of €5 million related to the reimbursement of advances by Samu Social, Paris's humanitarian emergency service, in virtue of hotel accommodations for families receiving ASE.

## 5/ REGIONAL DEVELOPMENT AND HOUSING

### CONSOLIDATED BUDGET EARMARKED FOR REGIONAL DEVELOPMENT AND HOUSING - 2019 AA



IN MILLIONS OF €	2018 AA	2019 AA
Operational expenditure	257,5	246,3
<i>Including payroll</i>	<i>157,7</i>	<i>159,4</i>
Investment expenditure	460,9	575,9
Operational revenue	347,6	305,2
Investment revenue	408,8	250,3

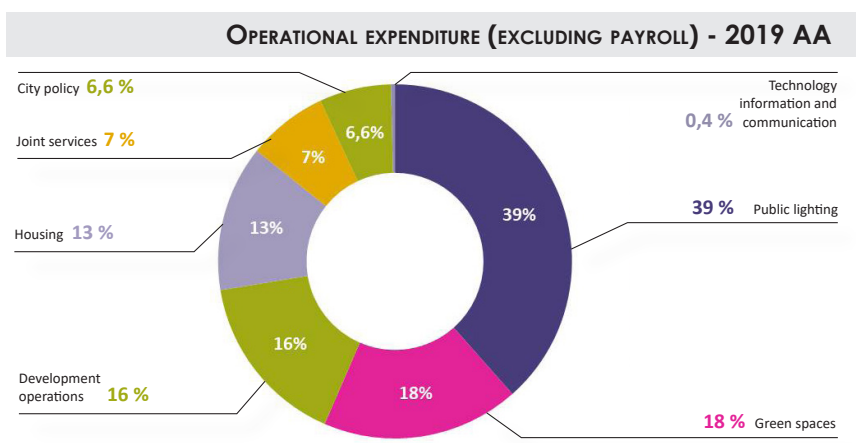
## OPERATIONAL SECTION

### EXPENDITURE

**FOR THE 2019 FISCAL YEAR, THE OPERATIONAL BUDGET DEDICATED TO DEVELOPMENT AND HOUSING AMOUNTED TO €246.3 MILLION, INCLUDING €159.4 MILLION IN VIRTUE OF PAYROLL.**

14 positions were created in the 2019 PB under the regional development and housing category, with 2 positions at the DEVE in order to support the many urban agricultural projects and 12 positions at the DLH, including 4 for the management of the real estate reform, 3 backup positions meant to monitor usage changes in residential premises, as well as 3 IT project management support positions for the return to insourcing IT projects, one position under Building administration services for the monitoring of worksites and demolitions and one position in the legal affairs office given the changes and complexity of the legislation regarding housing. The elimination of the subsidiary grave-digging budget was conveyed through the elimination of 98 positions. In total, over the year 2019, when including the other entries (redeployments, conversions, transfers), the balance of budgetary entries amounted to -101 budgetary jobs for this category.

**Excluding payroll, operational expenditure related to development and housing amounted to €86.9 million, a decrease of €12.9 million compared to the 2018 AA.**



**€68.3 million was earmarked for regional development in the 2019 AA, €11 million less than the 2018 AA. This expenditure included credits related to public lighting, green spaces, development operations and the city's policy.**

Expenditure related to **public lighting represented** €33.4 million in the 2019 AA, a drop of €2.7 million compared to the 2018 AA due to the energy provider EDF's delay in issuing its invoices.

Expenditure allocated to **green urban spaces represented** €15.7 million. Within this budget, maintenance expenditure amounted to €11.9 million, including €3.3 million for parks and gardens and €3.2 million for trees and woods. Moreover, €3.5 million was earmarked for watering and €0.2 million for construction on the behalf of third parties.

Expenditure related to **urban development operations** reached €13.5 million, e.g. €3.4 million less than the 2018 AA. This included :

- the maintenance of public facilities and the Forum des Halles, as well as the operational charges resulting from the site's redevelopment project, for a total of €3.9 million, a decrease of €2.8 million, due to a change in the accounting procedure with a shift to M57 nomenclature (maintenance expenditure for Les Halles' public facilities were executed under category 3 "Culture, social life, youth, sports and activities");
- subsidies paid in virtue of support for public city planning organizations in the amount of €8.3 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. This €0.2-million drop compared to the 2018 AA, can be explained through the elimination of the subsidy to the Architecture, City Planning and Environmental Council (Conseil d'Architecture, d'Urbanisme et de l'Environnement: CAUE), which now receives a percentage of the departmental share of the development tax ;
- research fees and operational charges related to city planning-related call for projects in the amount of €1 million.

The **city's policy** benefited from €5.7 million in the 2019 AA, an increase of €0.7 million. Most of this expenditure corresponded to the payment of subsidies to organizations, in-the-field stakeholders for the city's policy. The growth in credits can be explained through the implementation of the Initiative plan for working-class neighborhoods in April 2019 (€0.7 million under the "Development" category) including €0.1 million to finance tactical city planning initiatives with and for users.

Lastly, credits related to regional development decreased by €4.2 million due to a one-time expenditure in 2018 related to a price supplement on the sale of a lot located at 8 Boulevard d'Indochine (19th arrondissement).

**Housing policies mainly entailed 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 2019 AA amounted to €11.9 million, €1.4 million less than the 2018 AA.**

The **management of the local authority's private housing stock** represented a budget of €5.8 million, stable compared to the 2018 AA.

**Subsidies to the rental** sector amounted to €5.4 million in the 2019 AA. These subsidies specifically covered the "Multiloc" and "Louez solidaire" initiatives (€0.4 million) as well as a package of subsidies for both sector organizations (€1.9 million) and housing improvement operations (€3 million).

**Subsidies for property ownership** were executed in the amount of €0.03 million.

€0.2 million was earmarked for financing **reception areas for itinerant people**. This expenditure was composed of service contracts for the management of reception areas located in the Bois de Vincennes and the Bois de Boulogne.

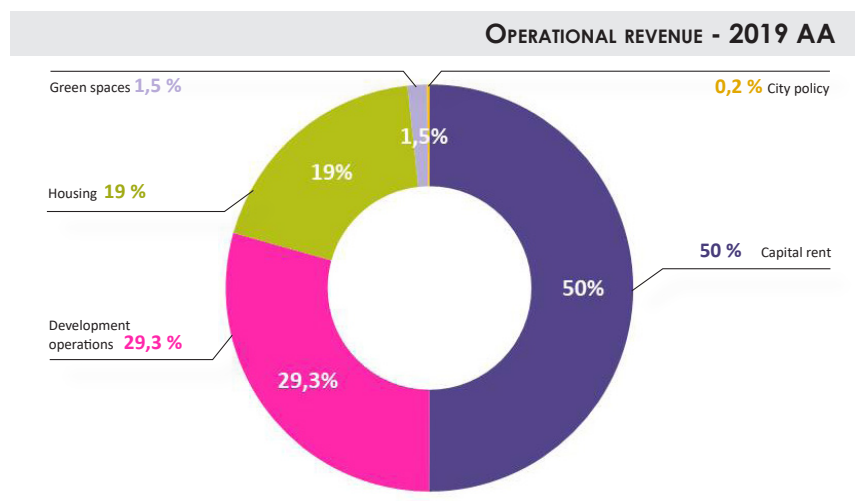
The budget dedicated to **social housing in the operational section** s'amounted to €0.2 million, including €0.1 million for social landlord relations and €0.1 million in fees related to social and urban project ownership (the assistance program for Migrant Worker Centers, specifically).

Fee credits related to the **real estate housing account** amounted to €0.3 million in 2019.

The budget dedicated to **public road equipment** amounted to €0.3 million. This expenditure was earmarked for the rental of electronic informational signage equipment (Journaux Electroniques d'Information: JEI).

**Joint services** for 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 €6.4 million.

## Revenue



Operational revenue recorded within the “Regional development and housing” category amounted to €305.2 million in 2019, €42.4 million less than 2018.

Revenue related to living environments and housing amounted to €210.4 million, a decrease compared to the 2018 AA (-€92.5 million). This drop in revenue can be explained in large part through the decline in the amount of capitalized rent collected, which is related to the lower number of public service contracts carried out. Capitalized rent resulting from public service contracts for social landlords’ available housing stock reached €152.7 million in 2019, compared to €225 million in the 2018 AA. This revenue included :

- €78.2 million in revenue from Paris Habitat in virtue of the public service contract campaign from 2018 ;
- €55.9 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 ;
- €18.6 million in revenue from Elogie-Siemp in virtue of the public service contract campaign in 2018.

Revenue from rent (excluding capitalized rent) amounted to €56.8 million in the 2019 AA, a decrease of €20.4 million compared to the 2018 AA. This downturn can be largely explained through the collection, in 2018, of one-time rent payments, like the rent for the Pinault Foundation (€7.5 million).

€94.9 million in revenue was collected in 2019 in virtue of the regional development policy, an increase of €50.1 million compared to 2018.

Revenue related to development operations represented €44.3 million and mainly entailed the surplus from joint development zones collected by the City, in the amount of €42.3 million. This amount grew by €7.7 million compared to the 2018 AA, which is related to the completion schedule for operations. It also included the departmental share of the development tax (€2 million).

Furthermore, one-time revenue of €41.7 million, resulting from the collection of a one-time transfer amount from the sale of an Elogie-Siemp building complex in the city of Athis-Mons (91), was recorded. Lastly, €2.1 million in miscellaneous revenue was collected (consignment interest, excess from sales, specifically).

Other development revenue represented €1.5 million in the 2018 AA. This mainly included the reimbursement of the share of expenditure for private property owners’ associations (Associations Syndicales Libres: ASL) arising from Les Halles’ administrative facilities.

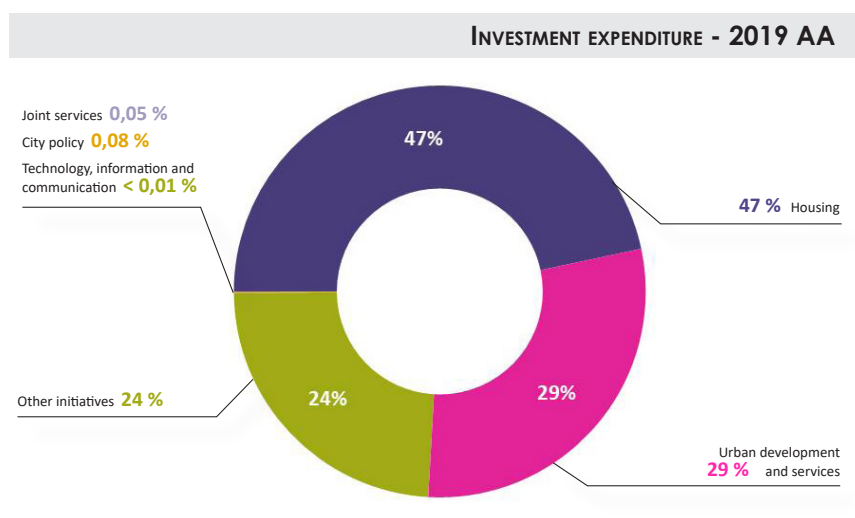
Revenue related to urban green spaces amounted to €4.7 million in 2019. This included reimbursements for work done on behalf of third parties (€1.3 million) and license fees paid by farmers and concessionaries.

€0.6 million in European funds was also collected in virtue of the city’s policy.

## INVESTMENT SECTION

## Expenditure

**INVESTMENT EXPENDITURE RELATED TO THE “REGIONAL DEVELOPMENT AND HOUSING” CATEGORY AMOUNTED TO €575.9 MILLION IN 2019, AN INCREASE OF €115 MILLION COMPARED TO 2018.**



**Measures in favor of living environments and housing gave rise to an expenditure amounting to €268.8 million, an increase of €51.3 million compared to 2018 (€217.5 million).**

Consequently, **€239.8 million** (compared to €194.2 million in 2018) was earmarked for **social housing**, with €159.6 million in subsidies paid to social landlords and €80.2 million in credits delegated by the State (brick-and-mortar subsidies). This increase mainly concerned subsidies paid to landlords (+€35.6 million) and can be explained through the implementation of a new procedure that requires people to request an initial advance with the City in order to start construction.

In order to restore the local authority's full effort in favor of social housing, it was necessary to also promote property acquisitions dedicated to this sector, which amounted to €110.5 million for 2019 (compared to €121.9 million in 2018). Consequently, total investment expenditure related to social housing for 2019 amounted to €350.3 million.

**€23 million** was earmarked for **improving private housing**. This mainly included subsidies for the eradication of unsanitary housing, for €14 million, an increase of €4.7 million (€9.3 million in 2018). This corresponded to participations paid to an operator, Soreqa, whose financing needs varied depending on the number of addresses to process and its cash flow level. Moreover, €9 million was earmarked for the renovation of private housing. This expenditure consisted of €7.1 million paid to the ANAH under the framework of the expert delegation related to the management of municipal subsidies in order to improve private housing, €1.7 million for the transformation of 1,000 "domestic quarters" and lastly, €0.2 million in subsidies paid to co-owner associations on behalf of the "Objective: 1,000 green buildings" project.

**€5.7 million** was earmarked for the maintenance of **the local authority's private housing stock**, an €0.9 million more than 2018. €2.7 million was dedicated to the renovation of municipal buildings (compared to €0.8 million the year before) and €2.3 million was spent in virtue of demolitions. Speaking of demolitions, €0.7 million was earmarked for the Condorcet Campus, compared to €1.8 million in 2018, due to the operation's advancement.

**€0.2 million** was allocated in support of housing for middle-class, working-age young adults through the **Multiloc'** program. This expenditure remained stable compared to 2018.

**Subsidies for accessing private ownership**, through the zero-interest loan program "Paris housing loan," mobilized **€0.1 million** in 2019.

Lastly, minor work was carried out in **reception areas for itinerant people** for almost **€0.1 million** in 2019.

**Urban development and services mobilized an expenditure of €168.3 million in 2019, compared to €111.9 million in 2018.**

**Roadway development operations** represented **€61.3 million**, compared to €26.8 million in 2018. This expenditure concerned, in part, the development of roadways and balancing operations for joint development zones.

The most notable increase was related to the creation of public squares, which grew by €18.1 million compared to 2018, with a total expenditure of €21.3 million for the year. This can be explained through the completion, in 2019, of four public squares (Place de la Madeleine, Place de la Nation, Place Gambetta and Place des Fêtes). In 2018, the Place du Panthéon was completed.

Furthermore, other noted increases were due to projects' operational schedules :

- + €3.9 million for the development project on the Boulevard de la Chapelle (18th arrondissement), which was earmarked €4.4 million for its future completion in 2020.
- + €2.2 million for the renovation of the Avenue du Général Leclerc (14th arrondissement), which was earmarked €3.2 million in 2019. This growth can be largely explained through the project's completion, the year having been marked by the finalization of phase 1 (sidewalks and modernization of the avenue's lighting) and the full completion of phase 2, which focused on reorganizing Place Hélène et Victor Basch.

- +€1.4 million for the redevelopment of the Porte Maillot (16th and 17th arrondissements), for which construction has started.
- +€1.2 million for the development project on the rue du Faubourg Saint Antoine (11th arrondissement), with a year, once again, marked by the beginning of construction.

As for roadway work in joint development zones, the Clichy Batignolles joint development zone mobilized €1.2 million, while €0.5 million was earmarked for the Bédier joint development zone and €3 million for the Eole-Evangile triangle.

The local authority invested **€46.5 million** in terms of **green spaces, parks and gardens**, specifically for the following operations :

- €11.8 million for recurring maintenance and materials, which mainly corresponded to localized maintenance operations (€4 million), mechanical equipment (€2.9 million) as well as the replacement of roadside trees for €2.7 million;
- €34.7 million for project launches and continuations. The creation of “30 additional hectares of green space” was earmarked €19.5 million in 2019. Under this framework, €6.5 million was dedicated in order to continue developing Parc Martin Luther King (17th arrondissement), €1.9 million for the Jardin Poissonniers (18th arrondissement), €1.4 million for the creation of the Jardin du Boulevard Victor (15th arrondissement) and €1.3 million for the redevelopment of Square Alban Satragne (10th arrondissement). On the periphery of this program, €4.5 million was earmarked to create a new park in the Chapelle Charbon sector (18th arrondissement) and €1.2 million for the renovation of Square Binet (18th arrondissement)).

**City planning operations and participation in joint development zones** led to an expenditure amount of **€23.4 million** in 2019, compared to €4.7 million in 2018. This €18.6-million increase resulted from purchasing property, from the local public company Paris & Métropole Aménagement, in the Chapelle Charbon joint development zone. This €18.7-million acquisition enabled work to begin on a 6.5-hectare park. Landscaping this property represents phase 1 in this operation.

**Renovations for Les Halles** led to investment expenditure of **€12.9 million** in 2019, a decrease of €6.2 million compared to 2018 (€19.1 million). This slowdown over the course of 2019 can be explained by payments deferred to 2020.

Furthermore, **€11.9 million** was allocated to **public lighting maintenance**, compared to €12.6 million in 2018.

**€9.7 million** was earmarked for **participations in the roadway report for the various joint development zones**, including €4.1 million in virtue of the “Paris Rive Gauche” joint development zone, €2.2 in virtue of the participation in the roadway operation report for the Porte de Vincennes (12th and 20th arrondissements) and €2.2 million related to the subsidy paid to France’s railway network (Réseau Ferré de France: RFF) for construction carried out in the Macdonald Eole Evangile sector (19th arrondissement).

Lastly, **joint services mobilized €2.5 million and €0.1 million** was earmarked for **street art**.

Other **initiatives (real estate acquisitions)** amounted to **€138.1 million**, split between real estate acquisitions for housing (€110.5 million, see above) and the real estate facility account (€27.6 million).

**€0.5 million** was allocated to the **city’s policy with, primarily**, the subsidy for solidarity and cultural projects.

Lastly, **joint services** was earmarked **€0.3 million**, including €0.2 million in virtue of city planning documents.

## Revenue

**INVESTMENT REVENUE RELATED TO THE REGIONAL DEVELOPMENT AND HOUSING POLICY AMOUNTED TO €90.1 MILLION, EXCLUDING REAL ESTATE TRANSFERS (E.G. €56.6 MILLION LESS THAN 2018).**

**When taking into account property transfers, this amount totaled €250.3 million (e.g. €158.5 million less than 2018).**

The City of Paris notably collected **€85.1 million in State reimbursements in virtue of its expertise delegated in terms of brick-and-mortar subsidies**. This entry decreased by €40 million compared to 2018 since that year had been marked by the payment of the last two advances from 2017.

In virtue of **city planning developments and services**, the City collected **€4.1 million**, including €1.8 million in virtue of participation from Espaces Ferroviaires Aménagement SAS for the City’s construction of a school complex within the Chapelle International sector (18th arrondissement).

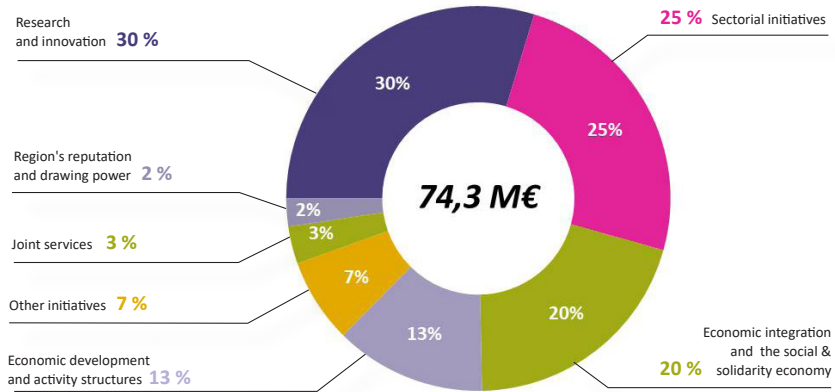
Lastly, €0.3 million in revenue resulted from **development operations for green spaces and roads**.

It should be noted that, since the switch to M57 nomenclature, the development tax (formerly recorded under category 5) is now imputed under category 0 “General services”.

**Revenue from the transfer of fixed assets reached €160.1 million**, compared to €261.6 million in 2018. This difference can be largely explained through the one-time categorization in 2018 of the sale of the Morland administrative building (€133 million). The main transfers carried out in 2019 were: €69.6 million, under the framework of the sale of property for future completion concluded with the Société Civile du Forum des Halles de Paris; €45.3 million for the sale of 198 rue Aubervilliers in the Eole Evangile Triangle sector (19th arrondissement); €37.9 million in virtue of the transfer of 20 rue Bruneseau (13th arrondissement); €35 million for 11 rue Léon Jouhaux (10th arrondissement); €9.7 million for the “Bizet Plots” site (Villejuif); €7.6 million from the transfer of 6-10 avenue de la Porte de Clichy (17th arrondissement).



CONSOLIDATED BUDGET EARMARKED FOR ECONOMIC DEVELOPMENT - 2019 AA



IN MILLIONS OF €	2018 AA	2019 AA
Operational expenditure Including payroll	43,3	46,5
Investment expenditure	10,6	10,5
Operational revenue	26,2	27,8
Investment revenue	65,7	67,6
	0,3	0,0

OPERATIONAL SECTION

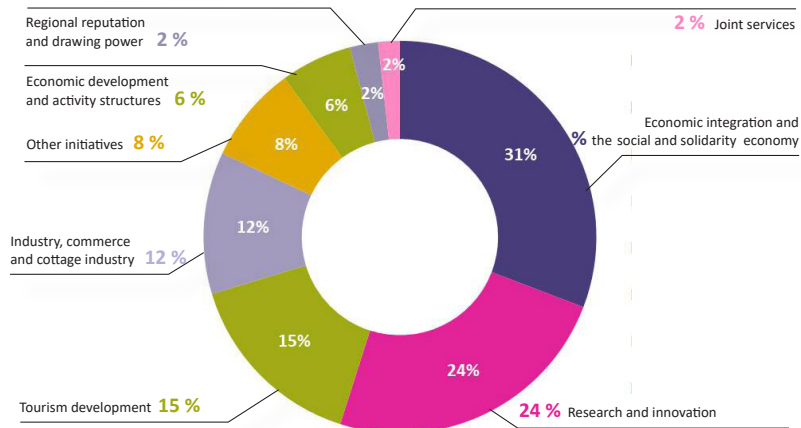
EXPENDITURE

**IN 2019, THE OPERATIONAL BUDGET DEDICATED TO ECONOMIC DEVELOPMENT AMOUNTED TO €46.5 MILLION, INCLUDING €10 MILLION IN VIRTUE OF PAYROLL.**

6 positions were created under this category in 2019, with 2 positions in virtue of scope modifications related to the change in status of the Trade union center, 2 positions for the creation of a new Paris for Employment office in the 4th arrondissement's town hall and 2 positions in order to strengthen commercial activities in the public domain.

**Excluding payroll, operational expenditure dedicated to economic development amounted to €36 million, an increase of €3.4 million (10.3%) compared to the 2018 AA.**

OPERATIONAL EXPENDITURE (EXCLUDING PAYROLL) - 2019 AA



**Economic integration and the social and solidarity economy** represented the most expenditure (€11.1 million, a decrease of 3.5% related to a decline in FSE co-financing between 2018 and 2019).

Expenditure in favor of **employment** amounted to €9 million. This included €3.5 million in subsidies for accessing employment, €3.2 million in subsidies to the Paris Local Mission and €2.3 million in credits dedicated to training. Expenditure earmarked in support of the social and solidarity economy represented €2.1 million..

Expenditure related to **tourism development** represented €5.5 million. This was largely composed of the subsidy paid to the Paris Office of Tourism and Conventions (Office du Tourisme et des Congrès de Paris: OTCP), which amounted to €5.3 million, an increase of €0.2 million under the framework of the City and State’s revival plan following the “yellow vest” movement. Other subsidies amounted to €0.2 million, a decrease of €0.4 million following the expiration of the agreement with Unis-Cité in virtue of mobilizing civic service volunteers in the tourism sector.

Expenditure dedicated to **research and innovation** reached €8.7 million, an increase of €3.3 million. This growth was mainly due to transferring a portion of the subsidy for the Forum des Images and the TUMO digital creation school from the Department of Cultural Affairs (“Culture, social life, youth, sports and activities” category) to the Department of Drawing Power and Employment (“Economic Development” category), in the amount of +€4.2 million, bringing the total subsidy to €6.4 million (stable compared to 2018). In parallel, operational subsidies paid to research structures (€0.9 million) decreased by €0.7 million due to continuing to transfer projects from the “Emergence(s)” program to the investment section. Furthermore, €0.9 million was allocated to the Institut des Etudes Avancées

€4.2 million was allocated to **industry, commerce and cottage industries**, an increase of €0.9 million. This expenditure conveyed the effort in support of business owners and artistic professions. Within this amount were subsidies paid under the framework of the assistance plan to newspaper vendors whose activity was limited in 2019 due to the renovations on kiosks. It also included a budget dedicated to end-of-year illuminations, which amounted to €0.7 million (+€0.1 million) and expenditure in support of artistic professions (+€0.1 million).

Expenditure in favor of **activity structures and economic development** amounted to €2.1 million in the 2019 AA, including €2 million allocated in support of Paris’s economic development and innovation agency “Paris&Co.” This subsidy decreased by €0.4 million due to the transfer of a portion of its authority to the Greater Paris Metropolis.

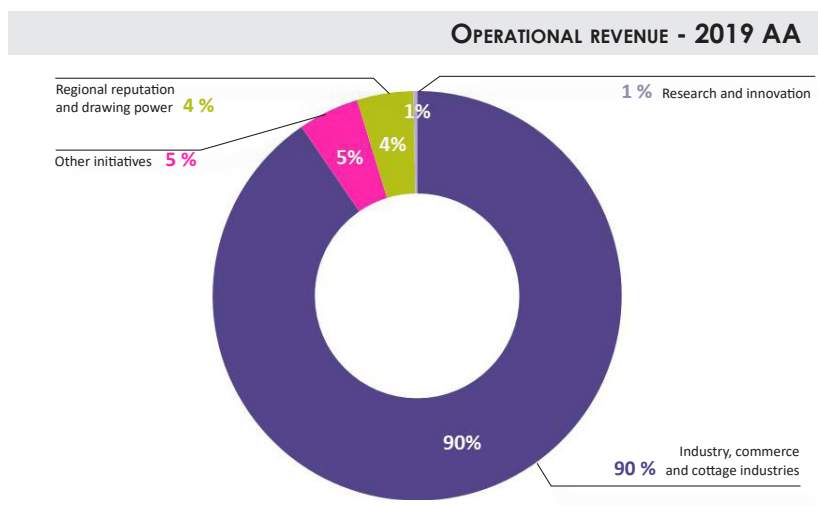
€0.8 million was allocated to **regional reputation and drawing power**. This expenditure corresponded to the cost of organizing the Foire du Trône and the Fête à Neu-Neu carnivals.

**Other initiatives** represented €2.9 million, stable compared to 2018, and corresponded to subsidies paid to departmental trade unions.

Lastly, expenditure allocated to joint services amounted to €0.6 million, an increase of €0.15 million following the renovation of kiosks in Paris and the growth in resulting taxes, such as the tax on the creation of office, commercial and storage premises (Taxe sur la Création de Locaux à Usage de Bureaux, de Locaux Commerciaux et de Locaux de Stockage: TC BCE).

**Revenue**

**OPERATIONAL REVENUE RELATED TO ECONOMIC DEVELOPMENT AMOUNTED TO €67.6 MILLION IN THE 2019 AA, AN INCREASE OF 2.8% COMPARED TO THE 2018 AA (+€1.9 MILLION).**



**Revenue related to industry, commerce and cottage industries amounted to €61.1 million, an €1.6 million more than the 2018 AA.**

Revenue related to **sidewalk usage** increased by €4.3 million and totaled €41.1 million. If the Council of Paris adopted exemptions in favor of business owners impacted by the “yellow vest” movement, in the amount of €1.5 million, the adjustment in the taxation

on scaffolding and partitions in 2019 explained the upward change in this revenue. On the other hand, the amount of taxes and usage fees related to economic development in the public space, €12.9 million (-€2.1 million), and from outdoor market concessionaries, €4.1 million (-€1.5 million), decreased compared to 2018, a year that included one-time revenue related to a categorization adjustment regarding previous years.

**Revenue from buildings rented in support of artists and business owners** (SEMAEST, Les Frigos) generated €3 million in revenue in 2019, +€0.9 million, due to the payment of rent due in virtue of 2018.

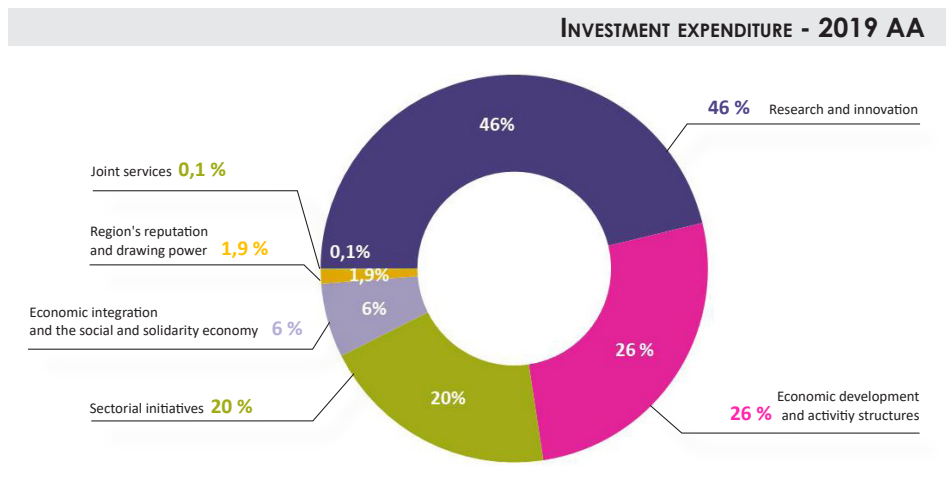
**Revenue from economic development buildings** amounted to €3.3 million, an increase of €0.2 million compared to the 2018 AA.

**Revenue related to funfairs and attractions** amounted to €3 million (+€0.4 million over one year related to a 2018 revenue adjustment).

## INVESTMENT SECTION

### Expenditure

**INVESTMENTS IN FAVOR OF ECONOMIC DEVELOPMENT AMOUNTED TO €27.8 MILLION, €1.7 MILLION MORE THAN THE 2018 AA.**



**€12.9 million was dedicated to research and innovation, e.g. €2.4 million more than 2018**

On the one hand, €10.5 million was paid in virtue of research. €7.3 million was paid in the form of subsidies through the Research support fund. These payments grew by €5 million compared to 2018, with the subsidy for new projects like the Hearing Institute, and the creation within this institute of the Center for Research and Innovation in Human Audiology in partnership with the Institut Pasteur, or the expansion of the Institut Henri Poincaré with the Sorbonne. €2.2 million was mobilized under the framework of the "Emergence(s)" program, an increase of +€0.7 million over one year.

On the other hand, €2.3 million was paid in virtue of innovation with subsidies under the framework of the "Intelligent Paris" program.

**€7.3 million was dedicated to economic development and activity structures, e.g. a decrease of €2.5 million compared to 2018.**

This amount included €3.4 million in subsidies dedicated to experimenting with innovative solutions such as, for example, testing new products, implementing new procedures or new types of organizational methods in the Ile-de-France region. As such, €3 million was paid to companies under the framework of the Paris Innovation Startup fund (Paris Innovation Amorçage: PIA) and €0.4 million through the "Paris Region Innovation Lab" (PRIL). It also included €3.9 million in subsidies or honor loans under the framework of different programs, such as support for incubators, including the Arc de l'Innovation" (€3 million), and collaborative innovation projects (€0.6 million)

**€5.6 million was paid in virtue of sectorial initiatives, e.g. an increase of €1.5 million compared to 2018.**

€1.2 million was dedicated to the restructuring and the renovation of kiosks and outdoor markets.

Furthermore, €2.2 million was paid in virtue of industry and cottage industries, including €1.1 million earmarked for bookstores, record stores and galleries. This expenditure increased compared to the previous year, with €0.5 million dedicated to the renovation of the "Frigos" building (13th arrondissement) compared to €0.2 million in 2018. €0.4 million was allocated to the rehabilitation of the Villa du Lavoir (10th arrondissement) under the framework of a project that would create 13 workshops adapted for artisans

working in the field of art, handicrafts, fashion and design.

**The local authority allocated €1.7 million in investments to the economic integration policy and the social and solidarity economy.**

€0.8 million was paid to companies through loans and subsidies (+€0.1 million compared to 2018) related to the “Paris entrepreneurial initiative” financing platform for social impact, the “France Active Garantie” program and the “ADIE” platform.

The program “Paris Tous en Jeux,” which is supposed to support training programs in professions related to the 2024 Olympic and Paralympic Games, led to the payment of an investment subsidy in the amount of €0.4 million

The amount of expenditure related to renovations carried out at the Commodity exchange amounted to €0.4 million.

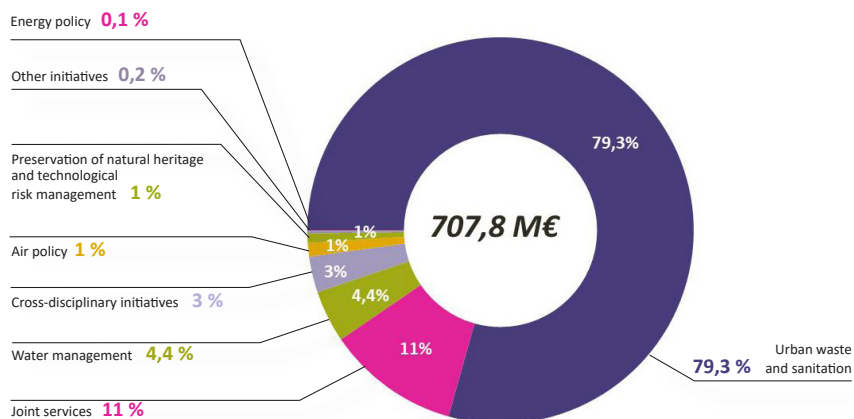
**€0.3 million was earmarked for the region's reputation and drawing power,** mainly in virtue of the illuminated decorations on the Champs Elysées (€0.2 million).

Joint services mainly consisted in the purchase of furniture and was allocated €0.03 million.

### Revenue

In 2019, no revenue was collected under the economic development category.

## CONSOLIDATED BUDGET EARMARKED FOR THE ENVIRONMENT - 2019 AA



IN MILLIONS OF €	2018 AA	2019 AA
Operational expenditure	666,6	660,1
<i>Including payroll</i>	<i>309,7</i>	<i>314,1</i>
Investment expenditure	74,7	47,7
Operational revenue	703,1	710,2
Investment revenue	1,5	2,2

## OPERATIONAL SECTION

## Expenditure

FOR THE 2019 FISCAL YEAR, THE OPERATIONAL BUDGET ALLOCATED TO THE ENVIRONMENT AMOUNTED TO €660.1 MILLION, INCLUDING €314.1 MILLION IN VIRTUE OF PAYROLL.

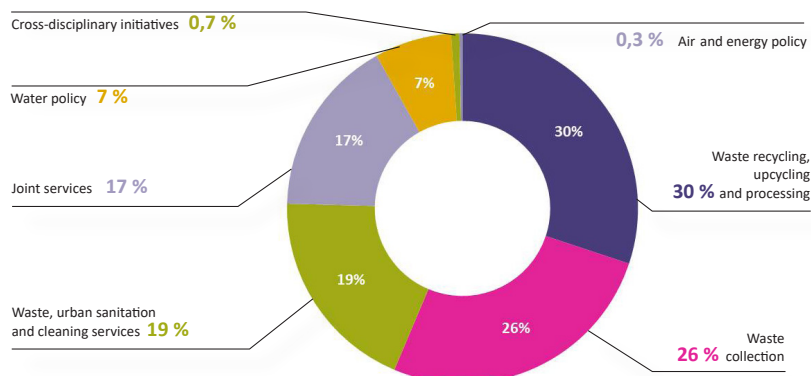
89 positions were created under the environment category with, specifically, 84 new garbage collector jobs within the Department of Sanitation and Water (Direction de la Propreté et de l'Eau: DPE) for the creation of emergency sanitation teams, whose mission is to provide a rapid response to extremely urgent notifications.

2 positions were created within the DEVE for monitoring the biodiversity plan and the climate plan in Paris and 3 positions within the DCPA for the monitoring of energy performance contracts.

In virtue of categorical measures, 27 supervisory staff positions were reclassified in 2019 as operational managerial jobs, including 5 on the subsidiary sanitation budget.

In total, for the year 2019, when including other movements (redeployments, conversions, transfers), the balance of budgetary movements amounted to +41 budgetary jobs in this category.

## OPERATIONAL EXPENDITURE (EXCLUDING PAYROLL) - 2019 AA



The operational budget, excluding payroll, amounted to €346 million in the 2019 AA.

► The majority of this expenditure included initiatives in terms of waste and urban sanitation, which reached €261 million in 2019. Excluding the contribution to the SYCTOM, this expenditure grew by 5% (+7.8 million)).

- Expenditure for waste recycling, upcycling and processing amounted to €104.2 million, compared to €119 million in the 2018 AA. The amount of the annual contribution paid to the SYCTOM for waste processing reached €97.7 million, a decrease of €14.9 million compared to the 2018 AA, mainly due to the one-time payment in 2018 of a thirteenth installment. The expenditure related to recycling station operations increased by €0.1 million and amounted to €6.5 million ;
- Expenditure allocated to waste collection contracts represented €90.8 million, €6.4 million more than 2018 (-7.6%). It reached €59.4 million for the private collection of household waste and various materials (+€4.6 million compared to the 2018 AA, following the implementation of new contracts). €15 million for the collection of street bins (+€1.1 million, specifically due to the price increase on the market), €10.3 million for the collection of glass (+€0.4 million), €4.7 million for the provision of bins (+€0.1 million), €0.8 million for the collection of biowaste (+€0.2 million) and €5 million for automated vacuum collection ;
- Expenditure dedicated to sanitation initiatives amounted to €46.9 million, €0.2 million more than 2018. This included service contracts for coin-operated toilets in the amount of €19.1 million (e.g. €1.4 million less than 2018, where a thirteenth installment had been made in virtue of December 2017), mechanical cleaning for €15.8 million (+€1.3 million), graffiti removal (€3.7 million, a decline of €0.9 million following the decrease in unit prices for the new agreement), other urban sanitation and cleaning services (€5.2 million, an increase of €1 million specifically due to stepping up cleaning services in areas occupied by migrants and homeless people), cleaning the Berges de Seine promenade (€1.4 million, stable), as well as cleaning contracts carried out by professional integration companies in arrondissements (€0.9 million, an increase of €0.1 million). Lastly, awareness-raising initiatives regarding sanitation represented €0.7 million (+€0.3 million). The table below presents the changes in contract expenditure for urban waste and urban sanitation between 2018 and 2019.

#### 2019 AA / 2018 AA variation in expenditure for collection and sanitation contracts (€)

CATEGORY	2018 AA	2019 AA	EVOLUTION
Private collection of waste and various materials	54 870 143	59 435 775	8,3%
Collection and upkeep of street garbage bins	13 913 888	15 015 978	7,9%
Glass collection	9 886 676	10 308 974	4,3%
Provision of garbage bins	4 633 572	4 711 907	1,7%
Biowaste collection	573 377	794 214	38,5%
Automated vacuum collection of household waste	509 764	504 488	-1,0%
<b>Total – Waste collection</b>	<b>84 387 421</b>	<b>90 771 336</b>	<b>7,6%</b>
Coin-operated public toilets	20 527 916	19 138 553	-6,8%
Mechanical cleaning	14 490 640	15 808 778	9,1%
Graffiti removal	4 630 959	3 700 903	-20,1%
Cleaning and urban sanitation services	4 208 618	5 198 337	23,5%
Cleaning the Berges de Seine promenade	1 390 130	1 438 122	3,5%
Neighborhood self-management	806 823	875 604	8,5%
<b>Total – Urban sanitation</b>	<b>46 055 086</b>	<b>46 160 297</b>	<b>0,2%</b>
Garbage dumps and bulky items	6 438 449	6 470 445	0,5%
<b>Total waste collection and sanitation contracts</b>	<b>136 880 955</b>	<b>143 402 078</b>	<b>4,8%</b>

- Lastly, €19.1 million was allocated to joint sanitation services (+€1 million): €9.8 million for the upkeep and maintenance of vehicles and transportation, €7.3 million allocated to equipment and facilities (including the rental of mobile sanitary facilities) and €2.1 million for facilities and empty property.

► The second highest expenditure entry corresponded to joint services, for €56.8 million, a €3.6 million less than the 2018 AA.

Expenditure for fluids in administrative buildings and local City facilities decreased by €3.6 million, mainly due to the investments carried out by the local authority in its facilities, which largely contributed to a drop in GWh consumption between the 2017-2018 and 2018-2019 winter seasons: -22% for gas and -8% for urban heating. This expenditure amounted to €55.7 million, compared to €59.3 million in 2018. The expenditure allocated to supporting functions in the DPE remained stable at €1.2 million.

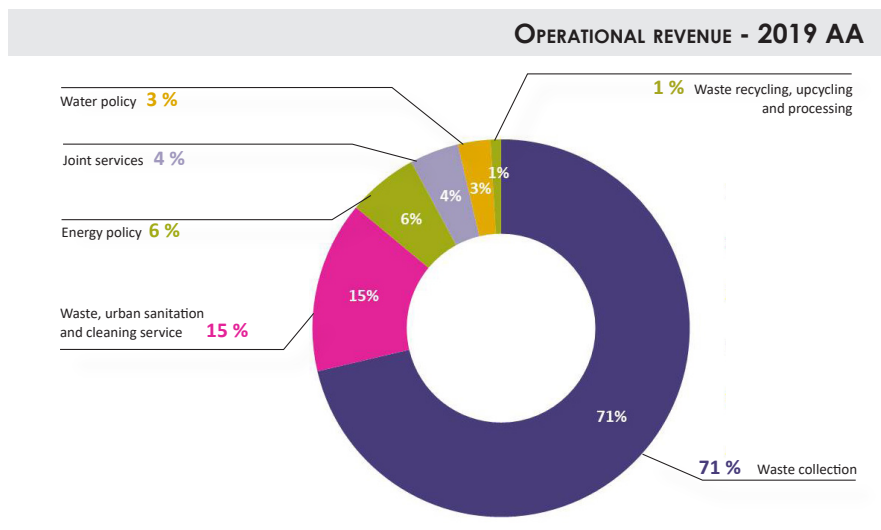
► Initiatives conducted in terms of water management represented €24.6 million (-€0.4 million). This amount included the City's contribution to the Seine-Grands Lacs regional public river-basin establishment (Etablissement Public Territorial de Bassin: EPTB) (€4.5 million). The mandatory contribution from the general budget to the subsidiary sanitation budget, in virtue of rainwater management, remained stable compared to 2018 (€20 million).

► €2.6 million was earmarked for cross-disciplinary initiatives (stable), including €1.5 million for measures falling under the framework of the regional climate-air-energy plan (Plan Climat-Air-Energie Territorial: PCAET), €0.9 million for the local prevention plan for household and similar waste (Plan Local de Prévention des Déchets Ménagers et Assimilés: PLPDMA), an increase of €0.4 million over one year, and €0.2 million in support of the circular economy in green spaces.

► Lastly, €0.8 million financed **studies and subsidies allocated to anti-pollution measures** (+€0.5 million over one year) and €0.2 million for studies regarding the renewal of heating and cooling utility contracts.

## Revenue

**OPERATIONAL REVENUE COLLECTED IN VIRTUE OF THE “ENVIRONMENT” CATEGORY AMOUNTED TO €710.2 MILLION IN THE 2019 AA, AN INCREASE OF €7 MILLION COMPARED TO THE 2018 AA.**



► **Revenue related to waste and sanitation amounted to €616.7 million, an increase of €8.3 million over one year.**

- Revenue related to **waste collection** represented €506 million, including €487.3 million in virtue of the **household waste collection tax (Taxe d'Enlèvement des Ordures Ménagères: TEOM)**, €8.6 million more than the 2018 AA (+1.8%). Revenue from **license fees related to non-household waste (Déchets Non Ménagers: DNM)** amounted to €18.4 million (-€0.3 million over one year). In addition, revenue related **other collection services** amounted to €0.4 million (services carried out upon third-party requests).
- Urban sanitation and cleaning represented €104.2 million in revenue, stable compared to 2018, including €103.8 million for the **street-sweeping tax**, which remained stable compared to the 2018 AA, and €0.4 million in virtue of **other urban sanitation services** (the chargeback of costs for removing illicit posters and markings and unauthorized dumping).
- **The waste upcycling policy** generated €6.4 million in revenue in 2019 (stable versus 2018), including €4.6 million paid to the SYCTOM in virtue of subsidies and overpayments from monthly license fees.
- Lastly, revenue from buildings and property brought in €0.2 million.

► **The energy policy represented €41.5 million in revenue, an increase of €1.4 million compared to the 2018 AA.**

License fees and fee reimbursements paid by gas and electricity concessionaries amounted to €32.3 million (+€1 million compared to 2018). Heating and cooling utility concessionaries generated €9.2 million in revenue (+€0.4 million).

► **Revenue from joint services reached €29.8 million**, mainly in virtue of building fluids, corresponding to the reimbursement from special arrondissement budgets (€29.5 million, €4 million less than in 2018, proportional to the decrease observed in expenditure).

► **Revenue collected in virtue of initiatives in terms of water management** represented €19.8 million, an increase of €1.2 million. This represented reimbursements for personnel paid by the **Interdepartmental sanitation syndicate for the Parisian urban area** (Syndicat Interdépartemental pour l'Assainissement de l'Agglomération Parisienne: SIAAP) and the interdepartmental institution for Seine river basin dams and reservoirs (Institution Interdépartementale des Barrages-Réservoirs du Bassin de la Seine: IIBRBS) in the amount of €6.8 million (+€1 million compared to 2018), fee reimbursements paid by the **subsidiary sanitation and water budgets** for €7.5 million and license fees paid by Eau de Paris in virtue of the property and land provided to them in the amount of €5.4 million (+€0.1 million).

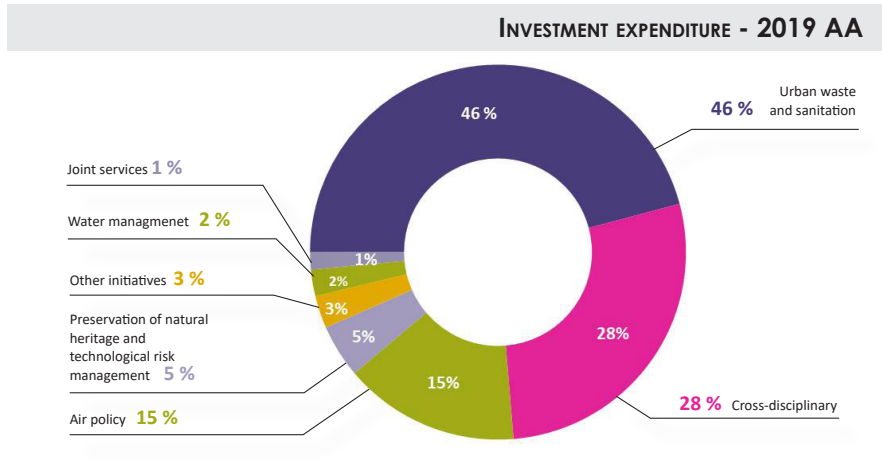
► **Quarries generated €1.6 million in revenue** (-€0.1 million), which included participations from departments and municipalities in operational charges (€1 million) and charging for maps and information (€0.6 million).

► **Lastly, the co-financing received** in virtue of the Regional Climate-Air-Energy plan (PCAET), the Circular Economy and Waste Objectives Contract (Contrat d'Objectifs Déchets et Economie Circulaire: CODEC) and the LIFE European project regarding road surfaces reached €0.7 million, an increase of €0.6 million over one year.

## INVESTMENT SECTION

### Expenditure

IN VIRTUE OF THE "ENVIRONMENT" CATEGORY, €47.7 MILLION WAS INVESTED IN 2019, E.G. A DECREASE OF €27 MILLION COMPARED TO 2018 (€74.7 MILLION) RELATED TO THE PACE OF COMPLETION FOR THE TERM OF OFFICE'S INVESTMENT PROGRAM (PROGRAMME D'INVESTISSEMENT DE LA MANDATURE: PIM).



€21.9 million was invested in 2019 in favor of the waste management and urban sanitation policy, e.g. a decrease of €16.6 million compared to the expenditure carried out in 2018. This investment expenditure was allocated to: the acquisition of vehicles (€10.6 million in 2019 after €30 million in 2018), owing to the 2021 deferral of the opening of the Clichy garage, which resulted in deferred orders for on-site vehicles or delivery delays regarding certain innovative models.

Expenditure allocated to the renovation of call sites and premises amounted to €1.6 million.

Lastly, €2 million was earmarked for the development and refurbishment of garages, mainly those in Romainville and the Victor Hugo and Bruneseau sites.

Investments for improving waste collection amounted to €2.6 million and largely focused on the implementation and deployment of new CYBELL street bins, contributing to rodent prevention, in the amount of €1.5 million.

Lastly, investment expenditure regarding waste recycling, upcycling and processing amounted to €2.3 million, stable compared to 2018. This expenditure mainly focused on the upkeep and safety of garbage dumps (€2.1 million).

**€13.3 million was allocated to cross-disciplinary initiatives in favor of the regional climate-air-energy plan.**

As for public buildings, expenditure related to the regional climate-air-energy plan included :

- €9.6 million for the modernization of heating centers in public establishments (a decrease of €8.3 million compared to 2018 and thus completing the office term's investment program on this subject ;
- €1.7 million in order to continue upgrading ventilation systems in public facilities (-€3.5 million compared to 2018);
- €1 million in renovations on administrative buildings (-€0.3 million) ;

Expenditure related to green spaces amounted to €0.9 million, e.g. €0.2 million less than 2018..

**€1.3 million was earmarked for other initiatives in favor of the environment.**

Expenditure allocated to urban agricultural projects amounted to €1 million, e.g. a decrease of €2.1 million compared to 2018. This decline is largely due to extending the operational deadlines for the creation of an urban farm on the roof of the freight center, within the Chapelle International joint development zone (18th arrondissement).

In parallel, €0.4 million was spent on rodent prevention measures.

**€7.2 million was mobilized for the air policy by supporting the development of clean vehicles, e.g. twice as much (+€3.6 million) compared to 2018 expenditure.** This aid took place in the form of subsidies and financial assistance for the support of clean vehicle development. The growth conveyed the growing success of these subsidies, for which more than 10,000 was dedicated to the acquisition of electric bikes, an increase of more than 42 %.

**€2.2 million was allocated to the preservation of natural heritage and the management of technological risks,** which was mainly spent on the implementation of ground consolidation operations.

**€1.1 million was dedicated to water management initiatives. This amount is €0.7 million more than what was spent in 2018** with the progression of the "Blue corridor" project, which is meant to develop a river and a pedestrian path along the avenue des



Minimes in the Bois de Vincennes (12th arrondissement).

Lastly, expenditure related to joint services represented €0.7 million in 2019, e.g. an increase of €0.2 million compared to 2018.

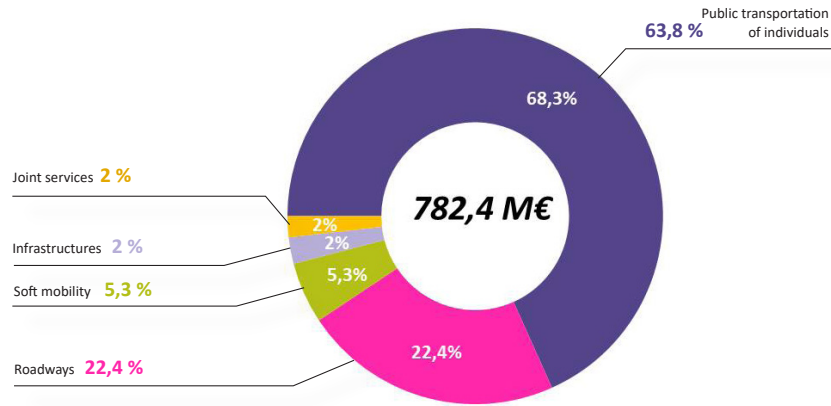
### Revenue

**REVENUE COLLECTED IN VIRTUE OF THE "ENVIRONMENT" CATEGORY AMOUNTED TO €2.2 MILLION, E.G. €0.7 MILLION MORE THAN 2018.**

Revenue mainly consisted of proceeds from the sale of vehicles for their destruction or recycling (€0.8 million), from a State subsidy in support of the thermal power station supervisory project (€0.7 million) and a subsidy paid by the CITEO organization under the framework of setting up Trilib' spaces (€0.7 million).

## 8/ TRANSPORTATION

### CONSOLIDATED BUDGET EARMARKED FOR TRANSPORTATION - 2019 AA



IN MILLIONS OF €	2018 AA	2019 AA
Operational expenditure	591,9	611,0
Including payroll	66,9	67,9
Investment expenditure	136,7	171,4
Operational revenue	335,8	339,9
Investment revenue	10,1	8,0

## OPERATIONAL SECTION

### Expenditure

**IN THE 2019 AA, THE OPERATIONAL BUDGET ALLOCATED TO TRANSPORTATION AMOUNTED TO €611 MILLION, INCLUDING €67.9 MILLION IN VIRTUE OF PAYROLL.**

9 positions were created in the 2019 PB within the DVD under the transportation category, including 6 related to the increased workload caused by the City taking back over impounds and vehicle towing contracts, in accordance with the Paris status reform.

Furthermore, 3 positions were created in order to meet new needs: for public space maintenance service due to the increased amount of roadwork, for heritage-based services and, lastly, for the office of professional risk prevention.

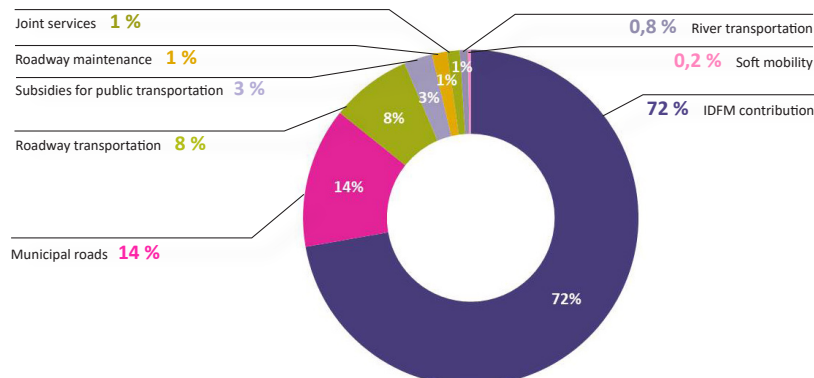
In the 2019 SB, 6 positions were created in order to manage financial assistance for mobility related to the implementation of free public transportation measures.

Category-specific conversions were carried out to support career development for civil servants, with 7 operational managerial position reclassifications as well as inspectors reclassified as senior technicians and operational managers in impound services.

In total, for the year 2019, when including other movements (redeployments, conversions, transfers), the balance of budgetary movements amounted to +9 budgetary jobs in this category.

**EXCLUDING PAYROLL, OPERATIONAL EXPENDITURE IN VIRTUE OF TRANSPORTATION REPRESENTED €543.1 MILLION IN THE 2019 AA.**

### OPERATIONAL EXPENDITURE (EXCLUDING PAYROLL) - 2019 AA



► **The contribution to Ile-de-France (IDFM)** remained the largest expenditure entry with an amount of €392.1 million, €4.4 million more than the 2018 AA. This 1.14%-increase corresponded to the contractualized growth rate for expenditure decided on between the State and the City of Paris.

► **Municipal road expenditure amounted to €81.4 million in the 2019 AA (+€1.4 million).**

Within this amount, expenditure related to **street parking** amounted to €41.9 million, an increase of €2.4 million in 2019, after an influx of €26 million in 2018 following the Paris status reform and the municipal's new authority over parking. Impound services for illegal parking reached €13.5 million (+€1.3 million over one year, specifically due to an increase in the number of two-wheeled vehicles being towed). Expenditure related to parking inspection contracts amounted to €11.1 million (-€1.1 million compared to the 2018 AA). The amount allocated to payment methods (upkeep of parking meters, credit card terminals, mobile telephone payment centers) decreased by €1.1 million versus 2018, to €7.1 million, following the drop in parking meters to maintain. Expenditure dedicated to bus parking in conceded parking lots grew by €1 million over one year, to €5.3 million, due to increased traffic in these parking lots, which was related to the decline in street parking and the popularity of long-distance bus lines. Lastly, expenditure related to the processing of flat-rate parking fines by ANTAI amounted to €4.9 million, €2.2 million more than 2018, which corresponded to an increase in revenue collected once the Mandatory preliminary administrative actions were processed (Recours Administratifs Préalables Obligatoires: RAPO).

**Expenditure for the construction and maintenance of municipal roads** represented €25.3 million (+€0.1 million over one year). Street repairs following **accidents caused by unidentified third parties** grew by €2 million and amounted to €5.7 million, due to damages from protests that took place on public roads starting at the end of 2018. Expenditure dedicated to **electric recharging stations** (Belib' stations and Autolib' stations newly back in service) reached €2.3 million, an increase of €1.4 million (+€1.1 million in electricity consumption following adjustments made to 2018 consumption and +€0.3 million for upkeep).

Expenditure allocated to **tunnel maintenance** grew by €0.4 million (+€1.6 million). Expenditure for **maintenance work delegated to third parties** (specifically Semparseine) also increased and totaled €2.6 million (+€0.2 million). Supply purchasing for roads remained stable (€1.9 million), just like signage maintenance (€1.4 million).

Other expenditure experienced a decline : **road and sidewalk maintenance** work (€4.2 million), the maintenance and operation of the **ring road** (€1.2 million), and upkeep for the banks of the Seine (€0.6 million).

Expenditure for **work on the behalf of third parties** amounted to €1.5 million, e.g. half of the 2018 amount as a result of continuing to transfer third party accounts to a separate category under the investment section.

**Road equipment represented €7.8 million in the 2019 AA**, €0.4 million less than the 2018 AA. Most of this expenditure was related to the maintenance of traffic lights under the framework of the energy performance contract (€7.7 million). This entry also included the upkeep of urban furniture (€0.2 million).

Expenditure related to **conceded parking lots** represented €6.2 million in the 2019 AA. This entry included credits pertaining to the management of parking lots operated by concessionaries. It decreased by €0.6 million compared to the 2018 AA.

Lastly, expenditure related **wintertime road and sidewalk mobility** represented €0.25 million.

► **Expenditure related to road transportation methods represented €42.3 million**, a decrease of €2.2 million compared to 2018.

- The contribution to the **Autolib' Vélib' Métropolis Syndicate** (Syndicat Autolib' Vélib' Métropole: SAVM) amounted to €23.2 million, +€3.8 million compared to the previous year. The portion of this contribution paid in virtue of the Vélib' service reached €19.5 million, compared to €17.1 million in 2018, following the service's continued rollout. The portion paid to Autolib' reached €3.7 million, an increase of €1.4 million due to the constituted provision under the framework of litigation with the holder of the contract terminated in 2018.

- Expenditure dedicated to transportation for **people with reduced mobility** (Personnes à Mobilité Réduite: PAM) amounted to €12.8 million (+€0.1 million).

- Lastly, expenditure related to the operation of **"traverses"**, small electric buses, amounted to €6.3 million, a decrease of €0.3 million (excluding the impact of the €4 million mandated in 2018 in virtue of the transaction contract signed with the RATP in order to pay for the 2017 operation of its lines in the absence of an agreement).

► **The measures implemented in order to promote young Parisian mobility amounted to €14.5 million** in virtue of the 2019-2020 school year. This expenditure, which corresponded to 65,500 processed requests, covered the full reimbursement of the Imagin'R pass for students aged 4 to 11, a 50% reimbursement of the Imagin'R pass for middle school and high school students, the reimbursement of Vélib subscriptions to youths under the age of 18, and free access to public transportation for Parisians with disabilities under the age of 20 years old.

Furthermore, the contribution to the "Imagin'R scolaire" initiative for scholarship students was renewed for €0.4 million.

► **Expenditure for joint services amounted to €6.6 million** in the 2019 AA, a decrease of €0.3 million. This specifically included €2.5 million in virtue of transportation, corresponding to the services assured by municipal automobile transportation, fuel expenditure and the transportation of goods.

It also included amicable third-party compensation for the repair of accidental damages under the City of Paris's responsibility (€1.7 million), credits planned for various real estate charges related to the "transportation" category (€0.5 million), research fees (€0.5

million), expenditure related to user information regarding worksites (€0.3 million) as well as maintenance, IT and support service expenditure (€0.8 million).

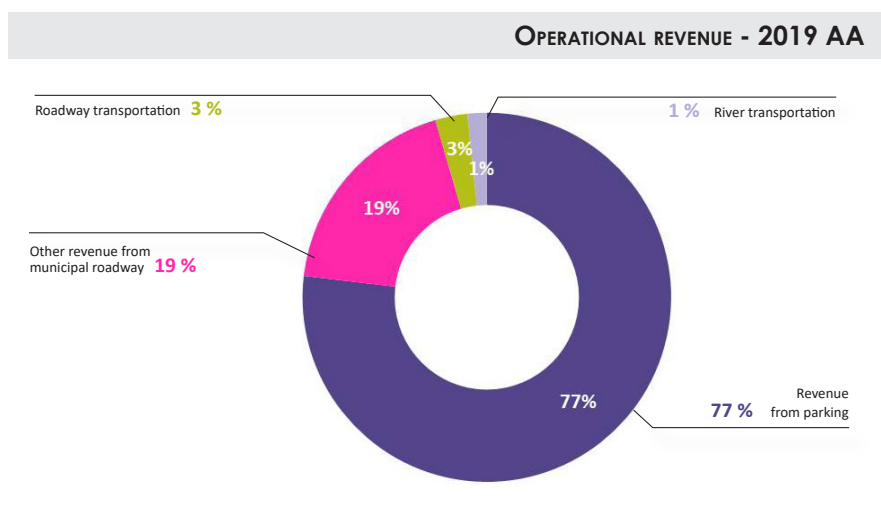
Lastly, as in 2018, €0.3 million was earmarked for **subsidies and contributions**, which mainly concerned road safety (training, participation in different events, educating young students on prevention).

► **Expenditure allocated to river stops and infrastructure represented €4.3 million** including €2.4 million for canal maintenance and operations, €1.6 million for the payment of taxes and contributions (+€0.3 million over one year) and €0.2 million for joint services.

► **Soft mobility** received €1.5 million in 2019, including €1 million earmarked for the “Paris Breathe” project, an increase of €0.1 million over one year.

**Revenue**

**OPERATIONAL REVENUE RELATED TO TRANSPORTATION REPRESENTED €339.9 MILLION, €4.1 MILLION MORE THAN 2018 AA.**



► **Revenue from municipal roads amounted to €324.5 million, an increase of €9.9 million compared to the 2018 AA.**

**Revenue collected in virtue of street parking amounted to €261.1 million**, €3.1 million more than the 2018 AA.

This amount included **€236.9 million in revenue related to parking**, e.g. +€4.1 million compared to the 2018 AA, specifically including revenue from flat-rate parking fines, which reached €65.4 million, an increase of €5.3 million following improvements to its inspection system. Parking payments reached €160 million (+€0.9 million) and license fees for buses amounted to €11.4 million (+€0.2 million).

**Revenue from impounds** collected by the City following the Paris status reform decreased by €0.9 million over one year in order to reach €24.2 million. This drop in revenue resulted from an increase in the proportion of two-wheeled vehicles out of total vehicles towed, vehicles whose fines are not as high as automobiles.

**License fees for conceded parking lots reached €44.8 million**, €2.9 million more than the 2018 AA. This growth can be explained through the revaluation of license fee rates for renewed contracts.

**Lastly, revenue related to road-related holdings amounted to €18.5 million**, €3.8 million more than the 2018 AA. This revenue specifically included €7.9 million in public domain occupation fees, an increase of €0.7 million after raising the rates for certain fees in this category. It also included €4.8 million in virtue of gas station license fees (+€1.4 million), and €2.8 million in revenue collected in virtue of the City of Paris’s material testing lab (Laboratoire d’Essais des Matériaux: LEM) and its street-related testing lab (Laboratoire d’Essais de la Rue: LER).

► **Revenue related to road transportation amounted to €9.6 million in the 2019 AA, a €5.7 million less than the 2018 AA.**

This downturn is due in part to the lack of revenue from Vélib’ 1 (€3.65 million in 2018) and Autolib’ contracts (€1.8 million), paid in 2018. Revenue from the new Vélib’ contract was collected directly by the SAVM, which carries out upkeep and maintenance, and no longer by the City of Paris.

The yield collected from **PAM** public transportation for people with reduced mobility was €9 million, a decrease of €0.3 million versus 2018 related to the number of user requests.

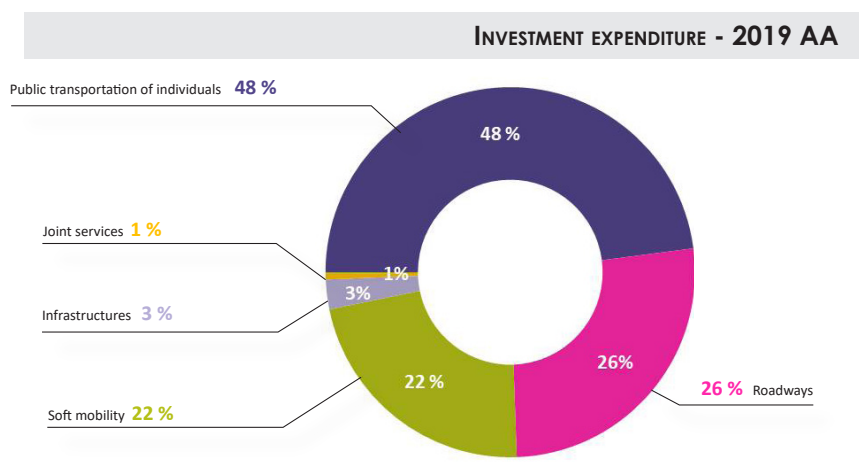
Revenue resulting from the operation of “traverses”, small electrical buses, remained stable at €0.6 million.

► **Lastly, river transportation represented €5.7 million in revenue**, owing to reimbursements and other revenue collected by Eau de Paris (€3.9 million, an increase of €0.2 million) as well as navigation, occupation and public river domain fees (€1.8 million, €0.3 million more than in 2018).

## INVESTMENT SECTION

### Expenditure

€171.4 MILLION IN INVESTMENT CREDITS WERE ALLOCATED TO TRANSPORTATION, E.G. AN INCREASE OF €34.7 MILLION COMPARED TO 2018.



In terms of public transportation, investment expenditure earmarked for major expansion projects for the public transportation network and the improvement of existing facilities (stations, bus, metro), amounted to €82.2 million compared to €78.4 million in 2018.

**Rail transportation** was allocated €74.2 million in 2019 compared to €76.3 million in 2018.

Under this framework, expenditure related to **metro lines** represented an amount of €48.6 million. This was mobilized for the financing of the metro line 14 extension to Mairie de Saint-Ouen for €37.9 million, in order to lower capacity on the line 13. The financing of the metro line 11 extension to the Rosny-Bois-Perrier train station amounted to €8.4 million and infrastructure work came to €2.3 million.

As for tramways, €17.1 million was earmarked in 2019, compared to €28.6 million in 2018. This difference can be explained through the progress made on the T3 line extension between Porte de la Chapelle and Porte d'Asnières. While in 2018, €28.6 million was allocated to this section, thus making it possible to put the line into service, the 2019 fiscal year (€17 million) was marked by the continuation of related construction (such as lighting) and the payment of supplementary services following the amendment concluded in December 2019. 2019 was also affected by the start of construction, which is supposed to connect Porte d'Asnières with Porte Dauphine. Furthermore, €0.1 million was dedicated to the continuation of construction on the T9 line, which will make it possible to connect Paris to Orly by the end of 2020.

Regarding train stations, €8.3 million was earmarked for the implementation of a bus network bypass whose objective is to improve flows between Parisian train stations. These credits made it possible to develop the outskirts of the Montparnasse and Lyon train stations.

**Road transportation** received expenditure of €8 million in 2019, e.g. an increase of €5.9 million compared to 2018. These credits were allocated to the maintenance of bus lanes and urban bus furniture. The subsidy to the SAVM amounted to €0.4 million.

**Investment credits mobilized in favor of soft mobility amounted to €38.3 million compared to €15.4 million in 2018.**

This growth can be explained in part through the ramp-up of investments regarding bicycle lanes, whose expenditure amounted to €33.3 million in 2019, compared to €11.8 million in 2018. This amount, €21.5 million more than in 2018, enabled the finalization of construction on main thoroughfares such as the lane connecting Châtelet to Porte d'Aubervilliers as well as the one connecting the Quai des Tuileries with the Avenue des Champs-Élysées. When taking into account the projects that were completed in 2019, Paris now has approximately 1,000 kilometers of bicycle lanes.

Furthermore, €2.3 million was earmarked in order to continue creating new "30-km zones," whose completion is planned for 2020. €1.4 million was mobilized in order to improve the circulation of pedestrians and people with reduced mobility. Lastly, the installation of equipment for bicycle parking amounted to €0.9 million.

**Roadway expenditure amounted to €45.4 million compared to €35.9 million in 2018.**

Expenditure related to **roadway holdings** represented an amount of €45 million, compared to €34.8 million in 2018. The recurring maintenance of roads, sidewalks and pavement amounted to €14 million (e.g. €3 million more than in 2018). The upkeep and operations for the ring road mobilized €10.1 million, including €5.4 million for maintenance and €3.3 million in order to continue

the deployment of noise-reducing asphalt in order to decrease noise pollution. Compliance upgrades for roadway tunnels led to an expenditure of €10.6 million, with significant effort undertaken on the Courcelles tunnel, which is located on the ring road near Porte d'Asnières (17th arrondissement). Road construction on the behalf of third parties mobilized €5.5 million. Lastly, bridge maintenance was earmarked €1.5 million, including €0.5 million for the Sully bridge (5th arrondissement).

Expenditure related to **street parking** represented **€0.4 million**, compared to €1.1 million in 2018, a year marked specifically by the development of new parking meter software and its installation in existing equipment (€0.5 million in 2018, compared to less than €0.1 million in 2019).

**Infrastructures, including train stations and canals, were allocated €4.4 million, a decrease of €0.5 million compared to 2018.**

Canal maintenance mobilized €4.3 million in 2019 compared to €4.8 million in 2018. Under this framework, the Saint-Martin canal was allocated €1.3 million to continue safety upgrades to the tunnel's vaulted ceiling.

**Expenditure for joint services represented €0.8 million (-€1 million).**

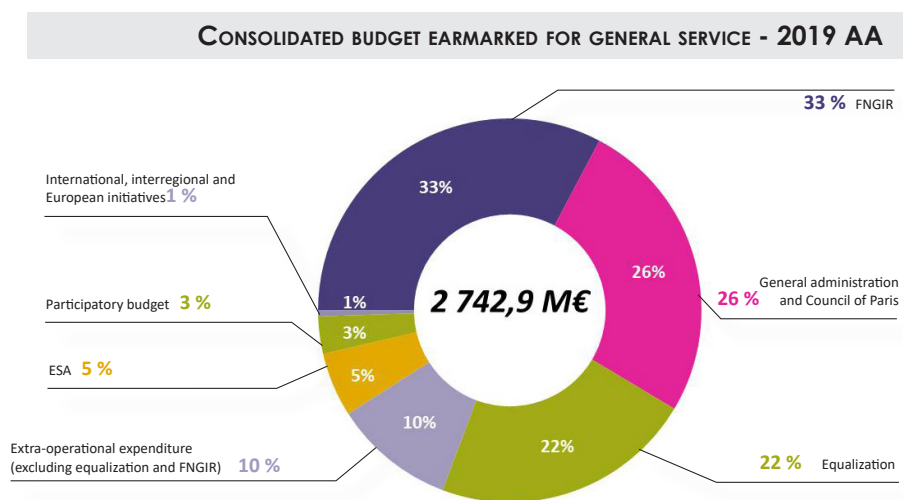
**Lastly, the transportation of merchandise, due to the implementation of the sustainable urban logistics charter, represented €0.2 million.**

### Revenue

**€8 million in investment revenue related to transportation was collected in 2019.**

€3.9 million was collected under the framework of reimbursements for roadway operations carried out on the behalf of third parties.

Furthermore, in its role as contracting authority for the T3 extension project between Porte de la Chapelle and Porte d'Asnières and in application of the 2012 financing agreement, the City of Paris collected €4 million through its co-signatories (State, Ile-de-France region, RATP).

**METHODOLOGICAL PRECISION :**

The 0 category “General services” includes, in accordance with budgetary and accounting instructions, “**non-itemized operations**”, attributed under 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-budgetary operations **special arrondissement budgets (Etats Spéciaux d’Arrondissement: ESA**, as well as **expenditure and revenue resulting from the operation of the local authority’s public services and facilities**. Lastly, this category retraces the credits related to international initiatives and the management of European funds.

The operation related to the long-term lease of the Porte de Versailles, balanced in expenditure and revenue, was neutralized (€11.7 million), just like the regional share for the tourism tax collected in favor of the Société du Grand Paris (€10.7 million).

IN MILLIONS OF €	2018 AA	2019 AA
Operational expenditure	2 376,0	2 444,5
Including payroll	399,0	405,3
Investment expenditure	199,6	298,3
Operational revenue	6 246,0	6 405,4
Investment revenue	165,7	207,1

**OPERATIONAL SECTION****Expenditure**

**IN 2019, THE OPERATIONAL BUDGET DEDICATED TO GENERAL SERVICES AMOUNTED TO €2,444.5 MILLION, INCLUDING €405.3 MILLION IN VIRTUE OF PAYROLL.**

126 positions were created in the 2019 PB, including 83 related to the elimination of the subsidiary grave-digging budget and the simultaneous transfer of jobs to the general budget.

Furthermore, 43 additional positions were created in the 2019 PB, with, specifically, 10 positions under the Department of Democracy, Citizens and Regions (Direction de la Démocratie, des Citoyens et des Territoires: DDCT), including 5 for the development of the Parisian account and 5 positions in support of the “Ma mairie mobile” experiment as well as community and civic centers. 4 positions were created within the Administration: 2 for the public innovation laboratory and 2 for the resilience mission.

Supporting roles were also added: 17 supporting positions within the DEVE for cemetery services, 2 positions within the Department of Information and Communication (Direction de l’Information et de la Communication: DICOM) to develop their partnership service, 2 positions under the Department of Legal Affairs (Direction des Affaires Juridiques: DAJ) were added to fortify the general public law offices and private law office, 7 positions within the Department of Information and Digital Systems (Direction des Systèmes d’Information et du Numérique: DSIN) were included to respond to recent changes and new needs in the field of IT security, and lastly, one position within the Department of Human Resources (Direction des Ressources Humaines: DRH) was created to strengthen the diversity and disability unit.

In virtue of other movements, 10 reclassifications were carried out to provide access to operational managerial and training assistant

<sup>(9)</sup> However, all 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.

positions within automobile professions. The implementation of an HVAC system maintenance squad was conveyed by reclassifying jobs from category C to category B.

In total, over the year 2019, when including other movements (redeployments, conversions, transfers), the balance of budgetary movements amounted to -12 budgetary jobs in this category.

### ► EXTRA-OPERATIONAL EXPENDITURE

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 FNGIR) reached €606.9 million versus €549.3 million in the 2018 AA. Consequently, this grew by 10.4% (+€57.6 million) due to :

- The €33.4-million increase in the contribution to, now, three **equalization funds for transfer rights subject to payment (Fonds de Péréquation des Droits de Mutation à Titre Onéreux: DMTO)**, whose total amount reached €168.2 million (+24.8%). This change is due to the additional revenue collected from DMTOs between 2017 and 2018, as well as the creation of a third DMTO equalization fund in 2019 to which Paris contributed €27 million ;
- The €5.1-million increase in the **national equalization fund for intercommunal and municipal resources (Fonds National de Péréquation des Ressources Intercommunales et Communes: FPIC)** which reached €192.1 million in 2019. This growth was related to the 2019 finance law adjusting the contribution limit in accordance with total fiscal revenue. This rate went from 13.5% in 2018 to 14% in 2019. Furthermore, the amount of revenue taken into account for the Parisian contribution includes direct tax revenue collected by the Greater Paris Metropolis (CVAE, TASCOT, IFR) ;
- The €16.5-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 €197.9 million. This horizontal equalization measure, specific to the Ile-de-France region, ensures the redistribution of wealth between the region's municipalities. Its overall amount is set each year by law (€330 million in 2019). The change in 2019 to the Parisian contribution, despite an overall stable fund, is due to capping-related measures coming to an end. The Parisian contribution represents 60% of the fund's amounts ;
- The €2.5-million increase 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 €30 million, e.g. half of the total fund (€60 million) ;

**Non-equalization contributions** amounted to €11.3 million. The €9.5-million increase, compared to the 2018 AA, corresponded to the new contribution in virtue of the allocation guarantee planned for the Ile-de-France region and Ile-de-France Mobilités under the framework of redistributing revenue from police fines to local authorities following the municipalization of paid parking.

The amount of the contribution allocated to departmental sanitary recentralization remained stable at €1.8 million.

**Tax reductions for transfer fees and the street-sweeping tax** paid by the local authority represented €3.4 million (-€8.2 million compared to the 2018 AA).

Furthermore, in 2019, the local authority supported a contribution of €1.8 million, corresponding to the overpayment of a compensatory allocation paid by the metropolis in 2018.

Lastly, the amount of **financial charges** amounted to €140 million in the 2019 AA, compared to €137.6 million in the 2018 AA. This amount included interest related to the school energy performance partnership contract.

Charges related to debt management (€138.9 million) grew by €2.8 million. Interest from the school energy performance partnership contract (€1.1 million) decreased by €0.4 million:

### ► ENDOWMENTS TO SPECIAL ARRONDISSEMENT BUDGETS (ESA)

Operational endowments paid to special arrondissement budgets amounted to €143.2 million in 2019, an increase of €3.2 million, compared to the 2018 AA.

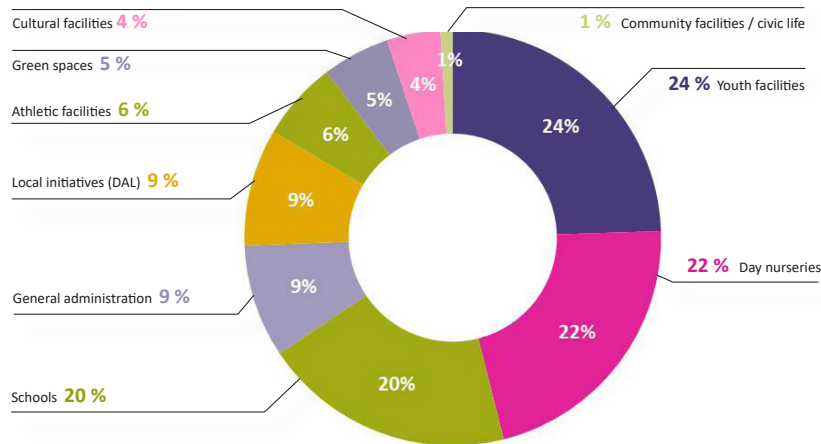
From the point of view of special arrondissement budgets (subsidiary ESA), the amounts executed by arrondissement town halls amounted to €140.7 million, a decrease of €2.3 million.

This downward trend can be explained, on the one hand, by a significant drop in expenditure for fluids (-€2.6 million, e.g. -6.6% compared to the 2018 AA), as well as lower expenditure for rental and real estate charges (-16.6% compared to the 2018 AA). The dynamism of expenditure allocated to local activities partially offsets this decline, with specifically, a net increase in expenditure for local and cultural activities (+6%) and neighborhood councils (+12.5% in operations).

Consequently, the execution of the ESA local management endowment reached €127.9 million, compared to €130.7 million in 2018. Expenditure in virtue of the local activities endowment increased by +4.2% and amounted to €12.8 million, compared to €12.2 million in 2018.



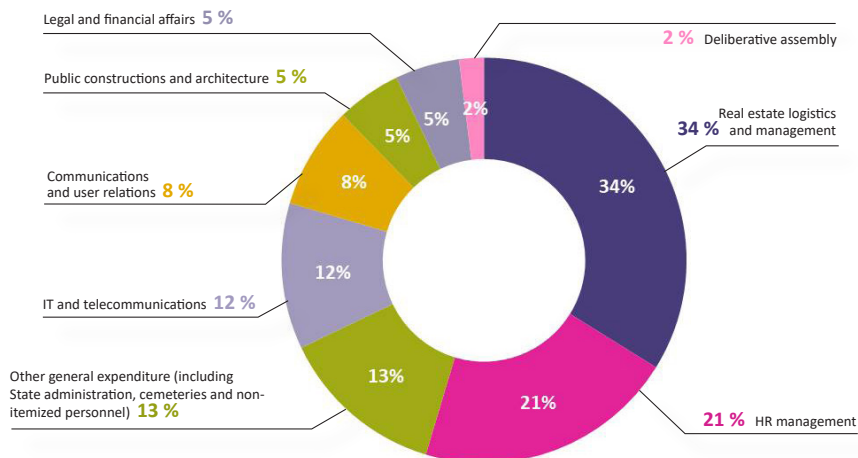
**DISTRIBUTION OF OPERATIONAL ENDOWMENT EXPENDITURE TO SPECIAL ARRONDISSEMENT BUDGETS IN THE 2019 AA**



► **GENERAL EXPENDITURE FOR THE ADMINISTRATION**

The operational budget, excluding payroll, allocated to **the administration's general expenditure** amounted to €227.8 million, an increase of 2% (€4.4 million) compared to the 2018 AA.

**MAIN ENTRIES FOR GENERAL ADMINISTRATION EXPENDITURE IN THE 2019 AA**



- The highest amount of expenditure was related to **logistics and real estate management**, in the amount of €77.1 million, a decrease of €0.4 million compared to the 2018 AA. Expenditure allocated to rent, charges and taxes for administrative buildings reached €49.8 million, an increase of €0.6 million over one year (+1.2%) following the growth in rent indexes. Other logistics expenditure specifically concerned the cleaning of administrative premises (€7.8 million), purchasing work clothes (€5.7 million), transportation services carried out with municipal automobiles (€5.3 million), upkeep and maintenance work in municipal buildings (€4.4 million, +€0.6 million due to an increase in multi-technical maintenance contracts and a higher number of corrective work orders) and lastly, postage expenses (€3 million).
- **Human resources** expenditure reached €47.4 million, €0.2 million less than in 2018. **Service projects** for civil servants represented €20.8 million. This expenditure included €12.1 million in subsidies for the social action organization in favor of personnel working for either the City or Department of Paris (Association d'Action Sociale en faveur des Personnels de la Ville de Paris et du Département de Paris: ASPP) and €6.7 million in favor of the organization handling service project management for Parisian administrative personnel (Association pour la Gestion des Oeuvres Sociales des Personnels des Administrations Parisiennes: AGOSPAP). In addition, €1.9 million was earmarked for social services for civil servants. **Training expenditure** for the local authority, excluding fees engaged under the framework of accessing employment (see the "Economic Development" category in this report), amounted to €13.1 million, an increase of €0.4 million. Consequently,

participation in the Fund for the Integration of People with Disabilities in Public Services (Fonds pour l'Insertion des Personnes Handicapées dans la Fonction Publique: FIPHFP) reached €2.1 million in 2019 (+€0.1 million) and the budget dedicated to training civil servants (excluding the FIPHFP) amounted to €11 million (+€0.3 million).

Lastly, €13.5 million was allocated to the payment of **pensions and annuities** (€4.3 million), the coverage of **work accidents and professional illnesses** (€4.5 million) and the financing of **subsidized annual leave** (€3.1 million), as well as support services, the organization of competitive exams and hiring, internal communications and management fees for the agreement concluded with the National Unemployment Agency regarding unemployment compensation from the Parisian local authority.

- Expenditure related to **IT and telecommunications** amounted to €26.6 million, a decrease of €0.1 million over one year. Expenditure allocated to IT infrastructures (upkeep and maintenance of networks and equipment) dropped by €0.2 million to €12.9 million. The credits necessary for application-based maintenance reached €7.1 million, an increase of €0.4 million, due to the growing number of applications put into service and the annual revision of maintenance contract prices (around +2% per year). Telecommunication expenditure decreased by €0.3 million to €6.5 million. Lastly, credits for supporting services within the Department of IT and Digital Services (DSIN) amounted to €0.2 million.
- Expenditure allocated to the **upkeep and maintenance of public constructions** amounted to €11.7 million, an increase of €0.3 million. This amount specifically included €5.6 million meant for maintenance contracts, €2.2 million in the purchasing of TAM services, €1.5 million in maintenance work for buildings and €1.4 million for the provision of small equipment.
- All expenditure pertaining to **financial and legal affairs** for the Parisian local authority represented €11.7 million (after neutralization of the operation related to the Porte de Versailles, balanced in terms of expenditure and revenue), +€1.2 million compared to 2018. Expenditure allocated to legal access amounted to €2.3 million (+€0.1 million). Legal fees came to €1.3 million (+€0.1 million), while insurance fees (€2.6 million) increased by €0.2 million compared to 2018. Expenditure related to public contracts and concession management (€2.4 million) grew by €0.7 million, including €0.5 million related to the payment of property taxes from previous years. Lastly, other expenditure (research, documentation, printing) remained stable at €0.5 million.
- **Communication expenditure** amounted to €9.9 million, an increase of €2.2 million over one year, mainly due to the unavailability of the municipal signage program in 2019. In order to ensure the continuity of the municipality's personal communication of this media, expenditure for listing fees and the purchasing of space grew by €1.4 million and totaled €1.7 million. Other expenditure meant to publicize Paris's work (magazines and publications, ad space, digital communication) decreased by €0.4 million and amounted to €2.2 million. Expenditure allocated to event organization (including Paris Plages, Bastille Day fireworks, the 75th anniversary of the Liberation of Paris on August 25th) reached €3.8 million, +€0.6 million over one year due to extending the scope of Christmas-related activities. Protocol expenditure (€1.1 million) increased by €0.3 million. Credits allocated to the organization of exhibits amounted to €0.5 million (+€0.1 million). Expenditure related to the management of the Paris Rendez-vous boutique and the City's brands reached €0.2 million. Lastly, media expenditure (documentation, press reviews, supplies) amounted to €0.4 million.
- Charges related to **cemetery management** represented €4.5 million in 2019, a decrease of €2.6 million compared to 2018 following the removal of the subsidiary grave-digging budget, to which the general budget contributed in the amount of €2.9 million. This expenditure included €2.8 million dedicated to cemetery management, and €1.6 million in virtue of the funeral policy, which carries out funeral delegation inspections (funeral homes and the Père Lachaise crematorium).
- Expenditure related to **groups of elected officials and the operations of the Council of Paris** represented €4.5 million, a decrease of €0.1 million. This specifically included the subsidy paid to the retirement office for elected officials (€2.9 million), transportation fees for elected officials (€0.5 million) and training expenditure (€0.2 million). Miscellaneous operational fees (acquisitions, retranscription, stenotypy, etc.) represented €0.3 million.
- Expenditure related to **relations with users and organizations** amounted to €3.7 million, including €1.8 million in virtue of supporting community life (+€0.1 million), €0.9 million dedicated to neighborhood dialogue (+€0.2 million), €0.7 million for the reception of users and €0.3 million in subsidies to organizations in virtue of the mayors' funds (-€0.3 million).
- Expenditure mobilized for **managing and modernizing the local authority** supported by the City of Paris's administration represented €4.7 million, an increase of €0.1 million. This budget was allocated to the financing of project management support for information system upgrades.
- Lastly, other **general expenditure** represented €25.8 million in the 2019 AA.

This section specifically included €21.5 million in credits for revenue-regularizing accounting operations (debt write-off, cancellation of securities from previous years, settling administrative deficits), an increase of €4.1 million over one year. The contribution paid to the National retirement fund for local authority civil servants (Caisse Nationale de Retraites des Agents des Collectivités Locales: CNRACL) decreased by €0.3 million to €2 million. Banking fees related to borrowing and payment methods dropped by €0.2 million to €1 million. Lastly, expenditure earmarked for the State's general administrative positions (civil status and elections) amounted to €1.1 million, an €0.4 million more than in 2018, due to the organization of the European elections in May 2019.

### ► INTERNATIONAL, INTERREGIONAL AND EUROPEAN INITIATIVES

The budget for **international relations** amounted to €6.8 million, €0.1 million less than in 2018.

Expenditure earmarked for **diplomacy initiatives** in Paris amounted to €2.3 million, a drop of €1.1 million, specifically following the transfer of a portion of the subsidy paid to the International Organization of French-Speaking Mayors (Association Internationale des Maires Francophones: AIMF) to the investment section (€1 million out of €1.6 million). Consequently, the amount of international subsidies amounted to €1.8 million, including €0.6 million for the AIMF and €0.3 million in virtue of emergency assistance. Expenditure dedicated to events (New Year's ceremonies at the Hôtel de Ville, the Festival of Europe, the Paris-Amsterdam tandem bicycle event) amounted to €0.3 million (-€0.3 million over one year).

Subsidies paid in virtue of **public support for development** remained stable at €2.1 million. These are mainly subsidies paid to organizations promoting projects in the fields of healthcare and AIDS prevention.

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

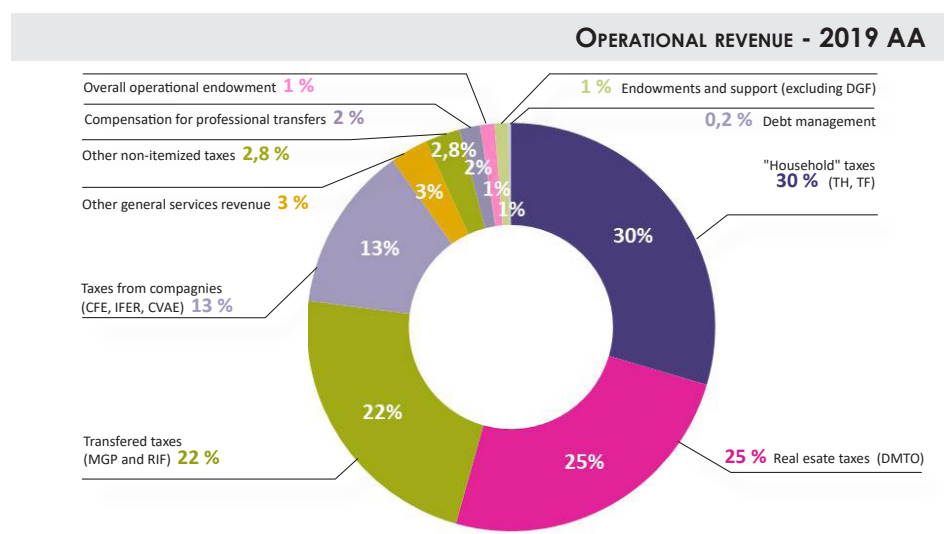
Expenditure allocated to **Greater Paris metropolitan initiatives** amounted to €0.7 million, stable over one year, including €0.3 million in contributions to the metropolitan forum and €0.3 million in payments to elected official organizations.

Credits earmarked for **interregional initiatives with cities in overseas departments** (subsidies to organizations, commemorations honoring the abolition of slavery and contributions to the tropical carnival festival) remained stable at €0.3 million.

Lastly, expenditure mobilized for the European fund for economic and regional development (Fonds Européen de Développement Economique et Régional: FEDER) amounted to €1.2 million. This mainly entailed the payout of the European subsidy to the partners of the Intelligent City in Clichy-Batignolles.

### Revenue

**REVENUE FROM GENERAL SERVICES REPRESENTED €6,405.4 MILLION, AN INCREASE OF €159.4 MILLION (+2.6%) COMPARED TO 2018.**



### ► EXTRA-OPERATIONAL REVENUE

This consisted of revenue from local taxes, endowments and contributions as well as financial revenue..

**The amount of tax revenue <sup>(10)</sup> amounted to €4,588 million in 2019, an increase of €162.7 million compared to 2018.**

- **Direct contributions <sup>(11)</sup>** amounted to €2,735.4 million, e.g. +2.2% (€58 million) compared to the 2018 AA<sup>(10)</sup>.

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

<sup>(11)</sup> Excluding compensation paid by Ile-de-France region and the Greater Paris Metropolis, which have been set up by law since 2018 to a fixed amount and are therefore no longer set in the budget act.

	2018 AA	2019 AA	EVOLUTION 2019 AA / 2018 AA
Residential tax	808,05	827,26	2,4
<i>Including tax mark-up on second homes</i>	61,57	61,53	-0,1
Property tax on developed and undeveloped properties	1 031,47 M€	1 048,51 M€	1,7%
Corporate property tax	334,85 M€	326,06 M€	-2,6%
Complementary shares (excluding TEOM)	5,41 M€	3,66 M€	-32,4%
Supplementary shares (excluding TEOM)	29,22 M€	23,56 M€	-19,4%
Flat-rate tax on utility companies	2,77 M€	3,04 M€	9,8%
Corporate added-value tax (CVAE)	465,64 M€	503,32 M€	8,1%
<b>TOTAL DIRECT CONTRIBUTIONS</b>	<b>2 677,41 M€</b>	<b>2 735,41 M€</b>	<b>2,2%</b>

**Taxes based on property rental values** (residential tax, property tax and corporate property tax) benefited from an automatic revaluation :

- of +2.2% for residential premises, corresponding to the change in the consumer price index standardized between November 2017 and November 2018 <sup>(12)</sup> and the spontaneous momentum resulting from constructions, extensions and the physical modifications of premises as well as the end of exemptions;

- of -1% for professional premises (a +1.2%-evolution resumed in 2018 and a +0.2%-evolution based on Parisian prices) ;

They also benefited from physical revaluations related to the end of exemptions, new constructions, etc. The €17-million increase in the City's and Department's **property tax** was due to legal revaluations (€11 million) and physical variations in the bases.

L'augmentation du produit de **residential tax** (+€19 million, e.g. +2.4%) can be mainly explained through the automatic revaluation (+2.2%) for housing.

**Corporate property taxes (Cotisation Foncière des Entreprises: CFE)** decreased by €8.7 million, e.g. -2.6%, in 2019. This change was related to the new exemption on CFE minimum bases for companies making less than 5,000 euros in revenue and not owning their own premises (-€8.5 million), as well as the negative revaluation of the bases for professional premises in Paris in 2019 (-1%).

**Supplementary and complementary tax shares** were composed of payments carried out by tax services on local taxes, in virtue of the ongoing fiscal year or previous fiscal years with, at times, adjustments over several years. Their decrease conveyed a return to normal, since these supplementary shares are budgeted each year in the amount of €25 million, the year 2018 (€35 million) being exceptional.

**The corporate added-value tax (Cotisation sur la Valeur Ajoutée des Entreprises: CVAE)** amounted to €503.3 million in 2019, e.g. an increase of €37.7 million compared to 2018. The CVAE collected in 2019 summarily corresponded to the accounting and tax situation for companies in 2017. The CVAE's growth remains mainly related to the financial, insurance and real estate sectors, which represented 42% of the CVAE's growth between 2018 and 2019 (+€16.1 million out of +€37.7 million).

- **Revenue from real estate taxes reached €1,586.8 million**, compared to €1,504.7 million in 2018, e.g. an increase of 5.5% (€82.1 million), related to the rise in real estate prices, combined with a slight uptick in sales (+1,021). Consequently, for older housing, the price per m2 reached an average of 10,210 euros in the last quarter of 2019, compared to 9,570 euros in the last quarter of 2018, e.g. +6.7% in one year.
- **Other taxes** amounted to €176 million compared to €157.6 million in 2018.

**The tourism tax** reached a total of €95 million, €15 million more than 2018 after basing rates on a percentage of the nightly price for Airbnb-type rentals.

It should be noted that tourism tax revenue, neutralized in expenditure, was collected on behalf of the State's public establishment "Société du Grand Paris" (SGP), for €10.7 million.

This measure was created by article 163 under law #2018-1317 from December 28, 2018 regarding 2019 finances..

OTHER NON-ITEMIZED TAXES	2018 AA	2019 AA	EVOLUTION CA 2019 / CA 2018
Net tourism tax*	80,0 M€	95,0 M€	+15,0 M€
Tax on total electricity consumption (TCFE)	68,6 M€	67,4 M€	-1,2 M€
Tax on performances / Tax on gaming parlors**	0,6 M€	4,5 M€	+3,9 M€
Local tax on signage and external advertising TLPE)	8,4 M€	9,0 M€	+0,6 M€
<b>TOTAL</b>	<b>157,6 M€</b>	<b>175,9 M€</b>	<b>+18,3 M€</b>

\* Tourism tax minus the share collected on behalf of the Société du Grand Paris (SGP), which amounted to €10.7 million

\*\* New tax collected from Parisian gaming parlors as of 2019

Revenue from the **tax on total electricity consumption (Taxe sur la Consommation Finale d'Electricité: TCFE)** amounted to €67.4 million, €1.2 million less than in 2018 following the corresponding decrease in electricity consumption. **The local tax**

<sup>(12)</sup> Article 1518 bis from the General Tax Code.

on signage and external advertising (**Taxe Locale sur les Enseignes et Publicités Extérieures: TLPE**) reached €9 million (+€0.6 million).

Revenue from **the tax on performances or gaming parlors** increased by €3.9 million and amounted to €4.5 million in 2019. Since 2015, the scope of application for the tax on performances has been progressively reduced so as to no longer include gaming clubs and parlors. The Parisian local authority now only collects residual amounts from this tax. However, since 2019, the local authority has collected a share of gaming revenue from new Parisian gaming parlors.

- **National taxes transferred under the framework of the 2004 decentralization laws** amounted to €89.7 million versus €85.7 million in 2018.

Lastly, revenue from taxes meant to compensate professional transfers to departments outlined under the “LRL” law from August 13, 2004<sup>(13)</sup> amounted to €89.7 million: €74 million for **the special tax on insurance agreements (Taxe Spéciale sur les Conventions d'Assurance: TSCA)**, €4.5 million more than in 2018, and €15.7 million for the LRL share of **the internal tax on energy consumption (Taxe Intérieure sur la Consommation de Produits Énergétiques: TICPE)**, a decrease of €0.3 million.

**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 €1,453.8 million in 2019 compared to €1,458.6 million in 2018. The details appear in the table below :

	2018 AA	2019 AA
MGP compensatory allocation (tax share)	527,1 M€	527,1 M€
MGP compensatory allocation (ex-CPS share)	453,1 M€	453,1 M€
MGP compensatory allocation (transfer of charges)	0 M€	-1,8 M€
IFR compensatory allocation (CVAE transfer)	475,3 M€	475,3 M€
Endowment supporting regional investment (DSIT)	3,1 M€	0 M€
<b>TOTAL</b>	<b>1 458,6 M€</b>	<b>1 453,8 M€</b>

The €1.8-million perennial decrease is linked to the inclusion of charges transferred in 2018 to the metropolis for the calculation of the compensatory allocation.

Initially, this only effected the compensatory allocation collected in 2019. In order to repay the overpayment from the 2018 compensatory allocation, €1.8 million was returned to the MGP via a one-time mandate voted on for the 2019 fiscal year.

Lastly, the endowment supporting regional investment (Dotation de Soutien à l'Investissement Territorial: DSIT), which is supposed to return the CVAE to the metropolis's member regions, was removed in 2019 under the framework of the 2019 financial law. This financial support paid by the MGP amounted to €3 million in 2018.

Due to these transfers, and specifically the CVAE transfer, the Parisian local authority was deprived of two-thirds of this tax's revenue, e.g. a loss in CVAE resources of €125 million in 2019 (€65 million from the municipal share, transferred to the MGP, and €60 million from the departmental share transferred to the Ile-de-France region).

Although it was deprived of CVAE's dynamic revenue, the Parisian local authority continues to support the growth in equalization expenditure, which is related to this momentum. Indeed, the MGP does not contribute to national equalization funds, while the CVAE collected by the MGP for the Parisian region is included in the calculation of Paris's contribution to municipal equalization fund.

Consequently, in 2019, Paris supported an additional €9.1-million contribution to the FPIC compared to the amount that it would have contributed if these dynamics had been removed.

**The amount of endowments and support amounted to €131.9 million in 2019, compared to €172.5 million in the 2018 AA.**

**The State's support**, after a decrease of €1,150 million between 2014 and 2017 under the framework of improving public finances, remained stable at the national scale. The former contribution for the improvement of public finances was replaced by a contract agreement between the State and the largest local authorities in order to comply with a standard of expenditure (+1.2% per year at the national level, +1.14% for Paris). This stability, nevertheless, masks strong evolutionary disparities between regional authorities.

Consequently, the **overall operational endowment (Dotation Globale de Fonctionnement: DG)** allocated to Paris decreased by 27% compared to the 2018 AA, going from €100 million to €73.3 million, in order to finance increases in equalization endowments for certain local authorities. By integrating the “salary share compensation” component (Compensation Par Salaires: CPS) collected since 2016 by the Greater Paris Metropolis and paid back through a compensatory allocation, revenue amounted in 2019 to €526.4 million, compared to €553.1 million in 2018.

**Compensatory endowments in virtue of tax exemptions** (€46.3 million) grew by €10.6 million compared to 2018. Endowments in virtue of residential and property tax exemptions grew by €2 million owing to an increase in the exempted bases for the most underprivileged. Compensation in virtue of economic tax exemptions (€8.7 million), rose by €8.5 million, related to the new

<sup>(13)</sup> Law 2004-809 from august 13, 2004 related to local freedom and responsibilities.

CFE exemption for companies with business revenue under 5,000 euros. **Compensation for the loss of the additional tax on registration fees (Compensations pour Perte de Tax Additionnelle aux Droits d'Enregistrement: TADE)** from business assets was almost stable, just like the compensation regarding the tax on performances with €1.1 million and €9.2 million, respectively. The **equalized compensation endowment** was €0.1 million less than in 2018, totaling €10.3 million in 2019.

The **"secure credentials" endowment**, collected as of 2018 following the transfer of the issuance of passports and national ID cards (Cartes Nationales d'Identité: CNI) from the Police Prefecture to the City of Paris, amounted to €1.3 million in 2019, like in 2018.

The **general decentralization endowment (Dotation Générale de Décentralisation: DGD)** as well as **the special teacher endowment (Dotation Spéciale Instituteurs: DSI)** remained practically stable, in the amounts of €15.8 million (-€0.1 million) and €0.1 million, respectively. In addition, since 2017, the local authority has collected a grant in the operational section under the framework of the **VAT compensation fund (Fonds de Compensation pour la TVA: FCTVA)** in virtue of maintenance expenditure for roadways and public buildings. This allocation amounted to €10.9 million in 2019, an increase of €1.8 million compared to 2018.

#### Financial revenue reached €29 million, an increase of €8.1 million.

Revenue related to active debt management (swap interest) amounted to €13.2 million (-€0.1 million).

Other financial revenue grew from €8.2 million to €15.8 million. This specifically included dividends paid by semi-public companies for which the Parisian local authority is a shareholder: RIVP (€6.5 million, +€1.4 million), CPCU (€4 million in virtue of 2017 and 2018), SEMPARISEINE (one-time dividend of €1.5 million) and SEMMARIS (€1.5 million).

#### ► THE LOCAL AUTHORITY'S GENERAL ADMINISTRATION

##### Revenue related to the local authority's general administration amounted to €171 million, €5.3 million more than in the 2018 AA.

**Revenue related to finances and purchasing** represented €135.9 million, an increase of €1.9 million compared to 2019. Revenue from concessions managed by the Department of Finances and Purchasing (establishments, public signage and telecommunication networks) amounted to €120.4 million, including €118 million in license fees (+€4.9 million compared to 2018, specifically from telecommunication operator and conceded establishment contracts). The City also collected €1 million as the winner of the "2017 European Capital of Innovation" competition from the European Commission. Lastly, revenue from accounting regularization operations amounted to €14.1 million, a decrease of €4.9 million, resulting from the better execution of expenditure.

**Revenue related to human resources** represented €10.6 million, €0.5 million more than in 2018. The amount of reimbursements for personnel and other charges remained stable (€7.3 million), just like the revenue from the fund for the professional integration of people with disabilities in public services (€2.7 million). Other revenue reached €0.7 million, an increase of €0.6 million corresponding to the CASVP contribution for public servant training fees between 2016-2018.

Revenue collected in virtue of **cemeteries and funereal concessions** amounted to €9.7 million, an increase of €0.8 million over one year. This included €8.1 million in revenue from the management of cemeteries, specifically revenue from funereal concessions (€1 million), and €1.6 million in license fees for the management of crematoriums (+€0.1 million). The contribution from the subsidiary grave-digging budget (€0.3 million in 2018) has become irrelevant since its dissolution within the general budget.

Revenue from **legal decisions** reached €2.1 million, €0.7 million less than 2018, resulting from the temporary suspension of litigation regarding usage changes in residential premises.

**Revenue from real estate management** amounted to €2 million, a reduction of €0.5 million over one year. This included leases concluded with the Paris Museum Public Establishment and the APUR. The management of leases for other establishments (Pavillon de l'Arsenal, SCI Paris 17, RATP, CAUE, etc.) has been transferred to the Department of Housing and Living Environments (development category) since the last quarter of 2018.

**Revenue related to communication and protocols** (rental of private rooms at the Hôtel de Ville, partnerships, brand management) reached €1.9 million, a decrease of €0.2 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, just like in the 2018 AA.

Revenue from the mayors' funds (license fees for the occupation of premises, collections and donations from marriages) increased from €0.3 million to €1.5 million. The flat-rate census endowment paid by INSEE remained stable at €0.4 million.

Lastly, in 2019 the City sold energy performance certificates in the amount of €3.3 million.

#### ► REVENUE FROM EUROPEAN FUNDS

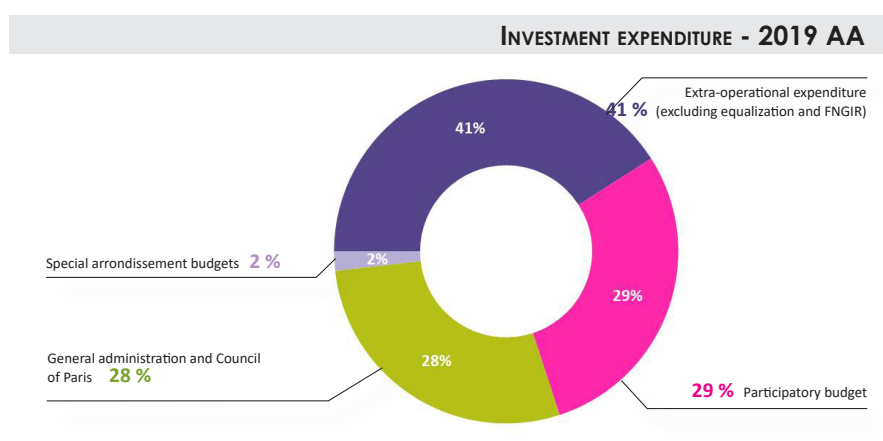
Revenue collected in virtue of the **European Social Fund (Fonds Social Européen: FSE)** reached €3.5 million, an increase of €0.9 million compared to 2018. This global subsidy made it possible to finance integration, inequality prevention and return-to-work initiatives for people in unstable situations.

Revenue from **European Regional Development Fund (Fonds Européen de Développement Régional: FEDER)** in virtue of "Intelligent and Sustainable Paris" projects amounted, as expected, to €1.4 million.

## INVESTMENT SECTION

### Expenditure

EXPENDITURE CARRIED OUT IN VIRTUE OF THE "GENERAL SERVICES" CATEGORY AMOUNTED TO €298.3 MILLION, E.G. AN INCREASE OF €98.7 MILLION COMPARED TO 2018. THIS CAN BE LARGELY EXPLAINED THROUGH THE ACCELERATED EXECUTION OF PARTICIPATORY BUDGET CREDITS (+€42.6 MILLION COMPARED TO 2018) AS WELL AS THE SECOND PAYMENT INSTALLMENT FOR THE ACQUISITION OF THE COMMODITIES EXCHANGE, WHICH RESULTED IN AN EXPENDITURE OF €35 MILLION IN 2019.



€83.8 million was allocated to expenditure corresponding to the general administration, e.g. a decrease of €13.2 million compared to 2018.

Investment expenditure under this category specifically included:

- **IT and telecommunications** for €48 million, €1.3 million less than 2018. €16 million was earmarked for the launch and the continuation of IT projects such as those related to the Paris status reform for €1.8 million (vote per category and combined), overhauling registration software for school trips for €0.3 million, while application-based maintenance mobilized €7.7 million. The operational upkeep of infrastructures was allocated €12 million compared to €9.6 million in 2018, with, specifically, a €3.3-million increase for data storage and back-up. €9.3 million (€6.5 million in €2018) was allocated to terminal equipment, making it possible to replace laptop PCs due to their obsolescence after Windows 10 upgrades, the roll-out of laptop PCs and other mobility equipment, specifically for administrative projects (for example, equipment resulting from the digitization of city planning documents – ADS) as well as an increase in remote working and badge-based printing access. The data center was earmarked €2.3 million in order to finalize installation work.
- **The upkeep and modernization of the City's premises and furniture** for €18.8 million (+€0.7 million), specifically including €5.2 million allocated to modernizing facilities. €3.2 million was earmarked for research, the purchasing of furniture, equipment, tools as well as modernization upgrades to the premises of the Department of Public Buildings and Architecture (Direction des Constructions Publiques et de l'Architecture: DCPA). Standard upgrades to facilities represented €2.8 million in expenditure, while €1.6 million was mobilized in order to relocate the Civil Engineering and Interior Layout Technical Division (Section Technique du Génie Civil et des Aménagement Intérieurs: STGCAI). €3.6 million was dedicated to the Eiffel Tower site under the framework of its redevelopment project, while €0.8 million was allocated to the restoration of facades through localized investment.
- **Logistics** for €9.4 million, including specifically, €2.3 million for maintenance, developments and renovations in administrative buildings. €4.2 million was earmarked for the administrative installations master plan (compared to €4.9 million in 2018), while €0.9 million was allocated to the incivility prevention brigade and €0.8 million was mobilized for electoral material. The €5.5-million decrease compared to the previous year is mainly due to the 2018 transfer of civil servants from the Sully Morland premises to the Bédier building.
- **Cemeteries and funereal** services for €2.9 million, including specifically, €2.1 million dedicated to cemetery renovations.
- 0.2 million towards **the financial sector**, for advertising and listing fees regarding public orders, incompetence prevention and the purchasing of material and furniture.
- **Human resources** for €3.5 million (compared to €2.3 million in 2018), including €3 million for the renovation and reorganization of dining centers and €0,2 million for the purchasing of material for civil servants with disabilities.
- €0.6 million towards **civic participation**, mainly to complete renovations in community centers.
- **Communications** for €0,3 million e.g. €0,2 million for photography equipment €0,1 million earmarked for the overhaul of the City's style guide.

**€121.5 million was allocated to affiliated financial debt and operations, e.g. €70.2 million more than in 2018.** The operations for this category specifically focused on loan repayments, miscellaneous borrowing and incurred interest (€66.3 million including €35 million corresponding to the third payment installment for the acquisition of the Commodities Exchange), expenditure related to fixed debt (€33.5 million), security deposits (€10.9 million), loans granted (€7.1 million) and participation in the capital of public, semi-public or private establishments (€2.3 million).

From an operational point of view, €49.6 million was paid in virtue of participations in joint development zones, €10.8 million was allocated to financial operations related to the real estate property account, €9.5 million was spent in order to repay a loan for the Paris Philharmonic, €7 million in advance payments to SEMAEST, €2.3 million in virtue of the Paris Rive Gauche city planning operation (Tolbiac – Chevaleret gym), €1.9 million in virtue of the school energy partnership contract and €2.2 million was allocated to the Paris Green Fund.

**€86.2 million was earmarked for participatory budget projects.**

**The Paris participatory budget (Budget Participatif de Paris: BPP)** mobilized €33.5 million (e.g. €19.7 million more than in 2018), specifically including, €3.2 million allocated to pedestrianization development (compared to €0.4 million in 2018), €3 million for development projects on the former Petite Ceinture train tracks, €2.7 million for the “Dream Schools” project, €2 million for the “And we’re off! Even more bicycle lanes” initiative and €1.3 million for the revitalization of working-class neighborhoods. Furthermore, €0.7 million was spent in virtue of the “Beautify Paris” project and €0.7 million for the “Shelter for the Homeless” initiative.

**The participatory arrondissement budget (Budget participatif d’Arrondissement: BPA)** mobilized €42.8 million (e.g. €20 million more than in 2018). As such, €15 million was specifically spent on projects related to road work (compared to €6.7 million in 2018), €6.8 million was earmarked for projects related to educational affairs, €1.5 million concerned cultural projects, €6.5 million was related to environmental projects (compared to €3.5 million in 2018) and €7.4 million for projects related to youth and sports (compared to €3.6 million in 2018).

**The participatory school budget (Budget Participatif des Ecoles: BPE)** mobilized €9.9 million, specifically for renovations related to beautification projects in elementary and middle schools, mobility, skill-based games, the arts and modernization upgrades for IT equipment.

**€5.4 million was allocated to special arrondissement budgets in virtue of the investment endowment,** a decrease compared to 2018 (€6.4 million).

From the point of view of special arrondissement budgets (subsidiary ESAs), the expenditure carried out for this endowment amounted to €5.7 million, compared to €6.2 million in 2018.

**Lastly, €1.4 million was mobilized for decentralized cooperation and interregional, European and international initiatives,** including a €1-million subsidy paid to the International Organization of French-Speaking Mayors.

## Revenue

**INVESTMENT REVENUE IN VIRTUE OF GENERAL SERVICES AMOUNTED TO €207.1 MILLION IN 2019, E.G. €41.6 MILLION MORE THAN IN 2018.**

€205.6 million was collected in the form of **endowments**. This specifically included the FCTVA for €113 million (compared to €108.9 million in 2018), the development tax for €11.5 million and €0.3 million from automatic speed-detecting radar fines.

Furthermore, €72.8 million was recorded in virtue of payments resulting from transfers with **scheduled installment payments**. Consequently, this revenue amount increased by €61.3 million compared to 2018 when only €11.5 million was collected in revenue. This growth can be explained by the fact that in 2019 remaining balances from installment plans (€69.6 million) were collected under the framework of the sale of property for future completion concluded with the Civil Society for the Forum des Halles of Paris (Société Civile du Forum des Halles de Paris: SCFHP).

€7.2 million was collected in virtue of **miscellaneous reimbursements**, including specifically, €4.2 million in advances repaid by the Palais Omnisports of Paris Bercy European Auxiliary Company and €2.2 million in advances repaid by SEMAEST.

Lastly, €1.3 million was collected in virtue of **miscellaneous reimbursements**, such as €1 million resulting from the collection of all fees and advances under the framework of project management, intellectual service and construction contracts concluded in virtue of making the Eiffel Tower site safer.



# 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, which conveys the local authority's concrete financial effort in favor of the different policies conducted. This section discusses the other entries appearing in the 2019 administrative account.

**In the operational category**, balanced operations correspond to operations recorded as expenditure and revenue in the municipal budget, such as the collection and payout of the regional share of the tourism tax to the Société du Grand Paris (SGP), as well as one-time charges and revenue executed in connection with the operational management of the Porte de Versailles exhibition center.

It is also important to note that, regarding actual operational revenue, the administrative account posted €162 million in virtue of transfer revenue (on account 775), an amount recorded in operations, but reincorporated into the investment section: **this amount is thus presented within investment revenue.** <sup>(14)</sup>

Similarly, the revenue from price supplements was recorded in the administrative account under the operational section for €0.8 million (on account 75888), but reincorporated into the investment section : **this amount is thus presented within investment revenue.** <sup>(14)</sup>

Lastly, the 2019 administrative account also posted €150.4 million in virtue of revenue from capitalized rent (account 16878), an amount recorded under investments, but reincorporated into the operational section, in accordance with the derogation granted the City of Paris : **this amount is therefore presented within operational revenue.**

Added to this was €620.3 million in operational non-budgetary expenditure and €333.1 million in non-budgetary revenue, corresponding to transfers between sections, balanced by equivalent non-budgetary investment revenue and expenditure, detailed in paragraph 3 below.

**In addition to the local authority's actual investment expenditure** (€1,568.5 million) were the following entries in the administrative account :

- €223 million in debt amortization;
- €62,6 million corresponding to entries balanced in terms of expenditure and revenue, for development operations and the real estate account, specifically ;
- €333,1 million in non-budgetary operations, described hereafter ;
- €66,9 million in non-budgetary operations within the investment section, dedicated to asset-based operations in chapter O41, and describe hereafter.

**Added to actual investment revenue** (€514.7 million) were the following entries in the administrative account :

- €187,5 million corresponding to the 2019 allocations of previous income, recorded in the 2018 administrative account, under the operational section ;
- €250 million in new borrowing (including €1,8 million in paid-in capital) ;
- €62,6 million in the municipal budget, corresponding, just like in the expenditure category, to balanced entries for development operations and sales with scheduled installment payments, specifically ;
- €620,3 million in non-budgetary operations, describe hereafter ;
- €66,9 million in non-budgetary operations within the investment section, dedicated to asset-based operations in chapter O41, and describe hereafter.

## 2/ DEBT-RELATED OPERATIONS

NEGOTIATION DATE	TYPE	LENDER / EXTENDER OF CREDIT	BORROWED AMOUNT (MILLIONS OF €)	VALUE DATE	FINAL REPAYMENT DATE	LENGTH IN YEARS	TAUX INTEREST RATES (%)	SPREAD / TREASURY BOND (IN PB=0,01 %)
05/15/2019	Public bond	Nomura/Citibank/DB	250	05/21/2019	06/25/2039	20,1	1,241	25

In 2019, the City of Paris was able to continue to finance itself under particularly interesting conditions thanks to a low-rate interest environment and the recognized quality of its reputation.

A single borrowing operation was contracted in 2019, in the form of a public bond in the amount of €250 million.

The objective of evenly spreading out its amortization burden and the favorable interest-rate environment was conveyed through long-maturity loans.

The average lifespan of outstanding debt was maintained at approximately 10 years for an average interest rate of close to 1.93%.

<sup>(14)</sup> 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, the initial purchase values (€17,3 million) and the capital gains (€151.7 million), deducted with the capital losses (€7 million), correspond to the recorded revenue (€162 million).

### 3 / NON-BUDGETARY OPERATIONS

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

- non-budgetary transfer operations between the operational and investment section (chapter 926 and 946) ;
- non-budgetary "asset-based" operations within the investment section (chapter 925) ;
- the bank transfer from the operational section (chapter 953) to the investment section (chapter 951).

The non-budgetary operations that occurred in 2019 in the City's budget were the following (operations and investment) :

Chapter	DESCRIPTION	INVESTMENT				OPERATIONS			
		EXPENDITURE		REVENUE		EXPENDITURE		REVENUE	
		BUDGETARY ENTRIES	CARRIED OUT	BUDGETARY ENTRIES	COLLECTED	BUDGETARY ENTRIES	CARRIED OUT	BUDGETARY ENTRIES	COLLECTED
926	Non-budgetary transfer operations between sections (investment)	334 212 384,00	333 057 053,85	511 714 507,79	620 264 862,91	0	0	0	0
946	Non-budgetary transfer operations between sections (operations)	0	0	0	0	511 714 507,79	620 264 862,91	334 212 384,00	333 057 053,85
925	Asset-based operations	181 155 574,63	66 893 184,69	181 155 574,63	66 893 184,69	0	0	0	0
953	Bank transfer from the operational section	0	0	866 943 132,98	0	0	0	0	0
951	Bank transfer to the investment section	0	0	0	0	866 943 132,98	0	0	0
	<b>TOTAL</b>	<b>515 367 958,63</b>	<b>399 950 238,54</b>	<b>1 559 813 215,40</b>	<b>687 158 047,60</b>	<b>1 378 657 640,77</b>	<b>620 264 862,91</b>	<b>334 212 384,00</b>	<b>333 057 053,85</b>

#### A - BUDGETARY NON-BUDGETED MOVEMENTS THAT OCCURRED BETWEEN SECTIONS IN 2019 (CHAPTER 926 AND 946)

Chapter	DESCRIPTION	INVESTMENT		OPERATIONS	
		EXPENDITURE CARRIED OUT	REVENUE COLLECTED	EXPENDITURE CARRIED OUT	REVENUE COLLECTED
926	Non-budgetary transfer operations between sections (investment)	333 057 053,85	620 264 862,91	0,00	0,00
946	Non-budgetary transfer operations between (operations)	0,00	0,00	620 264 862,91	333 057 053,85

These entries mainly affected :

#### 1. ENDOWMENT WITH AMORTIZATIONS AND PROVISIONS

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

In 2019, the amortization of property acquired since 1997 and the amortization of capital grants (paid between 1997 and 2018) were carried out for a total amount of €415 million.

Furthermore, the amortization of bond repayment premiums ascribed to chapter 68 under operational expenditure and 16 under investment revenue in the municipal budget corresponded to the annual amortization, over the lifespan of bond issues, of the paid-in capital determined when they were issued (bonds being issued below value).

Nineteen bond issues carried out since 2005 (annual amortization over the duration of the loan) justified expenditure of €1.81 million in 2019 :

- V523 - HSBC Natixis (€160 million over 13 years from December 2007) ;
- V527 - HSBC Natixis (€155 million over 13 years from December 2008) ;
- V529 - HSBC Natixis (€200 million over 13 years from June 2009) ;
- V533 - HSBC (€100 million over 14 years from December 2010) ;
- V534 - HSBC Natixis Société Générale (€140 million over 15 years from December 2010) ;
- V538 - Goldman Sachs (€100 million over 14 years from November 2011) ;
- V541 - Deutsche Bank (€100 million over 15 years from April 2012) ;
- V557 - Natixis (€50 million tap over 14.7 years from October 2013) ;
- V561 - HSBC private investment (€50 million over 15.5 years from April 2014) ;
- V562 - Schuldschein Helaba (€25 million over 9 years from April 2014) ;
- V563 - Schuldschein Helaba (€25 million over 15 years from April 2014) ;
- V566 - HSBC investment (€70 million over 17 years from July 2014) ;
- V569 - Schuldschein Helaba (€40 million over 10 years from December 2014) ;

- V574 – Goldman Sachs private investment (€40 million tap issue over 15 years from October 2015) ;
- V579 - HSBC, Crédit Agricole and Société Générale "Climate Bond" public bond issue (€300 million over 15 years from November 2015) ;
- V581 – HSBC Natixis Citi (€300 million over 16 years from April 2016) ;
- V593 – HSBC Société Générale CACIB (€300 million over 16 years from January 2017) ;
- V596 – HSBC Société Générale CACIB (€320 million over 17 years from November 2017) ;
- V598 –Natixis Société Générale CACIB (€250 million over 17 years from April 2018).

Lastly, in accordance with the deliberations related to the terms and conditions for the constitution and reversal of provisions, **provisions for risks and charges** were the subject of a complementary provision in the amount of €21.8 million and a reversal in the amount of €28.3 million. Consequently, constituted provisions decreased from **€31.3 million to €24.8 million**.

**Provisions for questionable outstanding debt** were the subject of a complementary provision in the amount of €11 million and a reversal in the amount of €8.6 million. Consequently, these movements made it possible to adjust provisions related to the inspections carried out by the Regional Directorate of Public Finances (Direction Régionale des Finances Publiques: DRFiP). Constituted provisions thus grew from **€79.4 million to €81.8 million**.

**Provisions for the depreciation of financial fixed assets** and other forms of participation were the subject of a complementary provision in the amount of €0.8 million. Consequently, constituted provisions increased from **€5.7 million to €6.5 million**.

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

## 2. THE TRANSFER OF FIXED ASSETS

The transfer of fixed assets **was only budgeted under the investment revenue section** (chapter 954), but was carried out in both the operational and investment sections as outlined by the budgetary and accounting instruction

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

- under expenditure : **€17.3 million in net value for transferred fixed assets as well as €151.7 million in capital gains, e.g. a total of €169 million.**
- under revenue : **capital losses were recorded in the amount of €7 million.**

**IN THE INVESTMENT SECTION, THE FOLLOWING WAS RECORDED :**

- under revenue : **the release of transferred fixed assets (chapters 21 and 26) as well as capital gains (€169 million);**
- under expenditure: **capital losses were recorded in the amount of €7 million.**

**The main real estate transfers carried out in 2019 concerned :**

• Land parcels and building 192-212 rue d'Aubervilliers (19th) "Reinventing Paris" .....	€52.2 million
• Land parcels 24 rue Bruneseau and 9 quai d'Ivry (13th) .....	€41.5 million
• Buildings 11 rue Léon Jouhaux (10th) .....	€35 million
• Land parcels between the rue Bizet and the sentier Émile Zola (Villejuif) .....	€11.4 million
• Land parcel 6 avenue de la Porte de Clichy (17th) .....	€9.1 million
• Warehouse and basins 2 rue de la Baignade (Ivry-sur-Seine) .....	€6 million
• 45 apartments 8 boulevard de Clichy (18th) .....	€1.9 million
• Property easement 21 route d'Aulnay (Bondy) .....	€1.6 million
• Hangar and land parcel 19 rue La Madeleine (Noisy-le-Sec) .....	€1.4 million
• Building complex 13-15 square des Cardeurs (20th) .....	€1.2 million
• Building 15-21 rue des Frères Flavien (20th) .....	€1.1 million
• Land parcels from a section of the Dhuys aqueduct (Clichy-sous-Bois) .....	€1 million

## 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.

**Capital grants received** from the State under the framework of the housing expertise delegation amounted to **€85.1 million**. These were amortized over the same period as the subsidies paid to account 204.

**Real estate acquisitions free of charge** amounted to **€4.5 million**, including €2.5 million for the roofing of the Chapelle International urban logistics base (18th arrondissement).

Furthermore, **the departmental endowment for middle schools** (Dotation Départementale d'Équipement des Collèges: DDEC) was the yearly subject of a reversal under the operational section, which is at least equal to the endowment for the amortizations of school buildings (**€5.9 million**).

## 4. SELF-MANAGED CONSTRUCTION WORK

In 2019, this operation consisted of re-allocating, from investment expenditure to chapters 21 or 23 (in expenditure), €2.3 million in equipment purchases and personnel charges, which made it possible for municipal civil servants to transform raw materials into capitalized property.

## B - ASSET-BASED OPERATIONS (CHAPTER 925)

Chap	DESCRIPTION	INVESTMENT	
		EXPENDITURE CARRIED OUT	REVENUE COLLECTED
925	Asset-based operations	66 893 184,69	66 893 184,69

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

In the municipal budget, this mainly entailed:

- the repayment of advances made under the framework of contracting authority delegations for €23.9 million (chapter 23).
- the inclusion of research and listing fees in construction expenditure for €21.6 million (expenditure chapters 21 and 23 and revenue chapter 20). In 2019, research and listing fees, followed by investments effectively carried out, were transferred under expenditure carried out in 2017 and 2018.
- the reinstatement of the annual share of capitalized rents for €14.7 million (expenditure chapter 16 and revenue chapter 1068). It was agreed to reinstate the annual share of rents capitalized in 2016, 2017 and 2018, which corresponded to the 2019 annuity (€6.7 million, €4.5 million and €3.5 million, respectively).
- the inclusion of 2019 investment expenditure from Special Arrondissement Budgets in municipal holdings, in the amount of €5.7 million (expenditure chapters 20 and 21 and revenue chapter 23).

## C - BANK TRANSFER FROM THE OPERATIONAL SECTION TO THE INVESTMENT SECTION (CHAPTERS 953 AND 951)

The 2019 budgetary projection in virtue of the bank transfer from the operational section to the investment section was €866.9 million. This transfer contributed to the self-financing generated in virtue of the fiscal year in question and made it possible, in particular, to ensure the repayment of debt annuities in capital. These budgetary entries were not the subject of any budgetary execution.

## 4) PROGRAMMED AUTHORIZATIONS (AUTORISATIONS DE PROGRAMME: AP)

On December 31, 2019, considering the amount of APs voted on in 2019 (€1.9 billion) and the amount of completed APs, corresponding to accomplished operations, recorded in the administrative account (€1.2 billion), the gross AP balance amounted to €13.4 billion..

€1.6 billion was mandated for programmed authorizations (actual credits and non-budgetary operations) in 2019, bringing the total number of mandates for ongoing APs at the end of 2019 to €9.4 billion.

GROSS AP STOCK ON 12/31/2018	APs VOTED ON IN 2019	RECORDED AP LIMITS	GROSS AP BALANCE ON 12/31/2019	MULTI-YEAR MANDATES OUT OF TOTAL APs AT THE END OF 2019	INCLUDING MANDATES ISSUED IN 2019
12 712 772 742,54	1 895 817 859,76	1 185 991 191,60	13 422 599 410,70	9 448 851 992,02	1 631 040 934,82

# 2019 ADMINISTRATIVE ACCOUNT FOR THE CITY OF PARIS

## FINANCIAL BALANCE

OPERATIONAL SECTION	
EXPENDITURE	REVENUE
<b>ACTUAL OPERATIONS</b>	<b>ACTUAL OPERATIONS</b>
Chapters 011, 012, 65, 6586, 014	Accounts 70 to 75 + 013
66 Financial charges	76 Financial revenue
67 Specific charges	77 Specific revenue
<b>Total actual expenditure</b>	<b>Total actual and mixed revenue</b>
<b>Balance of actual operations</b>	<b>683 053 449,15</b>
<b>NON-BUDGETARY OPERATIONS FROM SECTION TO SECTION</b>	<b>NON-BUDGETARY OPERATIONS FROM SECTION TO SECTION</b>
Total non-budgetary expenditure	Total non-budgetary revenue
<b>TOTAL (ACTUAL AND NON-BUDGETARY OPERATIONS)</b>	<b>TOTAL (ACTUAL AND NON-BUDGETARY OPERATIONS)</b>
<b>OPERATIONAL RESULT FOR THE YEAR</b>	<b>SURPLUS</b>
002 Prior deferred surplus	002 Prior deferred surplus
<b>TOTAL OPERATIONAL RESULT (BEFORE ASSIGNMENT)</b>	<b>SURPLUS</b>

INVESTMENT SECTION	
EXPENDITURE	REVENUE
<b>ACTUAL OPERATIONS</b>	<b>ACTUAL OPERATIONS</b>
<b>Financial expenditure</b>	<b>Own external resources</b>
10 Endowments and miscellaneous funds	10 Endowments and miscellaneous funds (except 1068)
13 Subsidies	138 Non-assigned investment subsidies
16 Loan repayments (excluding revolving credit)	27 Loan repayments
16449 Revolving credit	<b>Other definitive external resources</b>
26 Participations	20 Intangible fixed assets
27 Other financial fixed assets	204 Capital grants
<b>Capital expenditure</b>	21 Tangible fixed assets
20 Intangible fixed assets	23 Ongoing fixed assets
204 Paid capital grants	26 Share transfers and related outstanding debt
21 Tangible fixed assets	13 (except 138) Investment subsidies
23 Ongoing fixed assets	<b>Other non-definitive external resources</b>
018 Welfare	163 Bond issues
45 Operations for third-party accounts	164 Loans with credit establishments (excluding revolving credit) <sup>1</sup>
<b>Total actual expenditure</b>	16449 Crédit revolving
<b>SELF-FINANCING NEED (EXPENDITURE - REVENUE)</b>	165 Security deposits received
<b>NON-BUDGETARY OPERATIONS WITHIN THE SECTION</b>	168 Other loans and assimilated debt
Total	45 Operations for third party accounts
<b>NON-BUDGETARY OPERATIONS FROM SECTION TO SECTION</b>	<b>Total actual revenue</b>
Total	<b>SELF-FINANCING NEED (EXPENDITURE - REVENUE)</b>
<b>Total (actual and non-budgetary operations)</b>	<b>NON-BUDGETARY OPERATIONS WITHIN THE SECTION</b>
<b>TOTAL INVESTMENT EXPENDITURE</b>	Total
<b>INVESTMENT RESULT FOR THE YEAR</b>	<b>NON-BUDGETARY OPERATIONS FROM SECTION TO SECTION</b>
D001 Prior deferred deficit	Total
<b>TOTAL INVESTMENT RESULT</b>	<b>Total (actual and non-budgetary operations)</b>
	R1068 Last year's assignment
	<b>TOTAL INVESTMENT REVENUE</b>
	<b>DEFICIT</b>
	001 Prior deferred surplus
	<b>DEFICIT</b>

## 2013-2019 CONSOLIDATED FINANCIAL BALANCES CITY OF PARIS FROM THE 2013 AA TO THE 2019 AA

IN MILLIONS OF EUROS

	2013 AA	2014 AA	2015 AA	2016 AA	2017 AA	2018 AA	2019 AA	Variation 2018/2019
Ongoing operational revenue	7 878	8 076	7 889	8 237	8 377	8 465	8 572	1,3%
Ongoing administrative charges	7 213	7 398	7 529	7 551	7 630	7 717	7 790	0,9%
<b>ADMINISTRATIVE SAVINGS</b>	<b>665</b>	<b>678</b>	<b>360</b>	<b>686</b>	<b>747</b>	<b>748</b>	<b>782</b>	<b>4,5%</b>
Financial balance	-92	-97	-99	-105	-112	-117	-111	-4,9%
Total actual operational revenue	7897	8 107	7 914	8 264	8 399	8 486	8 601	1,4%
Total actual operational expenditure	7 325	7 527	7 653	7 683	7 764	7 855	7 930	1,0%
<b>GROSS SAVINGS</b>	<b>573</b>	<b>581</b>	<b>261</b>	<b>581</b>	<b>635</b>	<b>631</b>	<b>671</b>	<b>6,3%</b>
Loan repayments (with revolving credit)	200	197	200	200	197	199	223	12,1%
<b>NET SAVINGS</b>	<b>373</b>	<b>384</b>	<b>61</b>	<b>381</b>	<b>438</b>	<b>432</b>	<b>478</b>	<b>3,6%</b>
Actual investment revenue	671	686	621	538	466	613	515	-16,0%
<b>FINANCING CAPACITY FOR INVESTMENTS</b>	<b>1 243</b>	<b>1 266</b>	<b>882</b>	<b>1 118</b>	<b>1 101</b>	<b>1 244</b>	<b>1 185</b>	<b>-4,7%</b>
Actual investment expenditure	1 740	1 529	1 397	1 629	1 408	1 346	1 568	16,5%
Financing need	697	460	715	710	504	301	606	101,4%
New loans (including bond issues)	630	510	741	681	793	375	250	-33,3%
Working capital on 1/1	230	163	213	233	202	485	586	20,7%
Variation in working capital	-67	50	20	-30	283	73	-358	-456,1%
Working capital on 12/31	163	213	233	202	485	558	228	-61,1%
Outstanding debt on 1/1	3 219	3 655	4 120	4 640	5 159	5 721	5 922	3,5%
Outstanding debt on 12/31	3 655	4 120	4 640	5 159	5 721	5 922	5 882	-0,7%
Variation in outstanding debt	436	466	520	518	562	201	-39	-119,6%
Financing capacity	71,4%	82,8%	63,1%	68,7%	78,2%	92,4%	75,6%	-18,2%

## MAIN FINANCING RATIOS FOR THE PARISIAN LOCAL AUTHORITY

	2013 AA	2014 AA	2015 AA	2016 AA	2017 AA	2018 AA	2019 AA
<b>1. NET SAVINGS RATE</b>							
Net savings / Actual operational revenue	4,7%	4,7%	0,8%	4,6%	5,2%	5,1%	5,2%
<i>Measures the municipality's ability to produce a positive net savings</i>							
<b>2. DEBT INDICATORS</b>							
Outstanding debt in capital/Actual operational revenue	46,3%	50,8%	58,6%	62,4%	68,1%	69,8%	68,4%
Outstanding debt in capital/Gross Savings	6,4	7,1	17,8	8,9	9,0	9,4	8,8
<i>Number of years necessary for the repayment of the debt's capital</i>							
Outstanding debt in capital /Population (in euros)	1 611	1 811	2 040	2 288	2 537	2 639	2 668
<b>3. FLEXIBILITY INDICATOR FOR STRUCTURAL CHARGES</b>							
Personnel charges / Actual operational revenue	26,7%	27,2%	28,1%	27,3%	29,9%	28,2%	28,2%
<i>Measures leeway in terms of reducing expenditure</i>							
<b>4. MOBILIZATION COEFFICIENT FOR TAX POTENTIAL (CITY ONLY)</b>							
Revenue from the direct contribution of 4 taxes (TH, TFB, TFNB, TP followed by CVAE)/Tax potential for 4 taxes	53,1%	53,3%	52,4%	53,8%	43,5%	44,6%	44,4%
<i>Measures fiscal leeway (possible to increase rates and thereby revenue)</i>							
<b>5. TAX EFFORT (CITY ONLY)</b>							
Revenue from the direct contribution of 3 taxes (TH, TFB, TFNB)/Tax potential for 3 taxes	45,0%	44,9%	44,8%	44,8%	44,7%	45,5%	45,4%

<sup>(1)</sup> The 2013 tax potential mobilization coefficient ratio was corrected in order to reduce the GIR withholding in the municipal section, following the professional tax reform.

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

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# FINANCIAL ANALYSIS GLOSSARY

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## **ONGOING OPERATIONAL REVENUE :**

Total actual operational revenue, excluding financial products. This specifically includes taxes, endowments and participations paid by the State and local authorities, license fees and service provisions.

## **ONGOING ADMINISTRATIVE CHARGES :**

Total actual operational expenditure, excluding financial charges. This specifically includes personnel charges, general charges, subsidies and participations.

## **ADMINISTRATIVE SAVINGS :**

Difference between ongoing operational revenue and ongoing administrative charges.

## **GROSS SAVINGS :**

Difference between actual operational revenue and actual operational expenditure. This takes the financial balance into consideration. Gross savings represents available resources in order to finance expenditure under the investment section once all of the operational charges for the local authority have been paid in full. It is allocated, as a priority, to the repayment of the debt's capital.

## **LOAN REPAYMENTS :**

Amount of the loan repayment annuity, potentially including a decrease in the borrowing limit for revolving credit.

## **NET SAVINGS :**

Difference between gross savings and loan repayments. Positive net savings indicates that the local authority is capable of repaying its debt capital exclusively through the surplus from its operational revenue. Negative net savings indicates that the local authority needs to assign a portion of its investment revenue to the repayment of its debt, to the detriment of financing investments.

## **ACTUAL INVESTMENT REVENUE :**

Total investment revenue, excluding non-budgetary movements, loans and revolving credit. This specifically includes the FCTVA, revenue from asset transfers and repayments of loans granted by the local authority.

## **FINANCING CAPACITY FOR INVESTMENTS :**

Amount of gross savings and actual investment revenue.

## **ACTUAL INVESTMENT EXPENDITURE :**

Total investment expenditure, i.e. mandated payment credits, excluding non-budgetary movements and loan repayments. This specifically includes expenditure related to acquisitions, construction charges and loans granted by the local authority.

## **FINANCING NEEDS FOR INVESTMENTS :**

The difference between actual investment expenditure and the ability to finance investments. It corresponds to the balance of actual investment expenditure, which can only be financed through loans and working capital. In the preliminary budget, the financing need for investments is financed exclusively through borrowing, unless the previous year's working capital is recovered ahead of time.

## **WORKING CAPITAL :**

This represents the total of capitalized operational surplus, plus the balance from the previous year's operational section as well as the balance from the previous year's investment section. It is equal to the balance of results from previous fiscal years.

## **VAT COMPENSATION FUND (FCTVA) :**

The FCTVA is revenue paid by the State to local authorities, in compensation of VAT expenditure paid out of its investment expenditure, and which can only be partially recuperated through fiscal channels.

The FCTVA for the year in question corresponds to actual investment expenditure from the previous year.

## **MOBILIZATION COEFFICIENT FOR TAX POTENTIAL AND TAX EFFORT :**

The mobilization coefficient for tax potential is equal to the ratio between the fiscal revenue voted on and theoretical fiscal revenue (i.e. the national average tax rate applied to Parisian tax bases).

The tax effort for a municipality is equal to the ratio between the revenue collected from five taxes (residential tax, both property taxes and the property tax surcharge on undeveloped properties as well as the tax or license fees for the removal of household waste), and the tax potential corresponding to the first three taxes cited plus revenue from the property tax surcharge on undeveloped properties. This coefficient measures the tax burden on households.

Ratios (from this year's financial report) include data from the previous year, the most recent data available..

MAIRIE DE PARIS

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