

SANTA CATARINA

2019 General Balance Sheet

SUMMARY



THE STATE

Santa Catarina is extraordinarily diversified for a territory of only 95.7 thousand square kilometers, the smallest state in the South of Brazil, which is also one of the Brazilian states with the best economic indexes.

The State has 295 cities, with Florianópolis as its capital.



295
CITIES

1% of the National
TERRITORY
Territorial Area
95,730.921 km²
(IBGE, 2018)

CAPITAL CITY
Florianópolis



3% of the Brazilian
POPULATION
Estimated Population
7,164,788 people
(IBGE, 2019)

79.7
years
HIGHEST LIFE EXPECTANCY
RATE IN THE COUNTRY
Women: 83 | Men: 76.4
(IBGE, 2019)



NET REVENUE - 2019
BRL 28.20 billion
↑ 9.5%
2019/2018

EXPENSES - 2019
BRL 28.04 billion
↑ 4.1%
2019/2018

6th Largest GDP
IN THE COUNTRY
BRL 277.2 billion
BRL 256.7 billion 2016
(IBGE, 2017)

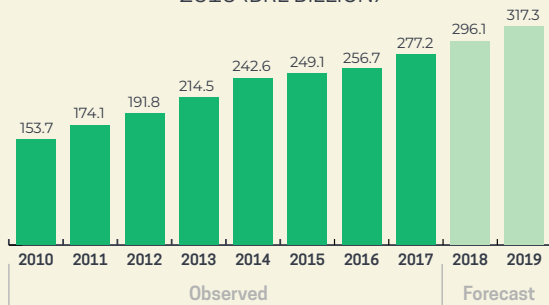
ECONOMY IN SANTA CATARINA

With a varied economy and well-distributed geography, Santa Catarina continues being a reference in entrepreneurship, innovation, and technology among the Brazilian states. The trust indexes related to the economy in Santa Catarina were positive throughout 2019.

GROSS DOMESTIC PRODUCT (GDP)

In 2019, the economy of Santa Catarina consolidated its growth process, with an estimated 3.8% increase. Important pillars such as controlled inflation rate, lower interest rates and better credit conditions were essential for the Economy of Santa Catarina to continue flourishing.

GROSS DOMESTIC PRODUCT FOR SANTA CATARINA – 2010 (BRL BILLION)



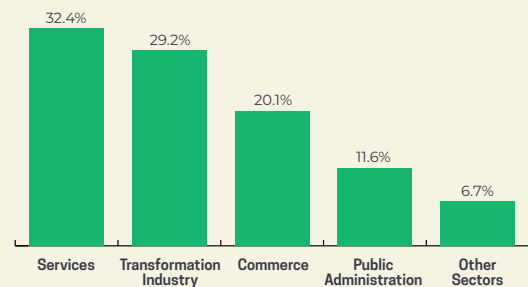
Source: Brazilian Institute of Geography and Statistics (IBGE) and State Secretariat of Sustainable Economic Development of Santa Catarina

EMPLOYMENT

Santa Catarina's labor market is still in evidence and continues presenting the lowest unemployment rate in the country. In 2019, a total of 71.4 thousand vacancies were created, representing a 71.2% increase in relation to 2018.

In 2018 – last year with fully disclosed information –, Santa Catarina had 2,254,918 employees distributed in 225,908 businesses. From those, 47% earned more than two minimum wages.

WORKERS PER ECONOMIC ACTIVITY IN SANTA CATARINA IN 2018



Source: Ministry of Labor and Employment* – Annual List of Information (2018)
* Extinct on January 1, 2019

FOREIGN TRADE

EXPORTS

USD 8.849 billion

↓ -4.57%
2019/2018

IMPORTS

USD 16.914 billion

↑ 9.34%
2019/2018

TRADE BALANCE RESULTS

- USD 8.065 billion

Deficit
2019

4%

Share in
National Exports

8th

★ Export Ranking

9.5%

Share in
National Imports

3rd

★ Import Ranking

ADMINISTRATIVE MANAGEMENT

In 2019, with the approval of Complementary Law No. 741/2019, the State's administrative structure was reorganized, with the extinction, creation, and transformation of secretariats, agencies, funds, and autarchies.

EXTINCTION AND CREATION OF UNITS

EXTINCTION	CREATION
35 Regional Development Agencies (15 were already deactivated)	<ul style="list-style-type: none"> • State Comptroller General Office • Foreign Affairs Executive Secretariat • Secretariat of Integrity & Good Public Governance
2 Secretariats: <ul style="list-style-type: none"> • Planning • Tourism, Culture & Sports 	
6 Executive Secretariats: <ul style="list-style-type: none"> • State Liaison • Strategic Affairs • Management of State Funds • Housing and Land Regulation • SC Rural Program • Supervision of Unlinked Resources 	
4 Funds: <ul style="list-style-type: none"> • Culture • Tourism • Sports • Fiscal Effort 	
2 Autarchies: <ul style="list-style-type: none"> • Department of Transports and Terminals (DETER) • State Infrastructure Department (DEINFRA) 	

CHANGES IN STATE SECRETARIATS

State Secretariat of Government Administration	→	Government Administration
State Secretariat of Communication	→	Executive Secretariat of Communication
State Secretariat of Justice and Citizenship	→	State Secretariat of Prison & Socio-Educative Administration
State Secretariat of Agriculture and Fishing	→	State Secretariat of Agriculture, Fishing and Rural Development
State Secretariat of Social Welfare, Labor & Housing	→	State Secretariat of Social Development
State Secretariat of Infrastructure	→	State Secretariat of Infrastructure & Mobility
State Secretariat of Civil Defense	→	Civil Defense

INCORPORATION OF UNITS OR ACTIVITIES

The activities of the former Planning State Secretariat were shared and incorporated by the following secretariats	→	<ul style="list-style-type: none"> • Treasury State Secretariat • Administration State Secretariat • Economic Development State Secretariat
The Communication Secretariat, now an Executive Secretariat, and the Development Superintendence of the Metropolitan Region of Florianópolis (SUDERF) are now part of the	→	<ul style="list-style-type: none"> • Government Administration, which also includes the National Affairs Executive Secretariat and Governor's Office of Military Security
The Social Welfare, Labor and Housing Secretariat was replaced by	→	<ul style="list-style-type: none"> • Social Development Secretariat
Civil Defense, Santa Catarina Foundation of Culture, and Santa Catarina Foundation of Sport are now part of	→	<ul style="list-style-type: none"> • Governor's Office
The competences of the extinct DEINFRA and DETER are now part of	→	<ul style="list-style-type: none"> • Infrastructure & Mobility Secretariat
The activities related to tourism from the former Tourism, Culture & Sports State Secretariat were incorporated by	→	<ul style="list-style-type: none"> • Tourism Development Agency of Santa Catarina (SANTUR), an autarchy linked to the Governor's Office

FUNDS CREATED IN 2019

Public Security State Fund Law No. 17.801/2019	Official Investigation Improvement Fund Law No. 17.804/2019
Santa Catarina State Public Prosecution's Office Fund Law No. 17.870/2019	State Labor Fund Law No. 17.764/2019

PAPERLESS GOVERNMENT

In 2019, the State continued with its innovative projects, such as the Paperless Government, started in 2018, which generated over 1 million documents in 2019 registered in the Electronic Process Management System.

In addition, the request for digital applications was implemented in the State Board of Trade, bringing speed and safety to the process, as well as reducing costs for accountants and employers alike.

TAX ADMINISTRATION

In 2019, actions were developed regarding the sustainable elevation of public revenues, such as fighting tax evasion, effectiveness in controlling operations throughout the productive chain and changes in taxation.

The tax effort actions have made Santa Catarina feature in the national scenario in 2019, with a 12.86% growth in ICMS collection, representing BRL 2.2 billion additional ICMS, while the average growth in the country was of only 6.68%.

SOCIAL SECURITY

A new reform in the country's social security system took place in 2019. Once the Federal Constitutional Amendment No. 103/2019 was passed, the State of Santa Catarina forwarded the Proposal for Amendment to the State Constitution No. 13.3/2019 (PEC No. 13.3/2019) to its Legislative Assembly, aiming at establishing the minimum age for the retirement of the state civil servants.

In 2019, Federal Law No. 13.954/2019 was published, changing the career of military officers and creating the Social Protection System of the Military Officers, in substitution to the social security regime.

SANTA CATARINA COST INFORMATION SYSTEM

The *Diretoria de Contabilidade e de Informações Fiscais* (Tax Information and Accounting Board of Directors - DCIF) from the State Treasury Secretariat, in compliance with the Brazilian Accounting Standard NBC T 16.11, is developing the *Sistema de Informação de Custos* (Cost Information System of the State of Santa Catarina - SICSC), an important tool that, in addition to other tools such as the *Sistema Integrado de Planejamento e Gestão Fiscal* (Integrated Tax Planning and Management System - SIGEF) will become a set of systems providing efficient control and management of public resources.

ACTIONS PERFORMED UNTIL 2019

- Organization of databases, with the completion of the automated data collection structure
- Consolidation of the methodological model for determining costs
- Construction of software for determining costs with data repository
- Completion of the pilot project of systemic features and cost modeling for measuring costs involving state prisoners in education and socio-education sentences

ACTIONS FORECASTED FOR 2020

- Organization of the cost objects of the Prison & Socio-Educative Administration State Secretariat
- Analysis of the costs determined
- Systemic improvements
- Disclosure of the result
- Expansion of the system for determining costs of other state services and entities

INTEGRITY & GOOD PUBLIC GOVERNANCE

The Administrative Reform arising from Complementary Law No. 741/2019 resulted in the creation of the *Secretaria Executiva de Integridade e Governança* (Secretariat of Integrity and Good Public Governance), which is responsible for the Compliance Program in the state Public Administration. Therefore, Santa Catarina is one of the pioneer states to create an institution with the specific purpose of fostering integrity in public services.



STATE COMPETITIVENESS RANKING

In 2019, as in the two previous years, the State of Santa Catarina held its second position in the State Competitiveness Ranking, a publication by the *Centro de Liderança Pública* (Public Leadership Center - CLP), with emphasis on Sustainability and Public Security. The results can be seen at: <http://www.rankingdecompetitividade.org.br/>.

PERFORMANCE OF KEY GOVERNMENT AREAS

AGRICULTURE, FISHING AND RURAL DEVELOPMENT

Santa Catarina features among the key states in the Brazilian agricultural and farming scenario, with emphasis on the production of quality foods. The State excels on sanitary control and the quality of its agricultural products. Meat, fruit, and grain produced by Santa Catarina farmers have already reached the most demanding countries in the world, with agribusiness being responsible for 6 billion dollars, the equivalent to 68.3% of all exports from the state. The state is an international reference in the care of its herd and the quality of its crops.



Greatest national producer of pork, onion, fish, and shellfish



Second greatest producer of poultry, apples, rice, and erva-mate (green leaf)



Third greatest producer of peach, garlic, and passion fruit



Fourth greatest producer of milk and banana

HEALTH

In 2019, Santa Catarina started its Integrated Regional Planning, with the purpose of diagnosing the assistance gaps, defining the health needs of the population and planning the financial resources for supporting the health services and actions. In the State, primary health care is present in 100% of the cities, with a 90.7% population coverage. An important action adopted in 2019 was the creation of the Residence Program in Family and Community Medicine, with the purpose of specializing the health professional in caring for issues related to the health-disease process in an integral, continuous, risk-oriented manner, in both an individual and family approach. A total of 337,237 exams were performed in medical biology, molecular biology, product and environment analysis, as well as 63,189 procedures in the National and State Campaign for Elective

Surgeries, making Santa Catarina reach 502% of the target established by the Ministry of Health.



Photo: Disclosure LACEN/SC

The State of Santa Catarina was a pioneer in the standardization and procurement of input for vocal and pulmonary rehabilitation. In 2019, the State Transplant Center completed 20 years of its inauguration, featuring in the first place in the national ranking of organ donations per million inhabitants.

EDUCATION

Santa Catarina established priorities and investment targets for improving the quality of education. That was how the *Programa Minha Nova Escola* (My New School Program) came into existence, with investments of BRL 1.2 billion from the second half of 2019. The state education network in the state finished the 2019 teaching year with 514,407 enrolled students, 1,071 School Units and 200 Decentralized Units. In 2019, the State invested approximately BRL 39 million on IT equipment for the schools in its network. Santa Catarina universalized the on-line registration process, creating the *Programa Educação na Palma da Mão* (Education on the Palm of the Hand Program), made digital student IDs available and also fostered the delivery of adapted school buses, which represented a 57% renewal on the state school fleet.

CULTURE

The State of Santa Catarina held actions focusing on the historical-cultural value, restoration, preservation, and registration, as well as the appreciation of cultural assets of immaterial nature. It also managed policies for supporting artistic and cultural actions, such as concerts, festivals, meetings, fairs, lectures, and workshops, acting to promote and preserve the memory and artistic production of the state.

In the spaces managed by the Santa Catarina Foundation of Culture, the following activities were held:

1,256 events, with the participation of over 450 thousand people

134 workshops including photography, literature, music, theater, dance, etc., with over 1,700 participants



History Museum of Santa Catarina/MHSC

Photo: Márcio Henrique Martins/FCC

SPORTS

The State is committed to developing programs, projects and actions from the state sports policy, as well as encouraging the development of sports by people with disabilities. In 2019, more than 290 thousand athletes were contemplated in the sports management reaching all the cities in the state, including athletes of all ages and with all sorts of disabilities. A total of 265 events were directly promoted by the State Government. Due to its sports events and management policy, the State is a reference for the Brazilian Olympic Committee (COB) and the Brazilian Paralympic Committee (CPB).

CIVIL DEFENSE

The Civil Defense, with the purpose of fulfilling its constitutional missions of prevention, mitigation, preparedness, response, and reconstruction aimed at the protection of the Santa Catarina community, has made all efforts to expand the perception of risks to the society, massively investing in education and in the preparedness of its citizens. It has also supported the cities to expand their resilience against the incidence of disasters. In its core, timely, secure, and uninterrupted communication is pivotal for the integration of the *Centros de Gerenciamento de Riscos e Desastres* (Risk and Disaster Management Centers - CIGERDs) operating in the State. Nowadays, the protection system in the State of Santa Catarina is an international reference.



Santa Catarina Civil Defense disaster monitoring and management structures

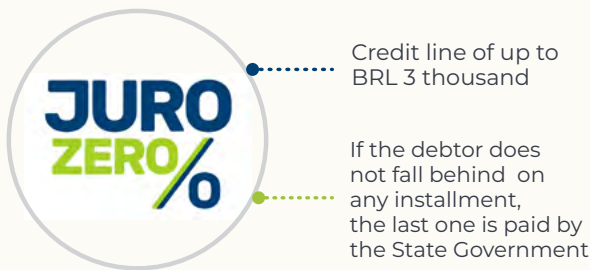
Photo: Civil Defense Communication Advisory Service

PUBLIC SAFETY

The feeling of insecurity arising from the increase in criminal rates became one of the greatest concerns of the current society. In order to reduce the crime rates in Santa Catarina, the Public Safety Department concentrated its efforts in actions such as the *Programa de Videomonitoramento Urbano BEM-TE-VI* (Urban Video-monitoring Program) with 2,753 active video cameras scattered around the State in several public spaces. Similarly, cameras are being used on police officer vests to increase transparency in police actions and assist in the effectiveness of criminal analysis.

ECONOMIC & SUSTAINABLE DEVELOPMENT

The *Juro Zero* Program provides an important contribution to the state economic activity, fostering the development of Individual Micro-Entrepreneurs (MEIs). This Program grants individual credits of up to BRL 3 thousand and if the debtor does not fall behind in the payments, the State settles the last installment. In 2019, a total of BRL 23.49 million were granted in credit to over 8 thousand MEIs.



In the sense of debureaucratization, the SC + *Simple*s Program promotes the integration of JUCESC, Health Surveillance, Santa Catarina Environmental Institute (IMA) and Fire Fighting Department Systems and made the opening of companies more efficient in the State. In 2019, a total of 146,855 companies were open.

TOURISM

One of the pillars of the economic activity of the State, Tourism was granted BRL 5.2 million from the Ministry of Tourism in 2019. That resource will be used on the installation of the Innovation Center for Tourism at the Historical Center of Florianópolis, and for the Intelligent Tourist Signaling project in

58 cities in the 13 regions of Santa Catarina, where 156 devices with information on tourist attractions, routes and events will be installed.

INFRASTRUCTURE & MOBILITY

In 2019, the State of Santa Catarina invested over BRL 39 million in the maintenance of roads with the aim at ensuring the useful life of the asset, the safety of the users and the appropriate traffic conditions.

During 2019, the restoration works on Hercílio Luz Bridge in Florianópolis continued and, at the end of the year, after almost three decades of its closure, the bridge was finally reopened to the public.



Photo: Mauricio Vieira/Secom

Additionally, a new access to the south of the Island of Santa Catarina was open, which allowed the connection of the region to the new airport terminal of Florianópolis, easing the access to the Ribeirão da Ilha, Pântano do Sul and Campeche neighborhoods.



Santur updated the **2019/2021 Map of Tourism**, in the state cities, with the current format: **13 regions of 177 cities**.

BUDGETARY MANAGEMENT

2019 BUDGET

The budget planning for the State of Santa Catarina based on the Pluri-annual Plan (PPA), the Budgetary Guidelines Law (LDO) and the Annual Budgetary Law (LAO) estimated the total revenues and expenses for 2019.

PPA 2016 - 2019

Law No. 16.859/2015

Defined the guidelines, objectives, and targets of the state Public Administration for the capital expenditure and others arising from it and for those related to the long-lasting programs

LDO

Law No. 17.566/2018

Guided the development of the 2019 budget, defining priorities and targets

LOA

Law No. 17.698/2019

Estimated revenue and established expenses for 2019

THE REVENUES AND FIXED EXPENSES IN THE ANNUAL BUDGETARY LAW WERE AS FOLLOWS:

Fixed expenses	Forecast revenue	Amount
BRL 28.27 billion	Gross revenue	BRL 38.88 billion
	(-) Deductions	BRL 10.61 billion
	Net revenue	BRL 28.27 billion

COLLECTED REVENUE

Origin of 2019 resources

(BRL million)

Gross Revenue	-	Deductions	=	Net Revenue
39,433.67		-11,234.60		28,199.07
		-7,080.56		
		Transfers to cities		
		-4,135.90		
		Fundeb		
		-18.04		
		Restitution to contributors and other deductions		
		-0.10		
		Intra-budgetary		
				18,182.54
				16,858.20
		Taxes		1,667.19
				1,324.34
		Fees		14,138.54
				1,050.84
				1,050.84
				1,040.31
		Contributions		Servants
				2.14
		Social Contributions		Employer
				380.66
				8.39
				Other
				20.24
		Assets		Assignment of rights
		1.64		12.69
		Farming		Real Estate
		0.03		5.95
		Industry		Concessions & permissions
		857.21		1.90
		Services		Other
		5,109.46		2,565.12
		Current transfers		Fundeb
				979.08
				FPE
				365.03
				SUS
				301.46
				FNDE
				898.78
				Other
				83.08
				Indemnifications, restitutions and refunds
				170.84
				Administrative, contractual, and judicial fines
				1.55
		Other current revenues		Assets, rights, and values
				201.73
				Other
				170.85
		Capital revenue		Credit operations
				14.57
				Transfers of capital
				29.43
				Amortization of loans
				9.15
				Disposal of assets
				1,546.16
				Social Contributions
				1,546.16
				Employer
				256.92
				Services
				1.45
				Assets
				90.18
				Other
				1,894.72
				Intra-budgetary

EXPENSES

Destination of 2019 resources

(BRL million)

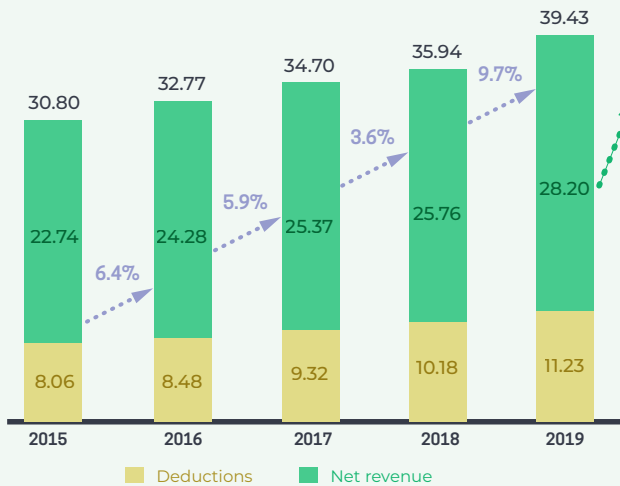
Committed Expenses	
28,037.31	
	6,818.95
17,141.85	Earnings and fixed advantages
Personnel and social charges	6,714.52
7,637.57	Retirements, reforms and pensions
Maintenance of public services	1,739.52
1,019.44	Employer obligations
Interests and charges on debt	1,868.86
950.04	Other
Debt amortization	
1,288.41	484.98
Investments and financial inversions	Works and facilities
	332.75
	Equipment & permanent materials
	129.27
	Assistance
	187.00
	Other investments
	154.42
	Financial inversions

REVENUE

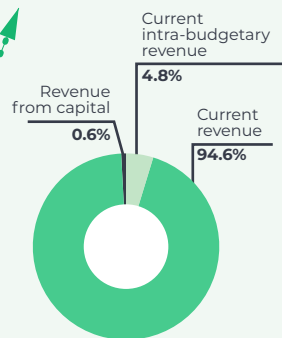
The revenue corresponds to the resource input the State has available to maintain the services and finance its public investment needs. They have several origins: collection of

taxes, fees and contributions, transfer of resources from other entities, exploitation of the state assets, or capture of resources through loans and funding, for instance.

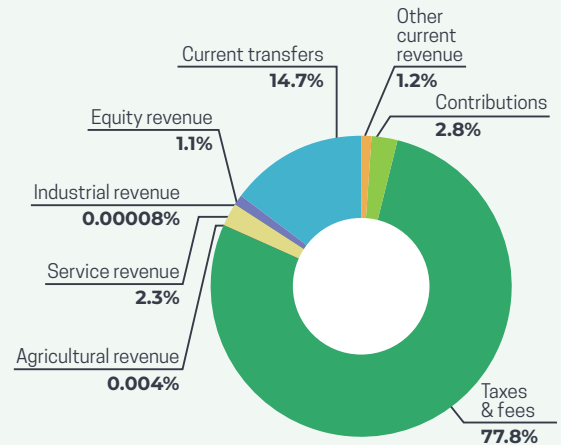
GROSS REVENUE EVOLUTION
(BRL BILLION)



2019 Gross Revenue



COMPOSITION OF 2019 CURRENT GROSS REVENUE

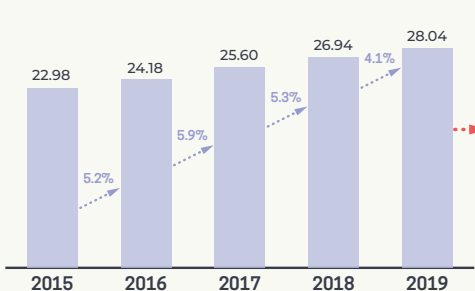


EXPENSES

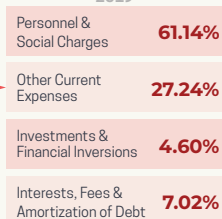
The laws governing the Tax and Social Security Budgets for the State authorized the execution of BRL 32.02 billion in expenses for the 2019 fiscal year. From that amount, BRL 28.27 billion were initially budgeted and BRL 3.75 billion were incorporated by means of additional credit.

From the total expenses authorized in the Santa Catarina budget, 87.6% were executed, which equals BRL 28.04 billion.

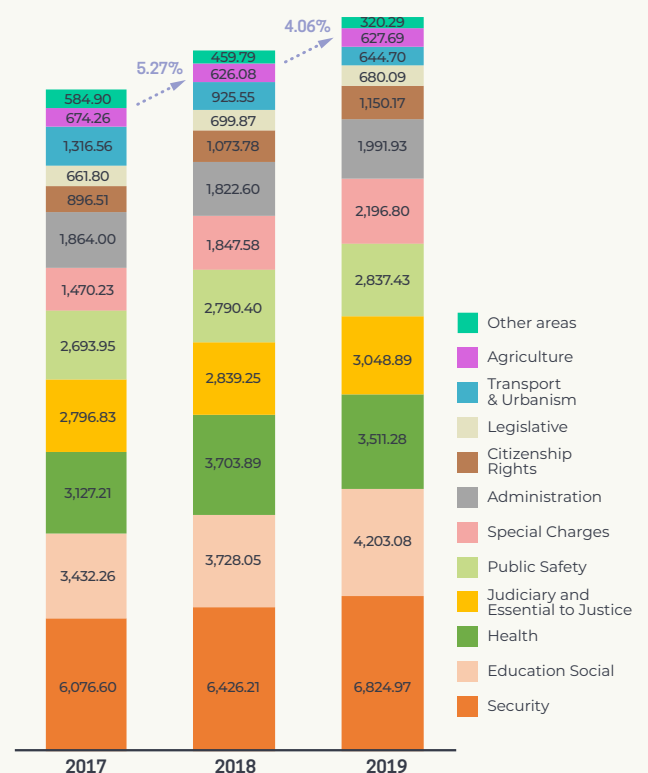
EXECUTED EXPENSES
(BRL BILLION)



Composition of the Expenses 2019



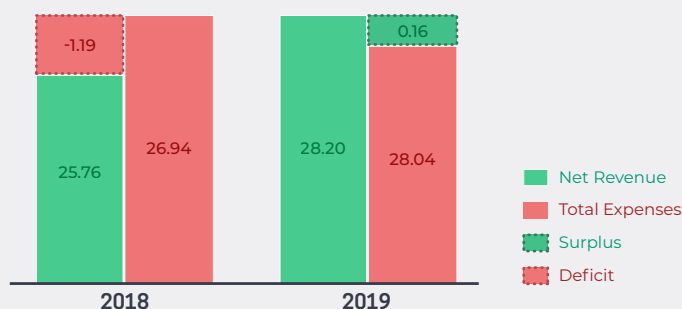
EXPENSES EXECUTED BY GOVERNMENT OPERATION AREA
(BRL MILLION)



BUDGETARY RESULT

Considering the total net revenue accomplished minus the total expenses executed, the result of the surplus budgetary execution can be observed, in the amount of BRL 162 million. This indicates that the budgetary revenue collected during the year was greater than the budgetary expenses executed in the same period.

BUDGETARY EXECUTION (BRL BILLION)



EQUITY POSITION

		(BRL BILLION)		
ASSETS		LIABILITIES		
CURRENT	Cash & Cash Equivalents	9.48	Labor, Social Security and Assistance Obligations Payable	0.47
	Credit Receivable	4.94	Loans & Financing	1.97
	Other Assets	0.89	Suppliers	0.48
NON-CURRENT	Credit Receivable	1.64	Other Liabilities	8.06
	Investments	3.42	Labor, Social Security and Assistance Obligations Payable	0.71
	Fixed Assets	32.17	Loans & Financing	17.9
	Intangible	0.33	Suppliers	1.58
	Other Assets	0.27	Other Liabilities	3.67
TOTALIZATION	53.13 TOTAL ASSETS		TOTAL LIABILITIES	34.85
			NET EQUITY (PL)	18.29
			TOTAL LIABILITIES AND NET EQUITY	53.13

TAX AND ACCOUNTING INDEXES

Index	2019	2018
Nominal Result (BRL billion)	1.04	-1.88
Primary Result (BRL billion)	1.99	0.28
Equity Result (BRL billion)	1.38	-2.39
Budgetary Result (BRL million)	161.76	-1,186.88
Net Current Revenue – RCL (BRL billion)	25.09	22.77
Net Tax Revenue – RLI (BRL billion)	22.25	20.18
Applied in Education (% RLI)	27.2	27.15
Minimum to be applied (%)	25	25
Applied in Health (% RLI)	12.99	14.1
Minimum to be applied (% State)	12	14
Expenses with Personnel (% RCL)		
General Consolidated	55.45	58.49
Prudential Limit	57	57
Maximum Limit	60	60
Executive Branch	45.75	48.76
Prudential Limit	46.55	46.55
Maximum Limit	49	49



Further information on the performance of the State of Santa Catarina can be obtained in the 2019 General Balance Sheet available at the Transparency Portal of the State Executive Branch:

www.transparencia.sc.gov.br

The Balance Sheet is divided into four volumes, in addition to the Message from the Governor presented to the Legislative Assembly. Volume 1 provides administrative, economic, social, and financial information related to the State. Volume 2 contains the exhibits as provided in Federal Law No. 4320/64 and other legal standards. Volume 3 presents the Activity Report for the Executive Branch of the State of Santa Catarina, which allows the physical and financial monitoring of governmental programs, as well as the actions prioritized in the Budgetary Guidelines Law. Volume 4 presents the Report from the Central Entity of the Internal Control System.

DIRETORIA DE
CONTABILIDADE E DE
INFORMAÇÕES FISCAIS

SECRETARIA
DE ESTADO
DA FAZENDA

GOVERNO DE
SANTA CATARINA



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