

**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL**

Financial Statements for the year ending on  
December 31, 2019 and 2018

and the Independent Auditors' Report

**Free translation from the original in Portuguese into English of the Independent Auditor's Report on Financial Statements prepared in accordance with the practices adopted in Brazil.**

**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL**

Financial Statements for the year ending  
on December 31, 2019 and 2018  
and the Independent Auditors' Report

Av. Dr. Nilo Peçanha, 724/502  
Bela Vista, Porto Alegre - RS  
90470-000  
T: +55 51 3508.7734

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**INDEPENDENT AUDITORS' REPORT ABOUT FINANCIAL STATEMENTS**

To  
Administrators of  
**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL**  
Porto Alegre - RS

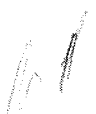
**Opinion**

We have examined the financial statements of the **Fundação Médica do Rio Grande do Sul**, that comprise the balance sheet on December 31st, 2019 and the respective income statements, statements of changes in shareholders equity and cash flows for the year ended on that date, as well as the corresponding explanatory notes, including the summary of the main accounting policies.

In our opinion, the above-mentioned financial statements present adequately, in all relevant respects, the patrimonial and financial position of the **Fundação Médica do Rio Grande do Sul** on December 31st, 2019, the performance of their operations and their cash flows for the year ended on that date, according to the police accounting adopted in Brazil, applicable to non-profit entities.

**Basis for Opinion**

Our audit was conducted in accordance with Brazilian and international audit standards. Our responsibilities, in accordance with these standards, are described in the following section entitled "Responsibilities of the auditor for auditing the financial statements". We are independent in relation to the Entity, according to the relevant ethical principles provided in the accountant's professional Code of Ethics and professional norms issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to substantiate our opinion.



## **Other matters**

### **Value added statements**

The value added statements (DVA) for the year ended December 31st, 2019, drawn up under the responsibility of the administration of Entity, and presented as supplementary information for IFRS purposes, was subjected to audit procedures carried out in conjunction with the audit of the financial statements of the Entity. For the formation of our opinion, we assess whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in the technical pronouncement CPC 09- Value-added demo. In our opinion, this demonstration of the added value has been adequately elaborated in all relevant respects according to the criteria set out in that technical statement and are consistent with the financial statements taken together.

### **Responsibilities of administration and governance by the demonstrations Accounting**

The administration is responsible for the elaboration and proper presentation of the financial statements in accordance with the practice accounting adopted in Brazil, applicable to non-profit entities and by the internal controls that it determined as necessary to allow the elaboration of free accounting statements of relevant distortion, regardless of whether caused by fraud or error.

In the elaboration of the financial statements, the administration is responsible for evaluating the capacity of the Entity Continue to operate, disseminating, when applicable, the issues related to its operational continuity and the use of this accounting basis in the elaboration of the financial statements, unless the administration intends to liquidate the Entity or cease your operations, or have no realistic alternative to avoiding the closure of operations.

Those responsible for the governance of Entity They are the ones responsible for supervising the process of drafting the financial statements.



## **Responsibilities of the auditor for auditing the statements Accounting**

Our goals are to obtain reasonable security that the financial statements, taken together, are free from relevant distortion, regardless if caused by fraud or error, and issue audit report containing our opinion. Reasonable security is a high level of security, but not a guarantee that the audit carried out in accordance with Brazilian and international audit standards always detects any relevant distortions Existing. Distortions may be arising from fraud or error and are considered relevant when, individually or together, they can influence, within a reasonable perspective, the economic decisions of the users taken on the basis of the said statements Accounting.

As part of the audit conducted in accordance with Brazilian and international audit standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

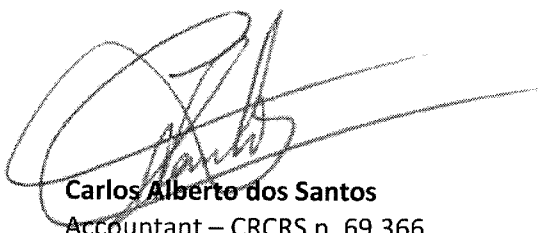
- We identify and evaluate the risks of relevant distortion in the financial statements, regardless of whether caused by fraud or error, we plan and execute audit procedures in response to such risks, as well as obtain evidence of audit Appropriate and sufficient to substantiate our opinion. The risk of non-detection of relevant distortion resulting from fraud is greater than that arising from error, since fraud may involve the act of circumventing internal controls, collusion, falsification, omission or intentional false representations.
- We obtain understanding of the internal controls relevant to the audit to plan audit procedures appropriate to the circumstances, but, not, with the objective of expressing opinion on the effectiveness of Internal controls of the Entity.
- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and their disclosures made by the administration.




- We conclude on the adequacy of the use, by the administration, of the operational continuity accounting base and, based on the audit evidence obtained, if there is relevant uncertainty in relation to events or conditions that may raise significant doubt in with regard to the operational continuity capacity of the Entity. If we conclude that there is relevant uncertainty, we should draw attention to our audit report for the respective disclosures in the financial statements or include modification in our opinion if the disclosures are inadequate. Our findings are based on the audit evidence obtained until the date of our report. However, future events or conditions may lead to Entity To no longer remain in operational continuity.
- We evaluate the general presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the corresponding transactions and the events in a manner compatible with the appropriate presentation objective.

We communicate with those responsible for governance concerning, inter alia, the planned range, the time of audit and the significant audit findings, including any significant deficiencies in the internal controls that we identify during our work.

Porto Alegre, RS, February 14, 2020.



**Carlos Alberto dos Santos**  
Accountant – CRCRS n. 69.366



**Ricardo Schmidt**  
Accountant – CRCRS n. 45.160

**Baker Tilly Brasil RS Auditores Independentes S/S**  
CRCRS n. 006706/O  
CVM 12.360

**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL****CNPJ nº 94.391.901/0001-03****BALANCE SHEET ON DECEMBER 31, 2019 AND 2018****(Values in Reais BRL 1,00)**

ASSETS	Note	12/31/2019	12/31/2018
<b>Current</b>		<b>30.240.882</b>	<b>30.766.702</b>
<b>Cash and cash equivalents</b>		<b>27.640.342</b>	<b>28.073.231</b>
<b>Resources without restriction</b>		<b>5.295.233</b>	<b>6.977.915</b>
General cash		1.455	2.188
Bank account movement		31.970	150.240
Financial investments		5.261.808	6.825.487
<b>Resources with restriction</b>		<b>22.345.109</b>	<b>21.095.316</b>
Bank account movement		170.311	5.472
Financial investments		22.174.798	21.089.844
<b>Clients and other receivables</b>		<b>2.599.280</b>	<b>2.691.319</b>
<b>Resources without restriction</b>		<b>224.674</b>	<b>176.375</b>
Clients		142.958	137.918
Advance payments		62.239	10.057
Values to be recovered		13.263	13.263
Other credits		6.214	15.137
<b>Resources with restriction</b>		<b>2.374.606</b>	<b>2.514.944</b>
Clients		2.060.365	2.271.431
Advance payments		258.081	196.012
(-) Provision for credits of doubtful liquidation		(41.376)	(41.376)
Other credits		97.536	88.877
<b>Prepaid expenses</b>		<b>1.260</b>	<b>2.152</b>
<b>Resources without restriction</b>		<b>1.260</b>	<b>2.152</b>
Insurance to own		263	1.277
Subscriptions to newspapers and magazines		997	875
<b>Non current assets</b>		<b>42.721.170</b>	<b>72.678.429</b>
<b>Achievable in the long term</b>	3	<b>26.552.635</b>	<b>56.635.331</b>
<b>Resources without restriction</b>	3a	<b>5.008.699</b>	<b>4.492.754</b>
Financial investments		4.656.739	4.140.794
Lawsuit		351.960	351.960
<b>Resources with restriction</b>	3b	<b>21.543.936</b>	<b>52.142.577</b>
Judicial deposits		12.711.972	31.732.633
Deposits updated		8.831.964	20.409.944
<b>Investments</b>		<b>62.153</b>	<b>62.153</b>
<b>Resources without restriction</b>		<b>62.153</b>	<b>54.153</b>
Stocks		3.940	3.940
Art works		58.213	50.213
<b>Resources with restriction</b>		<b>-</b>	<b>8.000</b>
Art works		-	8.000
<b>Fix assets</b>	4	<b>16.106.505</b>	<b>15.981.068</b>
<b>Resources without restriction</b>	4a	<b>1.994.994</b>	<b>1.981.700</b>
Properties		2.118.704	2.118.704
Installations		126.831	121.238
Computers		141.773	107.820
Furniture and utensils		311.731	238.141
Softwares		153.176	127.093
(-) Accumulated depreciation		(857.221)	(731.296)
<b>Resources with restriction</b>	4b	<b>14.111.511</b>	<b>13.999.368</b>
Works and facilities		482.218	482.218
Installations		367.294	354.003
Machines and equipment		7.707.367	7.693.703
Computers		1.100.657	1.132.858
Surgical appliance		5.690	5.690
Equip. And national materials		117.169	117.170
Equip. And imported materials		4.051.880	4.051.880
Furniture and utensils		1.381.550	1.468.694
Softwares		213.321	205.773
(-) Provision for donation of goods - support		(1.255.883)	(1.461.221)
(-) Provision for donation of goods		(59.752)	(51.400)
<b>Provisions for assets</b>		<b>(6.273)</b>	<b>(6.273)</b>
<b>Resources without restriction</b>		<b>(6.273)</b>	<b>(6.273)</b>
(-) Provision for loss of assets		(6.273)	(6.273)
<b>Intangible</b>		<b>6.150</b>	<b>6.150</b>
<b>Resources without restriction</b>		<b>6.150</b>	<b>6.150</b>
Brands and patents		6.150	6.150
<b>Total asset</b>		<b>72.962.052</b>	<b>103.445.131</b>

The explanatory notes are an integral part of these financial statements.

**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL****CNPJ nº 94.391.901/0001-03****BALANCE SHEET ON DECEMBER 31, 2019 AND 2018****(Values in Reais BRL 1,00)**

<b>LIABILITIES</b>	<b>Note</b>	<b>12/31/2019</b>	<b>12/31/2018</b>
<b>Current</b>	5f;11	<b>3.106.030</b>	<b>3.920.785</b>
<b>Resources without restriction</b>	5f	<b>604.330</b>	<b>2.074.147</b>
Social and labor provisions	5i;5j	190.143	118.687
Social and labor obligations		63.445	62.794
Tax obligations		33.849	21.070
Suppliers and other creditors		85.372	25.842
Other payables		231.521	1.845.754
<b>Resources with restriction</b>	5f	<b>2.501.700</b>	<b>1.846.638</b>
Social obligations		153.829	159.785
Tax obligations		89.185	107.648
Suppliers and other creditors		2.243.436	1.567.936
Other obligations to pay		15.250	11.269
<b>Non current</b>	5f	<b>41.389.797</b>	<b>72.080.697</b>
<b>Long term liabilities</b>	3;12	<b>39.886.907</b>	<b>70.493.059</b>
<b>Resources with restriction</b>		<b>3.347.863</b>	<b>33.870.013</b>
Judicial deposits	3b	3.347.863	19.092.082
Deposits updated	3b	-	14.777.931
<b>Origin and restricted application</b>	3a;12	<b>36.539.044</b>	<b>36.623.046</b>
Funds to be executed	12	2.060.365	2.271.431
Projects to execute	3a;12	34.478.679	34.351.615
<b>Deferred income</b>	13	<b>1.502.890</b>	<b>1.587.638</b>
<b>Resources without restriction</b>		<b>1.502.890</b>	<b>1.587.638</b>
Property, plant and equipment		1.948.000	1.948.000
Deferred income - depreciation	13	(445.110)	(360.362)
<b>Net worth</b>	3;14	<b>28.466.225</b>	<b>27.443.649</b>
Social patrimony		27.400.605	25.782.503
Capital reserve		43.044	43.044
<b>Superavit of period</b>		<b>1.022.576</b>	<b>1.618.102</b>
Superavit of the period - foundation		206.696	867.031
Superavit of the period - project		815.880	751.071
<b>Total liabilities and net worth</b>		<b>72.962.052</b>	<b>103.445.131</b>

The explanatory notes are an integral part of these financial statements.



**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL**  
**CNPJ nº 94.391.901/0001-03**  
**INCOME STATEMENT ON DECEMBER 31, 2019 AND 2018**  
**(Values in Reais BRL R\$ 1,00)**

Description	Notes	12/31/2019			12/31/2018		
		Fundation	Projects	Consolidated	Fundation	Project	Consolidation
<b>Gross operating revenue</b>	<b>7</b>	<b>5.272.345</b>	<b>37.904.830</b>	<b>43.177.175</b>	<b>4.819.091</b>	<b>37.135.720</b>	<b>41.954.811</b>
(+) Administrative fee		2.231.700	2.683.522	4.915.222	1.986.858	1.675.815	3.662.673
(+) Members contribution		1.434.747	-	1.434.747	1.409.477	-	1.409.477
(+) Revenues with contracts and sponsorships		-	30.507.099	30.507.099	504.853	25.236.391	25.741.244
(+) Revenues with selective process		623.987	1.135.391	1.759.378	-	-	-
(+) Event and course revenue		-	2.635.801	2.635.801	-	3.442.021	3.442.021
(+) Revenues donations and transf. Internal		1.469	-	1.469	15.225	5.742.186	5.757.411
(+) Revenues with onlending HCPA		382.566	-	382.566	367.837	-	367.837
(+) Financial revenue		597.876	817.257	1.415.133	534.841	875.110	1.409.951
(+) Other revenue		-	125.760	125.760	-	164.197	164.197
<b>(-) Revenue deductions</b>		<b>(14.907)</b>	<b>(1.272.870)</b>	<b>(1.287.777)</b>	<b>(15.572)</b>	<b>(1.755.691)</b>	<b>(1.771.263)</b>
(-) Cancellations and returns		(14.907)	(154.983)	(169.890)	(15.572)	(50.738)	(66.310)
(-) Project closure		-	(1.117.887)	(1.117.887)	-	(1.704.953)	(1.704.953)
<b>Net revenue</b>		<b>5.257.438</b>	<b>36.631.960</b>	<b>41.889.398</b>	<b>4.803.519</b>	<b>35.380.029</b>	<b>40.183.548</b>
<b>Operating expenses</b>		<b>(5.143.444)</b>	<b>(35.759.319)</b>	<b>(40.902.763)</b>	<b>(4.031.225)</b>	<b>(34.628.958)</b>	<b>(38.660.183)</b>
<b>Personnel expenses</b>		<b>(3.342.680)</b>	<b>(543.121)</b>	<b>(3.885.801)</b>	<b>(2.610.098)</b>	<b>(504.551)</b>	<b>(3.114.649)</b>
Expenses with personnel and charges		(3.342.680)	(543.121)	(3.885.801)	(2.610.098)	(504.551)	(3.114.649)
<b>Expenses with third parties</b>		<b>(999.198)</b>	<b>(11.143.536)</b>	<b>(12.142.734)</b>	<b>(917.454)</b>	<b>(9.892.549)</b>	<b>(10.810.003)</b>
(-) Expenses with legal entity		(708.759)	(3.903.861)	(4.612.620)	(708.005)	(2.446.515)	(3.154.520)
(-) Expenses with individuals		(2.098)	(712.291)	(714.389)	(944)	(1.232.925)	(1.233.869)
(-) Expenses reimbursement FMRS		-	(49.821)	(49.821)	-	-	-
(-) Expenses reimbursement HCPA/UFRGS		(288.341)	(2.209.042)	(2.497.383)	(208.505)	(2.533.604)	(2.742.109)
(-) Expenses reimbursement IBIS		-	(10.592)	(10.592)	-	-	-
(-) Expenses with administrative fees		-	(4.257.929)	(4.257.929)	-	(3.679.505)	(3.679.505)
<b>Expenses with clinical research</b>		<b>-</b>	<b>(19.427.968)</b>	<b>(19.427.968)</b>	<b>-</b>	<b>(19.933.471)</b>	<b>(19.933.471)</b>
(-) Hospital medical expenses		-	(9.339.039)	(9.339.039)	-	(7.653.866)	(7.653.866)
(-) Expenses with research grants		-	(7.571.671)	(7.571.671)	-	(6.086.595)	(6.086.595)
(-) Expenses with donations and transf. Internal		-	(2.517.258)	(2.517.258)	-	(6.193.010)	(6.193.010)
<b>Administrative expenses</b>		<b>(780.818)</b>	<b>(4.138.173)</b>	<b>(4.918.991)</b>	<b>(475.895)</b>	<b>(3.885.685)</b>	<b>(4.361.580)</b>
(-) Expenses with materials		(77.417)	(1.432.757)	(1.510.174)	(65.429)	(1.154.391)	(1.219.820)
(-) Expenses structure and utilities		(32.160)	(78.825)	(110.985)	(86.034)	(396.884)	(482.918)
(-) Travel expenses		(91.670)	(1.553.657)	(1.645.327)	(44.789)	(910.435)	(955.224)
(-) Expenses with maintenance		(3.345)	(21.051)	(24.396)	(1.388)	(12.783)	(14.171)
(-) Expenses with equipment rental		-	(274.310)	(274.310)	-	-	-
(-) Depreciation		(114.479)	-	(114.479)	(64.859)	-	(64.859)
(-) Goods donations	<b>8</b>	(125.924)	-	(125.924)	(114.479)	-	(114.479)
(-) General expenses		-	(445.961)	(445.961)	-	(616.869)	(616.869)
(-) Expenses with losses		(450.210)	(330.110)	(780.320)	(160.453)	(788.817)	(949.270)
<b>Financial expenses</b>		<b>(92)</b>	<b>(1.502)</b>	<b>(1.594)</b>	<b>(3.323)</b>	<b>(5.506)</b>	<b>(8.829)</b>
Financial expenses		(20.748)	(506.521)	(527.269)	(27.778)	(412.702)	(440.480)
<b>Net operating income</b>		<b>113.994</b>	<b>872.641</b>	<b>986.635</b>	<b>772.294</b>	<b>751.071</b>	<b>1.523.365</b>
<b>Extraordinary revenue and expenses</b>		<b>92.702</b>	<b>(56.761)</b>	<b>35.941</b>	<b>94.737</b>	<b>-</b>	<b>94.737</b>
<b>Other extraordinary revenue</b>		<b>92.702</b>	<b>-</b>	<b>92.702</b>	<b>94.737</b>	<b>-</b>	<b>94.737</b>
(+) Recovery of expenses		7.954	-	7.954	11.093	-	11.093
(+) Gains on the sale of real estate		84.748	-	84.748	83.644	-	83.644
<b>Other extraordinary expenses</b>		<b>-</b>	<b>(56.761)</b>	<b>(56.761)</b>	<b>-</b>	<b>-</b>	<b>0</b>
(-) Losses on disposal of assets		-	(56.761)	(56.761)	-	-	0
<b>Superavit / deficit of the period</b>	<b>51</b>	<b>206.696</b>	<b>815.880</b>	<b>1.022.576</b>	<b>867.031</b>	<b>751.071</b>	<b>1.618.102</b>

The explanatory notes are an integral part of these financial statements.

(A free translation of the original in Portuguese)

**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL**  
**CNPJ nº 94.391.901/0001-03**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY ON DECEMBER 31, 2019 AND 2018**  
**(Values in Reais BRL R\$ 1,00)**

Description	Social patrimony	Capital reserve	Accumulated superavit	Net worth
<b>Balance on December 31, 2017</b>	<b>28.247.266</b>	<b>43.044</b>	<b>(2.464.763)</b>	<b>25.825.547</b>
Incorporation to the social patrimony	(2.464.763)	-	2.464.763	-
Superavit of the period			1.618.102	1.618.102
<b>Balance on December 31, 2018</b>	<b>25.782.503</b>	<b>43.044</b>	<b>1.618.102</b>	<b>27.443.649</b>
Incorporation to the social patrimony	1.618.102	-	(1.618.102)	-
Superavit of the period	-	-	1.022.576	1.022.576
<b>Balance on December 31, 2019</b>	<b>27.400.605</b>	<b>43.044</b>	<b>1.022.576</b>	<b>28.466.225</b>

The explanatory notes are an integral part of these financial statements.

**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL**  
**CNPJ nº 94.391.901/0001-03**  
**CASH FLOW STATEMENT ON DECEMBER 31, 2019 AND 2018**  
**INDIRECT METHOD**  
**(Values in Reais BRL R\$ 1,00)**

	<b>12/31/2019</b>	<b>12/31/2018</b>
<b>Cash flow from operating activities</b>		
Superavit / deficit of the period	1.022.576	1.618.102
<b>Adjustments for:</b>	<b>97.937</b>	<b>30.835</b>
Depreciation	125.924	114.479
Losses on sale of assets	56.761	-
Gain on sale of real estate	(84.748)	(83.644)
<b>Adjusted period superavit</b>	<b>1.120.513</b>	<b>1.648.937</b>
Increase / decrease clients	206.026	251.957
Increase / decrease clients	(114.251)	(19.709)
Increase / decrease in advances	-	(7.221)
Increase / decrease of recoverable taxes	264	102.041
Increase / decrease in other credits	892	176
Increase / decrease of prepaid expenses	30.082.696	(5.147.341)
Increase / decrease long-term achievable	735.030	541.221
Increase / decrease suppliers and other creditors	(10.989)	17.865
Increase / decrease social, labor and tax obligations	71.456	(16.329)
Increase / decrease of social and labor provisions	(1.610.252)	1.849.150
Increase / decrease of other obligations	(84.002)	(41.601.876)
Increase / decrease of projects resources	(30.522.150)	2.349.464
<b>Net cash consumed by operating activities</b>	<b>(124.767)</b>	<b>(40.031.665)</b>
<b>Cash flow from investment activities</b>		
Write-off investment	-	27.850
Payment for the purchase of property to fixed assets	(1.110.603)	(1.266.960)
Write-off property, plant and equipment	802.481	42.499.397
<b>Net cash consumed by investment activities</b>	<b>(308.122)</b>	<b>41.260.287</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>(432.889)</b>	<b>1.228.622</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>28.073.231</b>	<b>26.844.609</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>27.640.342</b>	<b>28.073.231</b>

The explanatory notes are an integral part of these financial statements.

**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL**  
**CNPJ nº 94.391.901/0001-03**  
**VALUE ADDED STATEMENT ON DECEMBER 31, 2019 AND 2018**  
**(Values in Reais BRL R\$ 1,00)**

<b>Determination of value added</b>	<b>12/31/2019</b>		<b>12/31/2018</b>	
<b>Revenue</b>	<b>40.482.219</b>		<b>38.784.690</b>	
Operating revenue	40.474.265		38.773.597	
Other operating revenues / expenses	7.954		11.093	
<b>Inputs acquired from third parties</b>	<b>(36.420.530)</b>		<b>(34.990.575)</b>	
Third party services	(31.570.702)		(30.743.474)	
Materials, energy and others	(4.849.828)		(4.247.101)	
<b>Gross value added</b>	<b>4.061.689</b>		<b>3.794.115</b>	
Depreciation, amortization	(125.924)		(114.479)	
Deferred revenues - depreciation	84.748		83.644	
<b>Net added value produced by the institution</b>	<b>4.020.513</b>		<b>3.763.280</b>	
Financial revenue	1.415.133		1.409.951	
<b>Total value added to distribute</b>	<b>5.435.646</b>		<b>5.173.231</b>	
<b>Distribution of value added</b>	<b>5.435.646</b>	<b>100%</b>	<b>5.173.231</b>	<b>100%</b>
Remuneration of the work (personnel and charges)	3.885.801	<b>71,49%</b>	3.114.649	<b>60,21%</b>
<b>Third party capital</b>	<b>1.549.845</b>		<b>2.058.582</b>	
Financial expenses (interest)	527.269	<b>9,70%</b>	440.480	<b>8,51%</b>
Superavit of the period	1.022.576	<b>18,81%</b>	1.618.102	<b>31,28%</b>

The explanatory notes are an integral part of these financial statements.

## **FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL**

**CNPJ nº 94.391.901/0001-03**

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### **NOTE 01 - OPERATIONAL CONTEXT**

FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL - FUNDMED, a private non-profit and economic institution, was founded in support of the hospital of clinics of Porto Alegre-HCPA (hospital registered in the CNES-National Register of Health Institutions Institutions) and the Federal University of Rio Grande do Sul-UFRGS-, through accreditation with the Ministry of Education-MEC-and the Ministry of Science and Technology-MCT-, in accordance with Law n º 8,958 of 20/12/1994 and Decree n º 7,423 of 31/12/2010, aims to develop p Projects of research, education and extension and of institutional, scientific and technological development, aiming to promote the interaction of its members with these institutions through the development of cooperative activities among themselves. It has as its statutory purpose:

**I** - As a foundation of support to the HOSPITAL OF CLINICS OF PORTO ALEGRE-HCPA, THE FEDERAL UNIVERSITY OF RIO GRANDE do SUL-UFRGS and other federal institutions of higher education or to scientific and technological institutions-ICTS, when authorized by the institution The main support, to develop projects of education, research, extension, institutional, scientific and technological development and stimulating and fomenting innovation, including in the administrative and financial management necessary for the implementation of these projects, with Views to promote the interaction of its members with these institutions through cooperation activities;

**II** - To establish, install and maintain hospital and ambulatory facilities, equipped with all the facilities available in the areas of diagnosis, clinic, surgery and intensive care, including clinical and ambulatory research, preferably Contiguous to the HOSPITAL OF CLINICS OF PORTO ALEGRE-HCPA;

**III** - To promote, in a permanent and without distinction of race, color, sex, religion, the implementation of research and extension projects, aiming at the development of assistance activities free of charge, with own resources or third parties, for the benefit of Needy population;

**IV** - To maintain public, social and private health care agreements;

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**V** - To maintain educational, research, extension, institutional development and innovation incentives with institutions, schools and universities, with the objective of increasing the scientific, technological and cultural development of the Members, Promoting meetings, seminars, conferences, courses and meetings, disseminating and documenting scientific, cultural, technological development activities and stimulating innovation at regional, national and international level, in particular with the HOSPITAL OF CLINICS OF PORTO ALEGRE-HCPA, respected its purposes and legal objectives, with the FEDERAL UNIVERSITY OF RIO GRANDE do SUL-UFRGS and with federal institutions of higher education-IFES or scientific and technological institutions-ICTs.

**VI** - To manage resources from the work of its members and other funds;

**VII** - To obtaining public resources and donations;

**VIII** - To promote exchanges with universities in the country and abroad, aiming at achieving their ends;

**IX** - To promote events, seminars, courses and competitions, including selective processes, aiming at the qualification and technical training of professionals linked to the health area, as well as promoting cultural activities of institutional development, Technological, scientific and stimulating and fomenting innovation, its support or in cooperation with public and private entities, respected the legal purposes and objectives of the principal supported institution;

**X** - To promote the dissemination, in a specialized journal, of results of scientific studies in the area of health, resulting from research projects of its members or of researchers linked to the entities supported by the Medical Foundation;

**XI** - To develop consultancy, supervision, evaluation, monitoring and execution of professional qualification courses in the area of health.



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**XII** - To conclude contracts, covenants, agreements and adjustments, for a specified period, with federal institutions of higher education-IFES, scientific and technological institutions-ICTs, financer of studies and projects-FINEP, National Council of Development Scientific and technological-CNPQ, official financial agencies of foment, social organizations, private entities, public companies or mixed-economy companies, their subsidiaries or controlled, for purposes of teaching, research, extension, institutional, scientific and technological development and stimulating and fomenting innovation, including in the administrative and financial management necessary for the implementation of these projects, with a view to promoting the interaction of its members with the said institutions Through the development of cooperative activities;

**XIII** - To promote and foster technological and scientific innovation in the development of research and institutional activities that result in intellectual property or copyright on patents, and may hire or institute innovation Unit or office with such purposes.

### **NOTE 02 - PRESENTATION OF THE FINANCIAL STATEMENTS**

In the elaboration of the financial statements of ended year of 2019, the entity adopted Law n ° 11.638/2007, Law No. 11.941/09 which amended articles of Law No. 6.404/76 in relation to the aspects relating to the elaboration and disclosure of the financial statements. The financial statements were elaborated in compliance with the accounting practices adopted in Brazil, qualitative characteristics of the accounting information, resolution CFC N ° 1.374/11 (NBC TG), which deals with the conceptual structure for the elaboration and presentation Of the financial statements, resolution CFC No. 1.376/11 (NBC TG 26 – R3), which deals with the presentation of the financial statements, resolution CFC n ° 1.305/2010, which approved the NBC TG 07 – R1 – Subsidy and government assistance, deliberations of the Commission of Values Securities (CVM) and the rules issued by the Federal Accounting Council (CFC) in particular resolution CFC N ° 1.409/12 which approved ITG 2002 – R1, establishing specific criteria and procedures for evaluation, component records and variations And the structuring of the financial statements, and the minimum information to be disclosed in an explanatory note to the non-profit entities.

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**2.1 FORMALITY OF BOOKKEEPING RESOLUTION CFC NO. 1.330/11 (ITG 2000 – R1)**

The entity maintains a uniform bookkeeping system of its acts and administrative facts through electronic process. The accounting record contains the identification number of the entries related to the respective document of external or internal origin or, failing that, in elements proving or evidence of facts and the practice of administrative acts. The financial statements, including explanatory notes, drawn up by legal and statutory provisions, will be transcribed into the "journal" of the entity, and subsequently recorded in the Registry of legal persons. The accounting documentation of the entity is composed of all documents, books, papers, records and other parts, which support or make up the bookkeeping. The accounting documentation is skillful, coated with essential intrinsic or extrinsic characteristics, defined in the legislation, in the technical-accounting or accepted by "uses and customs". The entity keep in good order the accounting documentation.

**2.2 KEY ACCOUNTING PRACTICES ADOPTED**

**a) Cash and cash equivalent**

As determined by the resolution of CFC No. 1.296/10 (NBC – TG 03 – R2) – Cash flow demonstration and CFC Resolution No. 1.376/11 (NBC TG 26 – R3) – Presentation of financial statements, the figures recorded in this sub-group represent currency in cash and Bank account deposits, as well as resources that have the same cash liquidity characteristics and immediate availability or up to 90 (90) days and which are subject to negligible risk of change of value;

**b) Instant liquidity application**

The financial application are demonstrated by the original values applied, plus the rata yields up to the balance sheet date.

**c) Current and non-current assets: Accounts receivable from Clients**

The accounts receivable from clients are recorded by the billed amount.

**d) Prepaid expenses**

Records anticipated insurance payments and periodic subscriptions.



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**e) Fix Assets**

Fix assets are recorded by the cost of acquisition or construction, deducted from depreciation, takes into account life and use of goods (resolution CFC No). 1.177/09 (NBC – TG 27 – R3). Other expenses are capitalized only when there is an increase in the economic benefits of this fix asset item. Any other type of expenditure is recognized in the result as expense when incurred. At the beginning of 2018, the work started in 2016 was closed in order to regulate the form of depreciation calculation. A specialized company was hired to issue the Report That It aims to estimate the life of the existing goods Assets and intangibles (softwares) of the company, aiming to meet the law 11.638/07 and the technical pronouncements CPC SME, CPC27 and CPC04, in whatever Applicable.

**f) Current and non-current liabilities**

Current and non-current liabilities are demonstrated by the values known or calculable Plus, where applicable, of the corresponding charges incurred until the balance sheet date. Where applicable, current and non-current liabilities are recorded on the basis of interest rates reflecting the time, currency and risk of each.

**g) Provisions**

A provision is recognized as a result of a past event that originated a liability, and it is probable that an economic resource may be required to pay off the obligation. Provisions are recorded when judged probable and based on the best risk estimates.

**h) Deadlines**

Achievable assets and liabilities payable until the end of the following year are classified as circulating.

**i) Provision for vacations and charges**

Have been provisioned on the basis of Rights acquired by employees until the balance sheet date.



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**j) Provision of 13 salaries and charges**

Have been provisioned based on the rights acquired by the employees and downloaded according to the payment until the balance sheet date.

**k) Expenses and Revenue**

Are appropriate in compliance with the Competence rule.

**l) Determination of result**

The result was determined according to the Competence. Service revenues are measured by the fair value (agreed on contract-values received or receivable) and recognized when it is probable that future economic benefits flow to the entity and can be reliably measured. The incomes and charges on assets and liabilities and their achievements are recognized in the result.

**m) Accounting Estimates**

The elaboration of the financial statements in accordance with the accounting practices adopted in Brazil requires that the administration of the entity use of judgment in the determination and the record of accounting estimates. Assets and liabilities subject to these estimates and assumptions include the values of provisions for contingencies. The settlement of transactions involving these estimates may result in values other than those estimated, because of inaccuracies inherent in the process of their determination. The entity revises estimates and premises at least annually.

### **2.3 TAX IMMUNITY**

Fundação Médica do Rio Grande do Sul is immune to the incidence of taxes pursuant to articles 14 and 9 of the national tax Code – CTN, article 40; Article 150, section ("C") paragraph 4 and article 195, paragraph 7 of the Federal Constitution of 05 October 1988, as well as to meet the requirements of the 9.532/97 art law. 12, item 2, transcripts below:

*a) Do not remunerate, in any way, its leaders for the services rendered;*

*b) Fully implement its resources in the maintenance and development of its social objectives;*

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- c) Keep complete bookkeeping of their revenues and expenses in books covered by formalities ensuring their accuracy;*
- d) Keep in good order, for five years from the date of issue, the documents proving the origin of your revenue and the effect of your expenses, and the realization of any other acts or operations that may change your situation Equity;*
- e) Annually submit income statement in accordance with the provisions of the secretariat of the IRS;*
- f) Collect the retained taxes on the income paid or credited and the contribution to social security for employees, and thus fulfil the ancillary obligations arising therefrom;*
- g) To ensure the destination of its assets to another institution that meets the conditions for the enjoyment of immunity, in the case of Incorporation, merger, division or closure of its activities, or the public body;*
- h) Other requirements, established in specific law, relating to the functioning of the entities referred to in this article.*

### 2.4 REQUIREMENTS FOR THE GRANTING OF TAX IMMUNITY

Fundação Médica do Rio Grande do Sul is a non-profit entity of private law in which it is in the request procedure (original concession) of the Certificate of Charitable Welfare Organization (CEBAS), through the application of Concession of the Cebas, registered in 20/11/2014, under paragraph 25000.216583/2014-23 in the Ministry of Health, and to take advantage of the tax exemption determined by article 29 of law N °. 12.101/09, as amended by law 12.868/13, complied with the following requirements:

#### Statutory:

- a) It fully applies its incomes, its resources and possible operational results in the maintenance and development of the institutional objectives in the national territory, (art. 3, XIII, first paragraph of the Social statute);*
- b) Promote, in a permanent and without distinction of race, color, sex, religion, the implementation of research and extension projects, aiming at the development of assistance activities free of charge, with own resources or third parties, for the benefit of Needy population (Article 3 (III) of the Social statute);*
- c) Board members, Board of Trustees, advisory board and Fiscal Council shall not be remunerated for the exercise of their activities (title III art. 10, second paragraph of the bylaws);*
- d) It does not distribute results, dividends, bonuses, shareholdings or parcels of its equity, in any form or pretext (chapter IV Art. 32 paragraph 2 of the bylaws);*

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- e) It has forecast in its constituent acts that, in case of dissolution or extinction, the destination of the eventual patrimony remaining to the non-profit entity, preferably to the Hospital of clinics of Porto Alegre or to the Federal University of Rio Grande do South, public entities (title VI art. 40º of the Social statute).*

**Operational and Accounting:**

- a) has a negative or positive certificate with negative effect of debts related to the taxes administered by the secretariat of the Brazilian IRS and certificate of regularity of the Service Time Guarantee Fund – FGTS;*
- b) They maintain their regular accounting bookkeeping that records the revenue and expenditure, as well as the application in gratuity in line with the rules emanating from the Federal Accounting Council;*
- c) Retains in good order, for the period of 10 (ten) years, from the date of issue, the documents proving the origin and application of its resources and those relating to acts or operations carried out which imply modification of the patrimonial situation;*
- d) Complies with the ancillary obligations laid down in tax law;*
- e) Draws up the financial and accounting statements Duly audited by independent auditor legally authorized in the regional accounting councils.*

**NOTE 03 – NON-CURRENT ASSET (LONG TERM)**

**3a - Lawsuit – Centro de Saúde Murialdo (Murialdo Health Center)**

This is an ordinary action for collection against amounts owed by the State of Rio Grande do Sul in the face of debts coming from an agreement signed with the State Department of Health of Rio Grande do Sul with a view to the implementation and development of an Integrated Residence Program in the Murialdo Health Center, Agreement No. 108/2001 filed in March 2012. The lawsuit was upheld at first instance and partially reformed at the trial and court of law. The amounts of credit of the conviction must be verified in a timely manner for the purpose of execution of a sentence by the courts of the Forum for the purpose of payment by means of a court order. On 12/11/2018, it was judged to have been settled by arbitration award, accepting the Expert Report, whose amounts up to 08/31/2018 amounted to R\$ 916,300. Although admitted as PROBABLE won as there has not yet been a res judicata, as a precautionary principle, the largest difference in the probable gain was not accounted for.

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**3b – Resource with restriction**

This is a declaration of lack of legal-tax relationship that obliges the Medical Foundation to collect social contributions, as well as the retention of income tax on amounts paid in the title of extension grants and research to Teachers linked to the Hospital clinics. Possibility of possible loss due to the understanding of the Federal Regional Court on the occasion of the Appeal appeal trial. In 2019 the amounts deposited in court were converted into income on behalf of teachers.

Accounting item	Balance on 12/31/2018 (BRL)	Movimentation (BRL)	Balance on 12/31/2019 (BRL)
Judicial Deposit INSS-Company party	12.640.551	71.421-	12.711.972
INSS Judicial Deposit - 11% PF	2.690.620	(2.690.620)	-
IRRF Judicial Deposit - 27,5% PF	16.401.462	(16.401.462)	-
<b>TOTAL</b>	<b>31.732.633</b>	<b>(19.020.661)</b>	<b>12.711.972</b>
Update INSS Judicial Deposit	10.496.617	(1.664.653)	8.831.964
Update IRRF Judicial Deposit	9.913.327	(9.913.327)	-
<b>TOTAL</b>	<b>20.409.944</b>	<b>(11.577.980)</b>	<b>8.831.964</b>

**Contingent liabilities (legal claims):**

NATURE	Nº PROCESS	RISK	SITUATION
Ordinary Judicial (FOUNDATION- Author)	5015311-85.2010.404.7100	Probable	This is a declaration that there is no legal-tax relationship that requires the Medical Foundation to collect social security contributions, as well as withholding income tax on amounts paid as extension scholarships and research to teachers linked to the Hospital de Clínicas. On 08/26/2018, he was petitioned requesting that the amount of R \$ 20,383,904.65 remain in the judicial account No. 0652.280.00602123-5, as it is related to the deposits made as an employer social security contribution, since the analysis of the interlocutory appeal No. 55037900-50.2018.4.04.000 is still pending. On the same day, he was petitioned, on behalf of the Foundation's Doctors, requesting the conversion into income of the amounts deposited as income tax and social security contribution withheld at source on the scholarships perceived by the applicants. After filing the petition, the amounts were converted into income. Compliance with the judgment was filed individually on behalf of each Physician, the process being suspended since 07/08/2019..

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Ordinary Judicial (FOUNDATION- Author)	5057251-83.2018.4.04.7100	Possible	In the context of provisional protection, the suspension of the enforceability of the Notice of Infraction nº 37.200.617-5, discussed in the administrative proceeding nº 12269.004711 / 20008-57 and the collection of the outstanding social security contribution. At the end, the annulment of the Notice of Infraction nº 37.200.617-5, the declaration of the absence of a legal-tax relationship that obliges the Medical Foundation to pay the social security contribution due to the immunity of art. 195 item 7 of the FC and the lack of provision of services in the extension and research projects developed by it. On 04/27/2018, we spoke about the need to produce evidence in this case. On 04/30/2018, there was an order deciding for the unnecessary of expert accounting evidence. On 08/02/2018 there was a judgment of the interlocutory appeal, which was dismissed. On 02/18/2019, the trial was converted into a due diligence, and accounting evidence was determined. On April 11, there was the presentation of the items for the expertise by the Treasury and on April 23, by FUNDMED. On 10/28/2019, a period of 40 days was granted for the conclusion of the expert report, which term has not yet been finalized.
Ordinary Judicial (FOUNDATION- Author)	5074703-38.2019.4.04.7100	Possible	Suspension of the enforceability of the Notice of Infraction Notices nº 37.385.131-6, 37.385.132-4, 51.035.691-5, 51.045.115, 51.045.116-0, and 51.045.117-9 (Administrative Proceedings nº 11080.735704 / 2012- 12, 11080.735705 / 2012-67 and 11080.731891 / 2014-27). On 12/20/2019, after the case files were concluded, the request for gratuity was granted, as well as the granting of the request for interim relief, so that the requirement for credits contained in the notices of infraction no. 37.385.131-6 was suspended, 37.385.132-4, 51.035.691-5, 51.045.115, 51.045.116-0, and 51.045.117-9 (Administrative Proceedings nº 11080.735704 / 2012-12, 11080.735705 / 2012-67 and 11080.731891 / 2014-27) , respectively.
Ordinary Judicial (FOUNDATION- Author)	5032139-44.2019.4.04.7100	Possible	Suspension of the enforceability of Tax Assessment Notices No. 37,534,052-1 (Administrative Proceeding No. 11080.723027 / 2019-66, as well as cancellation of the remaining tax credit in the process. On 10/19/2019, after request made by the party on 9/12 / 2019, the process was suspended until process No. 50572518320174047100 was concluded, once the connection was recognized.

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**NOTE 04 – FIX ASSETS**

Fix assets are accounted for by the cost of acquisition or construction, deducted from depreciation or amortization of the period, in which it is calculated according to the useful life of the well, expected physical wear and Obsolescence Technology, originating like this The accounting net value. The movement of the Fix assets in the year 2019 are demonstrated in the following table, with reference to additions, lows, depreciations and amortizations, valuations and devaluations.

**a) Fix assets - resource without restrictions**

Accounting item	Depreciation Rates %	Balance on 12/31/2018 (BRL)	additions (BRL)	Balance on 12/31/2019 (BRL)	Depreciation of the year 2019	Residual balance on 12/31/2019 (BRL)
Estate	4,00%	2.118.704	-	2.118.704	-445.110	1.673.594
Facilities	De 5,50 % a 6,53%	121.238	5.593	126.831	-62.592	64.239
Computers	De 7,19 % a 15,83%	107.820	33.953	141.773	-85.312	56.461
Furniture and utensils	De 0,45% a 11,56%	238.141	73.590	311.731	-139.018	172.713
Software	De 1,59% a 18,49%	127.093	26.083	153.176	-125.189	27.987
<b>TOTAL</b>		<b>2.712.996</b>	<b>139.219</b>	<b>2.852.215</b>	<b>-857.221</b>	<b>1.994.994</b>

**b) Fix assets - resource with restrictions**

Accounting item	Balance on 12/31/2018 (BRL)	Acquisition and Transfer	Donation and Transfer	Balance on 12/31/2019 (BRL)
Works and installations	482.218	-	-	482.218
installations	354.003	13.291	-	367.294
Machines and equipment	7.693.703	360.459	-346.795	7.707.367
Computers	1.132.858	84.906	-117.107	1.100.657
Surgical devices	5.690	-	-	5.690
National equipment and materials	117.170	-	-1	117.169
Imported equipment and materials	4.051.880	-	-	4.051.880
Furniture and utensils	1.468.694	61.048	-148.192	1.381.550
Software	205.773	7548	-	213.321
(-) Provision for donation of goods - HCPA	-1.235.632	238379	-99061	-1.096.314
(-) Provision for the donation of goods - UFRGS	-225.589	205754	-139734	-159.569
(-) Provision for the donation of goods	-51.400	-	-8352	-59.752
<b>TOTAL</b>	<b>13.999.368</b>	<b>971.385</b>	<b>-859.242</b>	<b>14.111.511</b>

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**NOTE 05 – LONG TERM DEBITS****5a - Resource without restrictions**

The amounts represented are recorded in accordance with Federal Accounting Council Resolution No. 1,305 / 10 (NBC TG 07-R2) and Resolution No. 1,409 / 2012, which approved ITG 2002-R1. Such revenue arises from the donation of property in 2017, received from the project, to the Medical Foundation, and will be recognized as revenue to the extent of the recognition of the value of its depreciation;

<b>Composition</b>	<b>12/31/2019</b>	<b>12/31/2018</b>
Fixed Asset	(1.948.000)	(1.948.000)
Deferred revenue - Depreciation	445.110	360.362
<b>Total</b>	<b>(1.502.890)</b>	<b>(1.587.638)</b>

**5b – Resource with restrictions**

The composition of the Long-Term Liabilities group on appeal with restriction contained, on 12/31/2018, amounts from judicial deposits - part of which were partially and fully converted into income for its holders during 2019.

According to CFC Resolution No. 1409/12 (ITG 2002 - R1) in item 27 letter "e", in 2019 the resources to be realized for the restricted application and the liabilities arising from such resources had a balance of R \$ 36,623,046 (R \$ 78,224,922 as of 12/31/2018) in which they refer to project resources available for execution.

<b>Description</b>	<b>12/31/2019</b>	<b>12/31/2018</b>
Projects to Execute	35.626.286	86.375.720
Earned revenue	(1.147.607)	(52.024.105)
Funds to be exercised	2.060.365	2.271.431
<b>Total</b>	<b>36.539.044</b>	<b>36.623.046</b>



**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL****CNPJ nº 94.391.901/0001-03**

Explanatory notes from the financial statements

Ended on December 31, 2019 and 2018

Value in Reais – BRL R\$ 1,00

(A free translation of the original in Portuguese)

**NOTE 06 – NET WORTH**

The net worth is presented at restated amounts and comprises the social patrimony, plus the Capital Reserves and the Accumulated Superavit in the total amount of R\$ 28.466.225 (R\$27.443.649 in 12/31/2018). The consolidated superavit for the year was R \$ 1,022,576 (R \$ 1,618,302 on 12/31/2018).

**NOTE 7 – REVENUES (CFC RESOLUTION NO. 1.412/2012)**

In attendance the CPC 47 – Customer Contract Revenue, which approves the NBC TG 47, the Revenue (resource sources) of the entity arising from the purposes and sustainable activities as art. 3º of the social status, they also follow the same criterion, that is, recognized when it is probable that the economic benefits associated with the transaction will flow to the entity. The amounts relating to each significant (relevant) revenue category recognized during the period are shown below:

**7a - Resources Without restrictions**

<b>Abertura</b>	<b>12/31/2019</b>	<b>12/31/2018</b>
(+)Revenue from Support Funds	2.231.700	1.986.858
(+)Member Contribution Revenue	1.434.747	1.409.477
(+) Revenue from Contracts and Sponsorships	623.987	504.853
(+) Revenue Donations and Internal transfers	1.469	15.225
(+) Revenues from HCPA onlending	382.566	367.837
(+) Financial Income	597.876	534.841
<b>Total</b>	<b>5.272.345</b>	<b>4.819.091</b>

**7b – Resources With restrictions**

<b>Abertura</b>	<b>12/31/2019</b>	<b>12/31/2018</b>
(+)Revenue from Support Funds	2.683.522	1.675.815
(+)Revenue from Contracts and Sponsorships	30.507.100	25.236.393
(+) Revenue from Selective Processes	1.135.391	-
(+) Revenue from Events and Courses	2.635.801	3.442.021
(+) Revenue from Donations and Internal Transfers	-	5.742.186
(+) Financial Income	817.257	875.110
(+) Other Revenue	125.760	164.197
<b>Total</b>	<b>37.904.830</b>	<b>37.135.722</b>

**FUNDAÇÃO MÉDICA DO RIO GRANDE DO SUL****CNPJ nº 94.391.901/0001-03**

Explanatory notes from the financial statements

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**NOTE 08 - DONATION WITH RESTRICTION OR BINDING**

Eventually, the entity receives and carries out donations and/or contributions from individuals and/or legal persons, provided for in its bylaws, article 3 § VII and in accordance with Resolution CFC No. 1409/12, which approved the ITG 2002 – R1. The medical Foundation also controls the assets that have had terms of transfer of use but wait for the approval of the accountability of the institution publishes financing for low by donation. Such values are composed as follows:

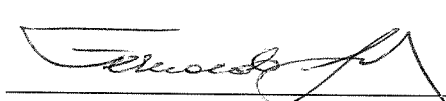
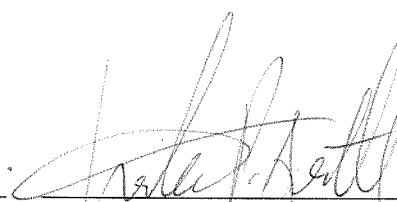
**PROJECT GOODS DONATIONS MOVEMENT 2019**

Entities	12/31/2019	12/31/2018
Hospital of clinics of Porto Alegre	247.766	362.462
Federal University of Rio Grande do Sul	198.195	254.407
<b>TOTAL</b>	<b>445.961</b>	<b>616.869</b>

**NOTE 09 – INSURANCE COVERAGE**

The entity considers sufficient the level of insurance coverage contracted to deal with any claims in view of the nature of the assets and inherent risks, in accordance with the following table:

Description	Insurance coverage (BRL)
Property Insurance	547.000
Civil Liability Insurance	10.000.000

	
Fernando Grilo Gomes	Leonardo Pereira Agostta
CPF: 080.372.800-04	CPF: 694.168.420-87
Chairman	Accountant - CRC 071696-O

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