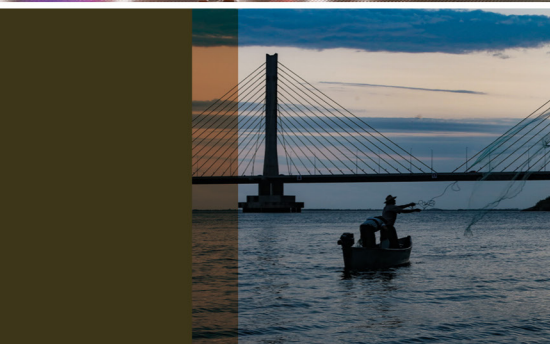


SUMMARY  
General  
Purpose Financial  
Reporting - GPFS

# 2021 GENERAL BALANCE SHEET

## SANTA CATARINA



DIRETORIA DE  
CONTABILIDADE E DE  
INFORMAÇÕES FISCAIS

SECRETARIA  
DE ESTADO  
DA FAZENDA

GOVERNO DE  
**SANTA CATARINA**



CONSISTENCY & RESULTS

## THE STATE

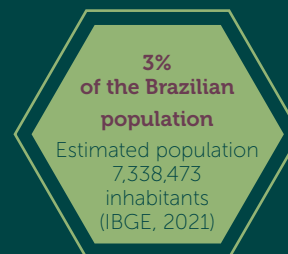
Santa Catarina has a surprising geographic, human, and economic diversity for an area of only 95.7 thousand km<sup>2</sup>. It is the smallest State in Southern Brazil, with only 1% of the national territory, and 3% of the national population (7,338,473 inhabitants), representing the 6<sup>th</sup> highest GDP in the country.

The State has 295 cities, with Florianópolis as its capital. The five most populous cities in the State are Joinville, Florianópolis, Blumenau, São José, and Chapecó.

<b>Net Revenue Accomplished</b> BRL 34.16 billion 14.0% 2021/2020 	<b>Committed Expenses</b> BRL 33.75 billion 20.1% 2021/2020 
<b>Exports</b> USD 10.296 billion 26.7% 2021/2020 	<b>Imports</b> USD 24.917 billion 54.9% 2021/2020 
<b>6<sup>th</sup> Largest National GDP</b> BRL 323.26 billion 3.8% (IBGE, 2019) 	<b>Trade Balance Results</b> - USD 14.621 billion Deficit 2021

<b>3.68%</b> Share in national exports	<b>8<sup>th</sup></b> Export ranking	<b>11.36%</b> Share in national imports	<b>2<sup>nd</sup></b> Import ranking
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<b>295 cities</b>	<b>1% of the national territory</b> Territorial area: 95,730.690 km <sup>2</sup> (IBGE, 2021)
<b>Florianópolis Capital</b>	<b>Life expectancy: 79.9 years</b> Women: 83.2   Men: 76.7 (IBGE, 2020)



## SANTA CATARINA ECONOMY

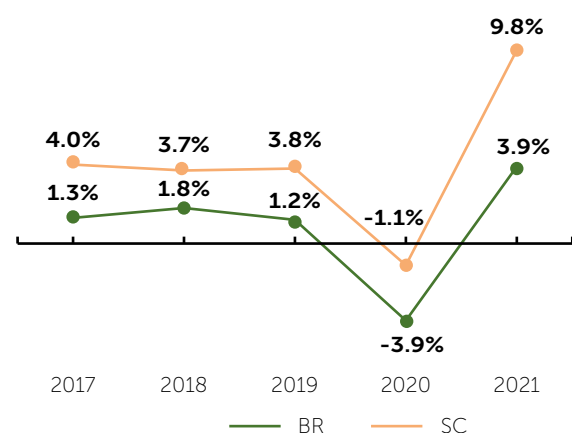
In Santa Catarina, the economy continued the recovery process it already started in 2020. In addition to the State's characteristics, favoring the economic diversification, and of its demographic and social balance, development programs such as SC Mais Renda Empresarial (SC More Corporate Income), and SC Mais Renda (SC More Income), in addition to the institution of the Fundo de Aval de Santa Catarina (Santa Catarina Collateral Fund - FAE-SC) provided financial support to the State's entrepreneurs in their recovery and in the maintenance of their activities, as well as to the families in social vulnerability. The confidence indicators in the Santa Catarina economy continued showing a positive environment.

### GROSS DOMESTIC PRODUCT (GDP)

In 2021, the State economy presented signs of recovery, and after the retraction identified in 2020, it grew again. According to estimates from the Secretaria de Estado de Desenvolvimento Econômico Sustentável (State Secretariat of Sustainable Economic Development (SDE), considering the four past quarters ended in September 2021, the economy of the State presented a 9.8% growth this year.

The industry sector had more prominence in the State, presenting growth of 10.3% in 2021. The commerce sector experienced a year of recovery that resulted in an increase of 1.5% in the annual accrued sales volume in the State. The service sector in the State also presented a positive performance in 2021, with 14.7% increase in volume of services produced, while the Brazilian average was 10.9%. Civil construction was another sector that continued recovering.

**GDP Growth Rate (%)**  
**2017-2019 (Real) and 2020-2021 (Estimated)**



Source: State Secretariat of Sustainable Economic Development of Santa Catarina

## LABOR MARKET

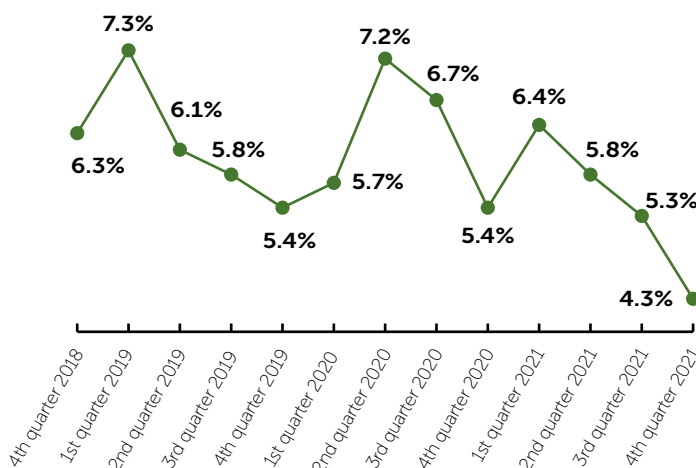
The year of 2021 was historical for Santa Catarina in terms of employment generation. A total of 167,854 new jobs were created, the best result in history.

The labor market in the State is still prominent. Santa Catarina continues presenting the lowest unemployment rate in the country.

Florianópolis, Joinville, São José, Blumenau, and Itajaí were the cities that generated most jobs in 2021, accounting for 33.7% of the new positions created.

The State presented the lowest unemployment rate in the country, with 4.3% against the national average of 11.1%. This is the lowest unemployment rate recorded since 2016. The average income from labor in the State was BRL 2,823.00, above the national average of BRL 2,447.00, the fourth highest rate among the Brazilian States.

### Unemployment Rate

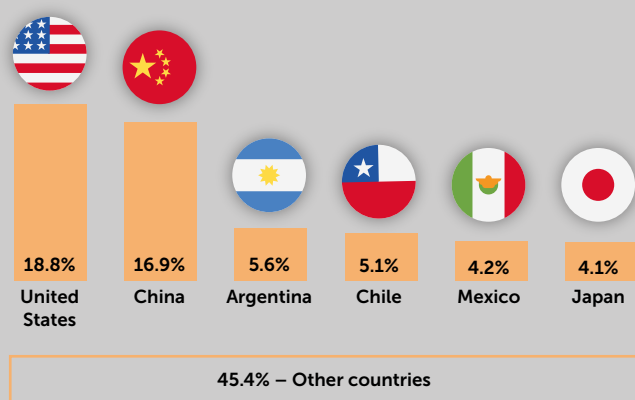


Source: Quarterly IBGE/PNAD

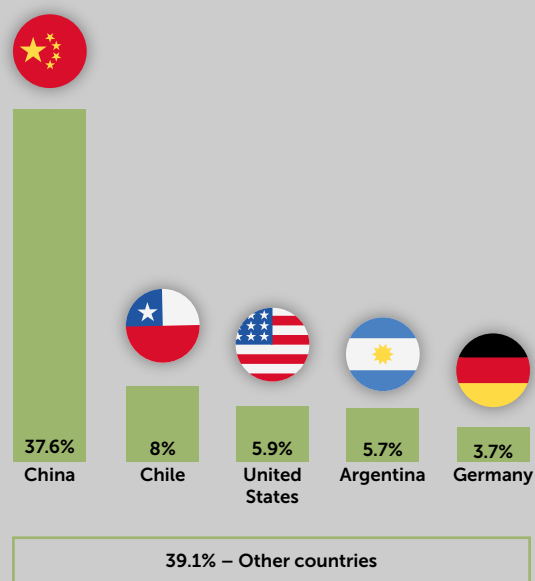
## FOREIGN TRADE

In 2021, the State's trade balance presented a deficit, as it has been happening since 2009. The State imports exceed the exports in USD 14.6 billion, a much higher result than the one for 2020, when the balance was of USD 7.96 billion.

### Main Destinations of Santa Catarina Exports in 2021



### Origin of Santa Catarina Imports in 2021



Source: Special Secretariat of Foreign Trade and International Affairs (Secint)

## ADMINISTRATIVE MANAGEMENT

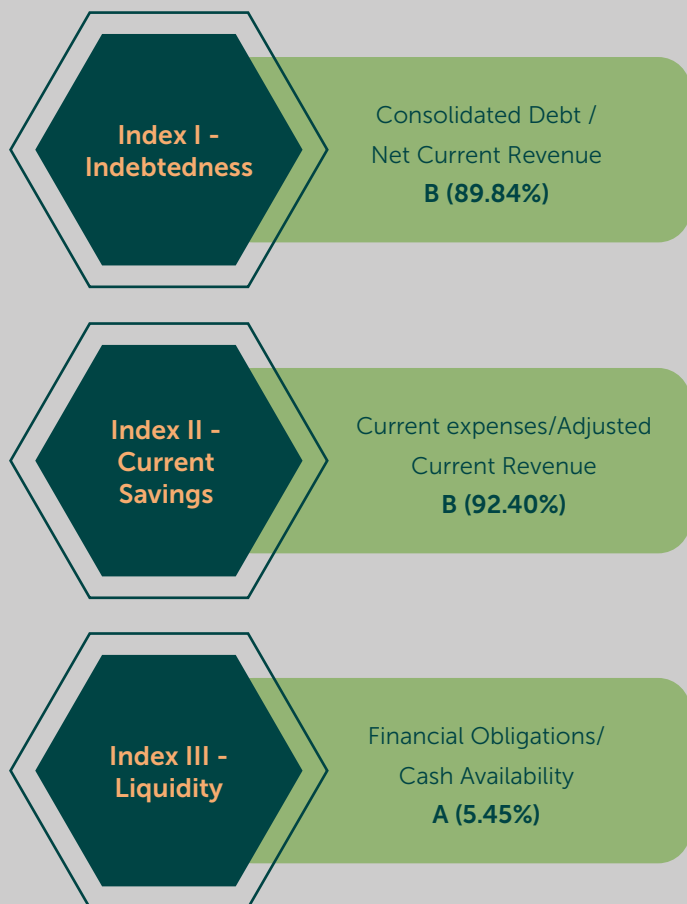
Whilst 2020 brought unimaginable obstacles to the entire planet, with direct reflexes upon the Public Administration of the State, with the arrival of 2021, came the challenges of returning to normality and of fulfilling important projects.

Covid-19 Vaccination, Social Security reform, citizenship care, economic re-balance, strengthening of the market, and delivery of structuring works were a few of the priorities of the Executive Branch. The purpose is to place Santa Catarina back on track and return its competitiveness and constant development rhythm.

Santa Catarina reached several positive results in both financial and tax management, a reflex of the consistency in the work developed by the State management.

### CAPAG - Payment Capability

Base Year 2020 - Disclosed in 2021



Forwarding of the annual accounts	Financial repayment
Compliance with the minimum use of resources in health	Compliance with the minimum use of resources in education
Compliance with the minimum use of resources in science and technology	Greater destination of own resources for investments in the past 10 years
Compliance with the minimum use of resources in financial aid to higher education students	Compliance with the primary result target
Compliance, for the third consecutive year, with all targets for the Restructuring and Tax Adjustment Program (PAF)	Compliance with the commitment of transferring to the cities the resources intended to the mandatory parliamentary amendments
Meeting the nominal result target	Compliance with the minimum application in special education
Elevation of the State to grade B in the Payment Capability indicator (CAPAG), which makes Santa Catarina eligible to hire credit operations with guarantee from the Federal Government	

## SOCIAL SECURITY

In 2021, Complementary Law No. 773/2021 was approved, which addresses the State social security reform.

The Social Security Reform includes all State civil servants who are part of the Regime Próprio de Previdência Social do Estado de Santa Catarina (Santa Catarina State Own Social Security Regime - RPPS/SC), including the Executive, Legislative, and Judiciary Branches, the State Audit Court, and the Department of Public Prosecution.

## SOCIAL SECURITY REFORM

### Complementary Law No. 773/2021

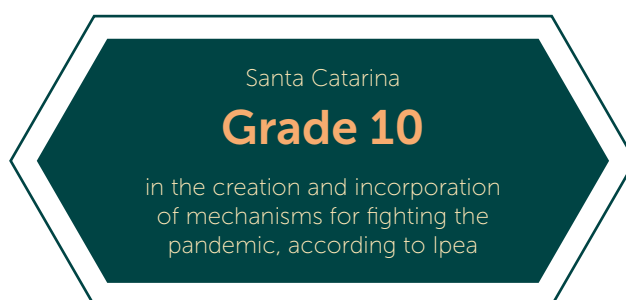
Amends Complementary Law No. 412/2008 that provides on the organization of the Social Security Regime of the Civil Servants of the State of Santa Catarina and sets other provisions.

### Constitutional Amendment No. 82/2021

Amends the Social Security Regime of the Civil Servants of the State of Santa Catarina, pursuant to the provisions in Amendment to the Constitution of the Republic No. 103/2019 and sets other

## PANDEMIC, MANAGEMENT AND ECONOMIC RECOVERY

Since the first cases of Covid-19 in Brazil, the Santa Catarina Government took actions to mitigate the advancement of the disease and face its negative impacts in the State. Legal and strategic measures of restriction and social isolation were adopted based on data and information processed by the Inter-sectoral Data Intelligence Sector. The joint excellence work made Santa Catarina be ranked among the four Brazilian States reaching maximum score (10) in the creation and incorporation of mechanisms for fighting the pandemics, according to a preliminary study from the Applied Economic Research Institute (Instituto de Pesquisa Econômica Aplicada - Ipea).



## FACING THE COVID-19 PANDEMIC, NATURAL DISASTERS, AND ECONOMIC RECOVERY

In 2021, the emphasis goes to the programs created by the State Government with the purpose of reducing the economic and social reflexes resulting from the pandemic and natural disasters that affected the State.

## STATE COMPETITIVENESS RANKING

In 2021, Santa Catarina came in second position in the State Competitiveness Ranking by the Public Leadership Center.

From the ten pillars assessed by the ranking, we came in first in two of them (Public Safety and Social Sustainability), second in two (Education and Efficiency of the Public Machine), and third in two others (Infrastructure and Innovation).



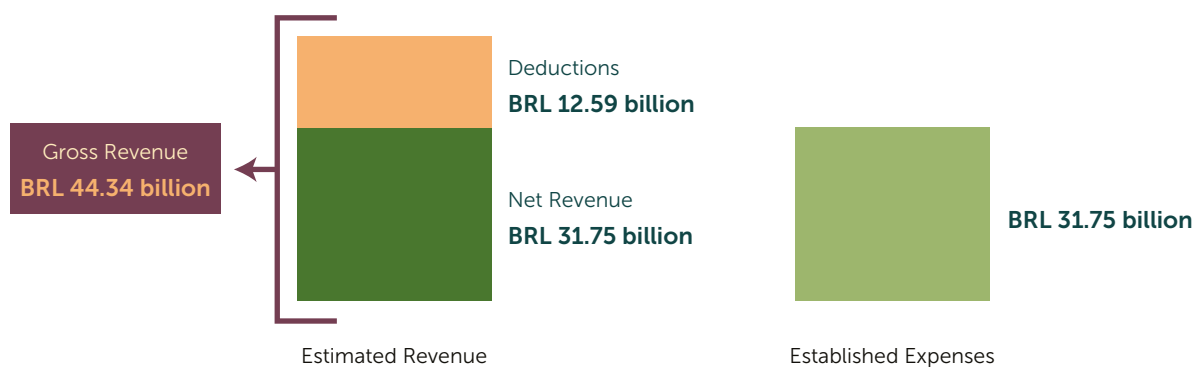
SC Mais Renda	SC Mais Renda Empresarial
SC Mais Segura	Recomeça SC
SC Mais Pesca	SC Mais Esporte
SC Mais Cultura	SC Mais Inclusiva
SC Mais Asfalto	SC Mais Confiança
Gente Catarina	Invest SC

## BUDGETARY MANAGEMENT

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 (LOA) estimated the total revenues and expenses for 2021.



The estimated revenue and expenses established by LOA in 2021 were as follow:



During the year, Santa Catarina had a total of BRL 47.84 billion gross revenue, amount that exceeded the forecast in LOA in BRL 3.5 billion. From that amount, BRL 13.68 billion are mandatory deductions, resulting in net revenue accomplished of BRL 34.16 billion, reaching 107.6% of the forecast.

## Expected x Collected Revenue in 2021 (BRL billion)

Description	Expected Revenue	Collected Revenue	% Collected Revenue in Relation to Expected Revenue
<b>GROSS REVENUE</b>	<b>44.34</b>	<b>47.84</b>	<b>107.9%</b>
Current Revenues	41.01	45.95	112.1%
Revenue from Capital	1.69	0.16	9.6%
Current intra-budgetary revenue	1.64	1.71	104.5%
Intra-budgetary revenue from capital	0.005	0.008	150.2%
(-) Deductions	(12.59)	(13.68)	108.7%
<b>NET REVENUE</b>	<b>31.75</b>	<b>34.16</b>	<b>107.6%</b>

Santa Catarina expenses in 2021 were a total of BRL 33.75 billion (incurred expenses). The amount authorized for the execution of the expenses in the year was of BRL 39.39 billion, according to the laws and instruments that rule the execution of Tax and Social Security Budgets of the State. This amount is comprised by the expenses initially established in LOA, in the total amount of BRL 31.75 billion, added by additional credits to the budget, in the amount of BRL 7.64 billion.

## Authorized x Executed Expenses in 2021 (BRL billion)

Expenses	Fixed a	Additional credits b	Authorized c = (a + b)	Execution d	% Executed d/c	% Composition of Total Expense Executed
<b>Current</b>	<b>26.53</b>	<b>5.27</b>	<b>31.79</b>	<b>29.58</b>	<b>93.1%</b>	<b>87.7%</b>
Personnel & Social Charges	16.69	3.13	19.82	19.34	97.6%	57.3%
Interests & Charges on Debt	0.97	(0.03)	0.94	0.83	88.2%	2.5%
Other Current Expenses	8.87	2.16	11.03	9.41	85.3%	27.9%
<b>Capital</b>	<b>5.22</b>	<b>2.37</b>	<b>7.59</b>	<b>4.16</b>	<b>54.8%</b>	<b>12.3%</b>
Investments	2.71	1.78	4.49	2.32	51.6%	6.9%
Financial Inversions	0.40	(0.04)	0.36	0.34	92.4%	1.0%
Amortization of Debt	2.11	0.63	2.74	1.51	55.0%	4.5%
<b>Contingency Reserve</b>	<b>0.001</b>	<b>-</b>	<b>0.001</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>
<b>TOTAL</b>	<b>31.75</b>	<b>7.64</b>	<b>39.39</b>	<b>33.75</b>	<b>85.7%</b>	<b>100.0%</b>

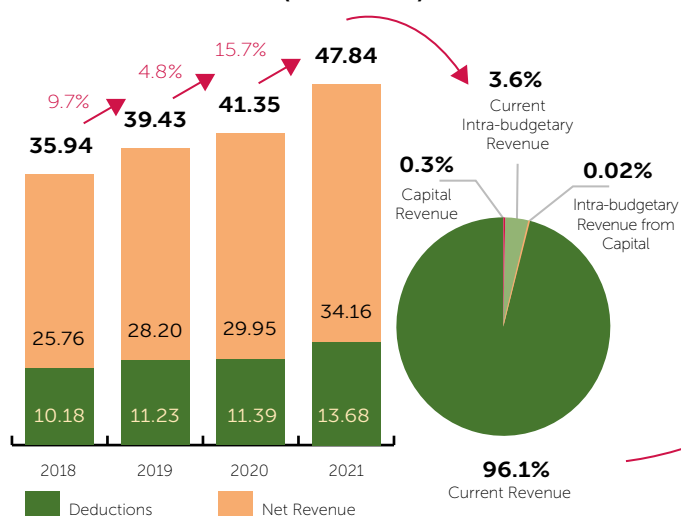
The following page presents detailed information on the main origins of resources collected in 2021, and their corresponding applications.



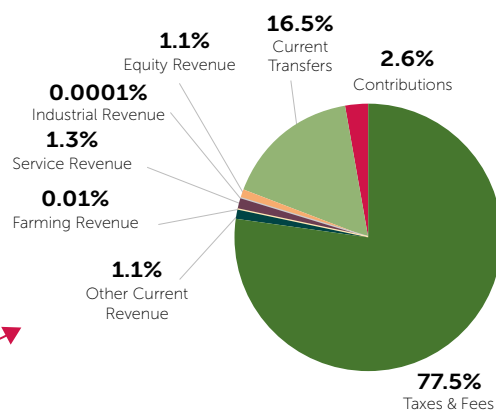
## REVENUE

The State revenue corresponds to the resource input the State has available to maintain the services and finance its needs for public investments. In 2021, they originated from several sources, with the key ones being taxes, fees, contributions, and transfer of resources from other entities.

## Gross Revenue Evolution (BRL billion)



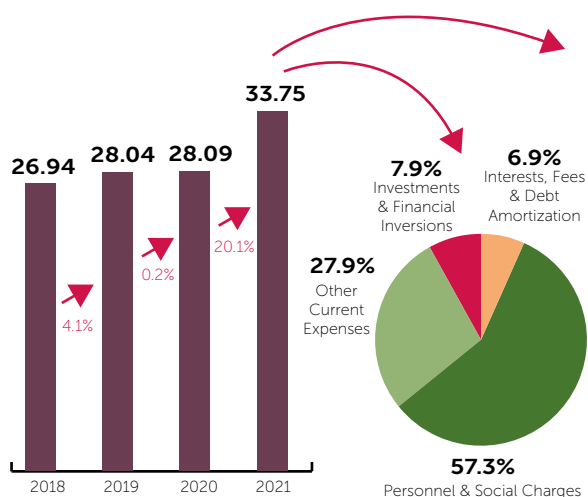
## 2021 Gross Current Revenue Composition



## EXPENSES

In 2021, a total of 85.7% of the expenses authorized in the budget of the State of Santa Catarina were executed, which equal BRL 33.75 billion. These expenses are applied, for instance, in the State Government operation areas, such as education, health, public safety, transport and urbanism, social security, and others.

## Executed Expenses (BRL billion)



## Expenses Executed by Government Operation Areas in 2021

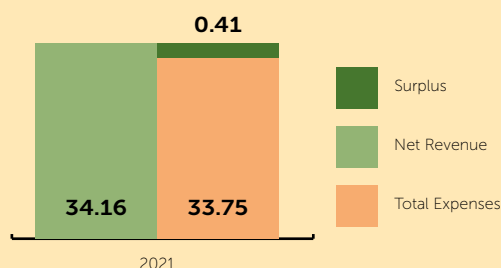
Total Expenses: BRL 33.75 billion



## BUDGETARY SURPLUS

When comparing the net revenue with the total expenses in the year, there was a budgetary surplus of BRL 413.67 million in 2021; that is, the revenue collected in the year was greater than the expenses recognized in it.

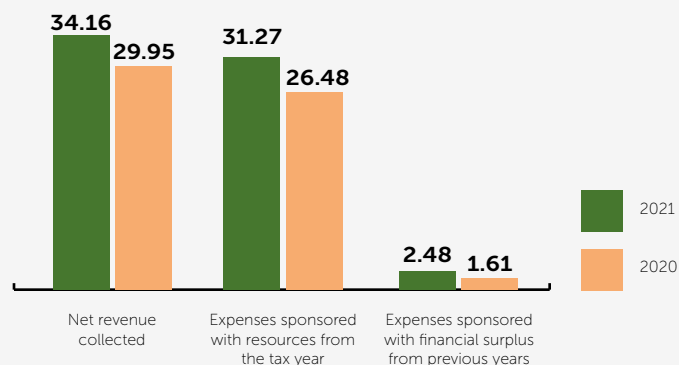
## Budgetary Execution (BRL billion)



## USE OF RESOURCES FROM PREVIOUS YEARS

In 2021, BRL 2.48 billion of the executed expenses were financed with resources from financial surplus from previous years; that is, part of the committed expenses in the 2021 financial year were sponsored with resources that exceeded from the cash flow from previous years. This exceeding cash can be used as sources for opening of additional credits in the State budget.

## Expenses Sponsored with Resources from Previous Years and from 2021 (BRL billion)



## BALANCE SHEET ON 12/31/2021 (BRL BILLION)

ASSETS			LIABILITIES	
CURRENT	Cash and Cash Equivalents	13.36	Labor, Social Security and Assistance Obligations Payable	0.85
	Credit Receivable	4.75	Loans & Financing	1.72
	Investments & Temporary Applications	0.63	Suppliers	0.52
	Inventory	0.62	Tax Obligations & Transfers	0.25
			Provisions	3.42
	Other Assets	4.39	Other Liabilities	7.12
NON-CURRENT	Credit Receivable	1.95	Labor, Social Security and Assistance Obligations Payable	1.86
	Investments	4.11	Loans & Financing	17.90
	Fixed Assets	31.68	Suppliers	0.35
	Intangible	0.39	Tax Obligations & Transfers	0.29
			Provisions	87.35
	Other Assets	0.26	Other Liabilities	2.98
TOTAL			TOTAL LIABILITIES	124.62
			TOTAL NET EQUITY (PL)	(62.47)
	TOTAL ASSETS	62.15	TOTAL LIABILITIES & NET EQUITY	62.15

## FINANCIAL SURPLUS

Financial Surplus includes the sum of the cash assets, represented by the Cash and Cash Equivalents group, and also of credits and financial assets that have not become cash yet, but are available, regardless of budgetary authorization. Third-party revenues are included in the calculation of the financial surplus.

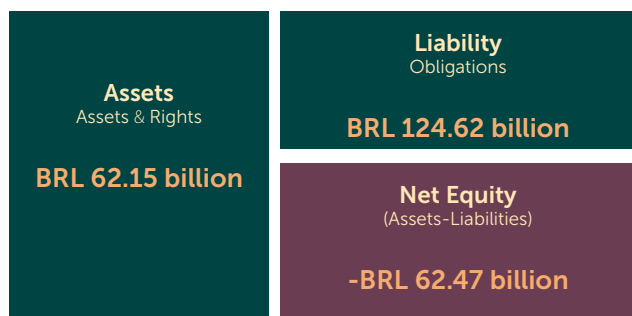
The Financial Liabilities, in turn, include several financial obligations, such as short-term debts, suppliers, and other commitments with payment not depending on budgetary authorization. Third-party resources are also included in the calculation.

In 2021, the State presented BRL 5.5 billion in financial surplus, a 13.6% increase in comparison with the surplus accrued in 2020.

Financial Assets	-	Financial Liabilities	=	Financial Surplus
<b>BRL 14.35 billion</b>		<b>BRL 8.79 billion</b>		<b>BRL 5.55 billion</b>

## EQUITY POSITION

Santa Catarina finished the 2021 financial year with BRL 62.15 in assets and BRL 124.62 billion in liabilities, presenting BRL 62.47 billion in unsecured liability.

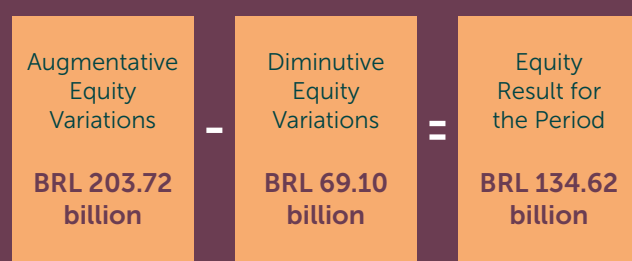


In 2020, Santa Catarina started presenting the Provisões Matemáticas Previdenciárias (Social Security Mathematical Provisions - PMP) according to rules and accounting balance applied to the Social Security Plan. With that, the actuarial result started to have impact on the State equity.

Therefore, in 2021, Actuarial Liability evidence is represented at the final balance of the Long-Term Social Security Mathematical Provision account, which presented a 59.9% reduction when compared to the previous year, finishing the year with the value of BRL 87.32 billion. Based on the 2021 Actuarial Calculation, this reduction took place mostly due to the adoption of the interest rate and actuarial discount of 4.5% per year, which in previous calculations was equal 0.0%, in addition to other amendments to actuarial hypotheses, pursuant to Ordinance No. 464, dated 19 Nov. 2018.

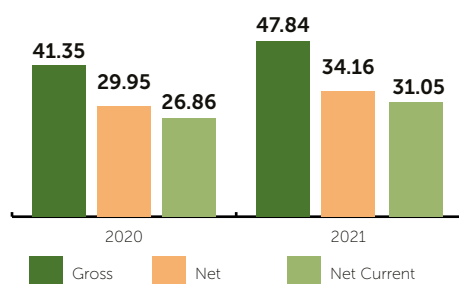
## EQUITY RESULT

The consolidated equity result for the year was BRL 134.62 billion, mainly affected by the results of the Social Security Mathematical Provision in the amount of BRL 130.50 billion. This was a positive balance due to the reversal of part of the provisions, BRL 150.54 billion in total.

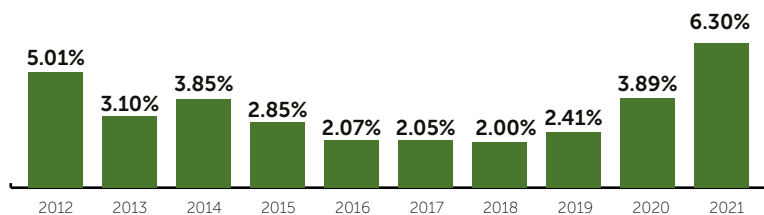


## TAX INDEXES

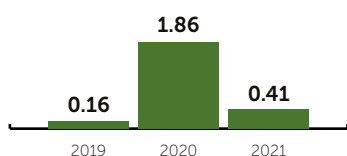
Revenue (BRL billion)



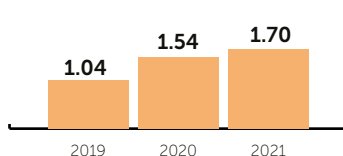
Percentage of Investment with Own Resources (Executive Branch) x Net Current Revenue (RCL)



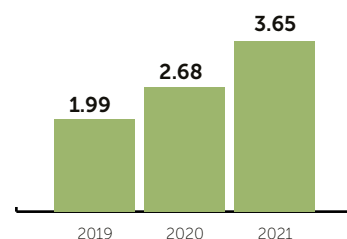
Budgetary Result (BRL billion)



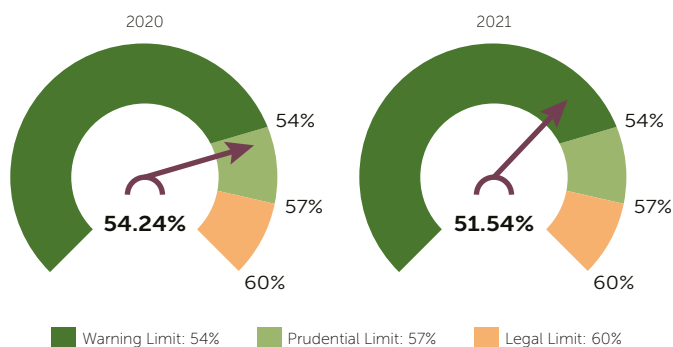
Nominal Result (BRL billion)



Primary Result (BRL billion)



### Expenses with Personnel (% RCL)



Consolidated Net Debt

**53.10%**

Maximum legal limit:  
200% of Net  
Current Revenue

Application in  
Healthcare

**14.45% da RRI**

Minimum required:  
12% of Revenue  
Resulting from  
Taxes (RRI)

Application in  
Financial Aid for  
Higher Education  
Students

**1.31% da RRI**

Minimum required:  
1.25% of RRI

Application in  
Education

**27.40% da RRI**

Minimum required:  
25% of RRI

Application in  
Science &  
Technology

**2.16% of Current  
Revenue Collected**

Minimum required: 2%  
of Current Revenue  
Collected

Further information on the performance of the State of Santa Catarina can be obtained in the 2021 General Balance Sheet available at the State Secretariat of Finance Website:

[www.sef.sc.gov.br](http://www.sef.sc.gov.br)

The Balance Sheet is divided into four volumes, as well as the Message from the Governor presented to the Legislative Assembly. Volume 1 provides administrative, economic, social, financial, and accounting information related to the State. Volume 2 contains the exhibits as provided in Federal Law No. 4.320/64 and other legal standards. Volume 3 presents the Report on the Activities of the Executive Branch of the State of Santa Catarina, which allows the physical and financial monitoring of governmental programs, as well as the actions that are prioritized in the Budgetary Guidelines Law. And Volume 4 presents the Report from the Central Entity of the Internal Control System of the Executive Branch.

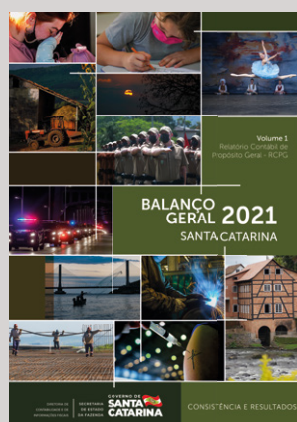
For further information on the government operation areas, the secretariats and the entities in the Executive Branch, please visit:

[www.sc.gov.br/governo/secretarias](http://www.sc.gov.br/governo/secretarias)

#### Contact Us:

Secretaria Executiva de Assuntos Internacionais  
(Executive Secretariat of International Affairs)  
E-mail: [sai@sai.sc.gov.br](mailto:sai@sai.sc.gov.br)  
Phone: +55 48 3665-2205

#### VOLUME 1



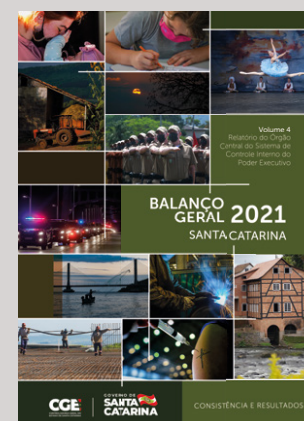
#### VOLUME 2



#### VOLUME 3



#### VOLUME 4



Secretaria de Estado da Fazenda (State Secretariat of Finance)  
Assessoria de Comunicação (Communication Advisory Service)  
E-mail: [ascom@sef.sc.gov.br](mailto:ascom@sef.sc.gov.br)  
Phone: +55 48 3665 2501

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