Office of the State Controller

OFFICIAL MEMORANDUM

To: Chief Fiscal Officers, Vice Chancellors, and Business Managers

From: Dr. Linda Combs, State Controller

Date: November 3, 2020

Subject: 2020 OSC Virtual Financial Conference

I am pleased to announce that on December 15 and 16, 2020, the Office of the State Controller will hold its annual Financial Conference for Chief Fiscal Officers and agency designated representatives. In respect for everyone's safety and the importance of social distancing, this conference will be presented virtually rather than in person. This virtual conference will include topics such as the economic outlook for the State and nation, State Budget updates, State Controller updates, cybersecurity, proposed changes in governmental accounting, communications, and professional development.

In addition, the recipients of the State Controller's Fiscal Integrity Award and the Internal Audit Award of Excellence will be announced during the conference. Attendance will qualify for up to eight hours of CPE credit. The course description is attached for your review. Instructor biographies are available on OSC's website.

The registration fee is **$40 per attendee**. To register for this conference, visit the Office of the State Controller's website. Please register as soon as possible as the **registration deadline is Tuesday, December 8, 2020. Payments must be made on or before this date.** After this date, no requests for refunds will be considered. Please refer to OSC's registration policies for more information regarding refunds, cancellations, or complaints.

Payment can be made by credit card or electronic transfer in the Cash Management Control System (CMCS) to the **Office of the State Controller**. Agencies should register attendees individually (with separate email addresses). Agencies using CMCS can submit one payment to cover all registration fees if all necessary notations have been made.

If you are paying by electronic transfer, please follow the instructions below:
- **NCAS agencies:** Use IGO vendor number 561611588-03. For the cash management transfer, in the description or remit message line, you must include the following for proper processing: attendee full name; reference 2020 OSC Financial Conference.
- **Non-NCAS agencies paying through CMCS:** Use department code 4161 for payment. In the description or remit message line, you must include the following for proper processing: attendee full name; reference 2020 OSC Financial Conference.

If you have questions, please contact Jan Prevo at jan.prevo@osc.nc.gov or 919-707-0714. We look forward to your participation in the conference and thank you for your service to our State.

Attachment
SA 21-16

2020 OSC Virtual Financial Conference
Continuing Professional Education
North Carolina Office of the State Controller

Dates:	December 15, 2020 December 16, 2020 8:10 a.m. to 12:00 p.m. each day
Location:	Web-based Virtual Conference
Learning Objectives:	To gain an understanding of recent topics of interest including the State and national economic outlook, State Budget updates, State Controller updates, cybersecurity, proposed changes in governmental accounting, communications, and professional development.

Content:

December 15, 2020
- Professional Development – Leadership
- GASB Exposure Draft, *Financial Reporting Model Improvements*
- GASB Preliminary Views, *Revenue and Expense Recognition*
- State Controller Updates – Financial Backbone Replacement Project
- State Budget Updates

December 16, 2020
- Cybersecurity
- Economic Update
- Thriving in a Virtual Environment

Instructors:

Dr. Patrick Sweeney – Wake Forest University
Sharon Edmundson – Department of State Treasurer
Clayton Darnell – Office of the State Controller
David Lloyd – Office of the State Controller
Charlie Perusse – State Budget Director
Dr. Shannon Tufts – University of North Carolina at Chapel Hill
Dr. Michael Walden – N.C. State University
Dr. Holly Sullenger – Dr. Holly Speaks LLC

CPE Credit Offered:	Up to eight hours
Fields of Study:	Accounting – Governmental, Personal Development, Behavioral Ethics, Information Technology, Finance, Economics, and Communications and Marketing
Materials:	Available in advance on the OSC website
Instructional Delivery Method:	Group internet based
Prerequisites:	Must be employed by a State agency or institution that is part of the State financial reporting entity (i.e., an entity included in the State's Comprehensive Annual Financial Report)
Advance Preparation:	None
Level:	Basic

AGENDA
OSC Financial Conference
December 15 - 16, 2020

December 15, 2020

8:10 – 8:15	Call to Order – Michael Euliss, Office of the State Controller, Communications/Government Relations/Training Director	
8:15 – 8:25	Opening Remarks – Dr. Linda Combs, State Controller	
8:25 – 9:55	Trust: The Cornerstone of Leadership – Dr. Patrick Sweeney, Wake Forest University	
9:55 – 10:10	Break	
10:10 – 10:20	Internal Audit Award of Excellence Presentation	
	Fiscal Integrity Award Presentation	
10:20 – 11:10	Proposed Changes in Governmental GAAP – Sharon Edmundson, Department of State Treasurer	
11:10 – 11:20	Break	
11:20 – 11:40	Financial Backbone Replacement Project – David Lloyd, OSC FBR Program Director and Clayton Darnell, OSC FBR Program Business Lead	
11:40 – 12:00	State Budget Update – Charlie Perusse, State Budget Director	
	Closing Remarks – Michael Euliss, Office of the State Controller	

December 16, 2020

8:10 – 8:15	Call to Order – Michael Euliss, Office of the State Controller	
8:15 – 9:55	Cybersecurity is For Everyone: Protecting Your Information and Securing Your Operations – Dr. Shannon Tufts, University of North Carolina at Chapel Hill	
9:55 – 10:10	Break	
10:10 – 11:00	Economic Update – Dr. Michael Walden, N.C. State University	
11:00 – 11:10	Break	
11:10 – 12:00	Thriving in a Virtual Environment – Dr. Holly Sullenger, Dr. Holly Speaks LLC	
	Closing Remarks – Michael Euliss, Office of the State Controller	

Clayton Darnell is the Business Lead for the NC Financial Backbone Replacement (FBR) project that will replace the North Carolina Accounting System (NCAS) and Cash Management Control System (CMCS) legacy statewide financial applications. Clayton has served the Office of the State Controller (OSC) since 2007, providing functional system support for NCAS and CMCS before joining the FBR project team in 2017. Prior to coming to OSC, Clayton worked nine years in accounting and financial system implementation and support roles for Sprint and H&R Block.

Clayton has a BS degree in Business Administration with an Accounting Emphasis from the University of Nebraska-Lincoln.

A graduate of Syracuse University, David began his career as an auditor and consultant with Arthur Andersen & Co. In 1995 David joined Computer Sciences Corporation to support a major re-engineering effort at Massachusetts Institute of Technology. David spent the next fifteen years at Computer Sciences Corporation and then at Accenture serving global clients developing international business systems strategies, including GMAC/Ally Bank, Volvo Financial Services, Daimler-Chrysler Financial Services, Farmers Insurance, Duke Energy, and General Electric. Since 2009 David has been an independent consultant providing transformation program leadership to clients such as GMAC/Ally Bank, Mead Johnson Nutrition, Standard Register, and General Dynamics. David has served North Carolina as OSC ERP Program Director since the fall of 2016.

Financial Backbone Replacement (FBR) Project Update

2020 NC Office of the State Controller Financial Conference

December 15, 2020

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1

1

Polling Question

- How aware are you of the FBR project?
  - Very aware
  - Aware
  - Somewhat aware
  - Not aware

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2

Agenda

- Introducing NCFS
- Project Update
- NCFS Cash Management
- Release 1 Training Overview
- Stakeholder Engagement

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3

Introduction to NCFS

- The Financial Backbone Replacement Project (FBR) is an initiative of the Office of the State Controller to replace the State's current financial systems, the North Carolina Accounting System (NCAS) and the Cash Management Control System (CMCS).

- The FBR project is vital. NCAS and CMCS present existential risks to the financial operations of the State as they age, go out of support, and as the personnel who support them retire.

- The State is replacing NCAS and CMCS with the North Carolina Financial System (NCFS)

- NCFS is powered by the Oracle Cloud Financials new industry leading technology that will change how financial and accounting tasks are performed, managed and completed within State Agencies.

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4

4

Introduction to NCFS

- To reduce risks and lessen impacts to the Agencies, the FBR Team is using a phased release plan; deploying NCFS in three releases rather than all at once. Today's update will focus on Release 1.
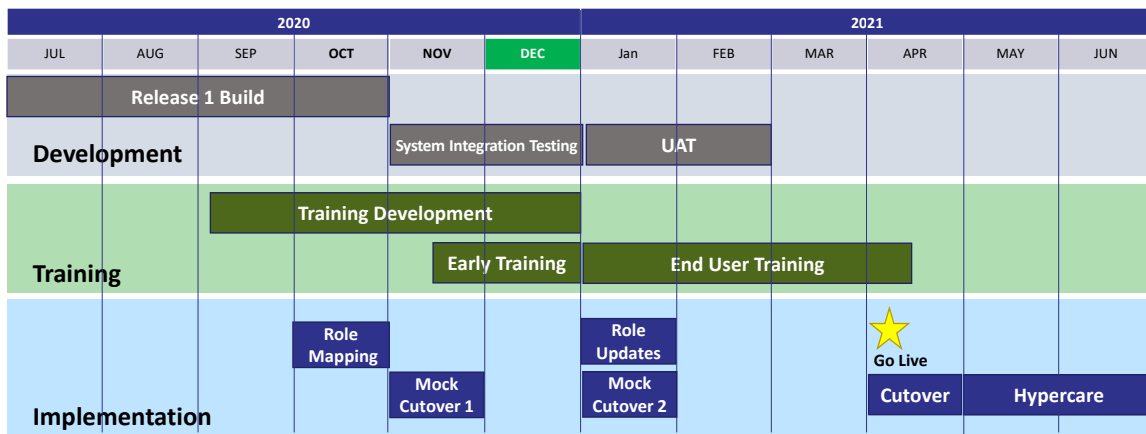
CMCS

Release 1 (April 2021)

NCAS

Future Release 3

5

5

Project Update

6

6

FBR Release 1 Implementation Timeline

2020						2021					
JUL	AUG	SEP	OCT	NOV	DEC	Jan	FEB	MAR	APR	MAY	JUN

Development

Release 1 Build

System Integration Testing — UAT

Training

Training Development

Early Training — End User Training

Implementation

Role Mapping

Mock Cutover 1

Role Updates

Mock Cutover 2

Go Live — Cutover — Hypercare

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7

Project Update – Work Completed

- Completed Sprints 0 through 3
  - Sprint 3 concludes the Build Phase for Release 1
  - 18 interfaces, 4 conversions, 30+ reports for Release 1
  - Completed two mock conversions and one mock cut-over for Release 1
- Defined Release 1 user access roles - ~1,400 user role mappings received
- Re-engaged SMEs to support training, testing, and begin transition to Superuser
- Completed Release 1 System Integration Test (SIT) Cycle 1 – SIT Cycle 2 concludes on 1/13/21

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Project Update – Upcoming

- Dec-Jan: Complete System Integration Test – FBR team
- Jan-Feb: User Acceptance Test – FBR team and SMEs
- Release 1 Focus
  - Covid-19 has elevated the risk profile of Release 1
  - Translating CMCS into NCFS has been every bit as challenging as we thought it might be
  - Thank you for your engagement and support. We need your continued help to be successful

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9

9

NCFS Cash Management

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NCFS Cash Management – Transactional

Cash Management transactions entered in CMCS today will be done in NCFS using standard Oracle Cloud Financials General Ledger functionality

CMCS Deposit ➡ NCFS GL Journal Entry

CMCS Requisition ➡ NCFS GL Journal Entry

CMCS Transfer ➡ NCFS Intercompany Transaction

- All NCFS GL transactions will result in a balanced journal entry
  - Journal entries will require Agency, Budget Fund, GL Account
  - Debits must equal Credits – a Cash Clearing account will be used for the offset

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NCFS Cash Management – Reporting

Custom BI reports have been developed for the NCFS user organizations use to identify budget code balances, list detail transaction, and pre-empt errors with exception reports.

- Budget Code Balance Reports:
  - General Fund Cash Balance Report – YTD budgetary information as well as YTD revenues and expenditures with a calculated cash balance for the reverting general fund budget codes.
  - Budget Code Balance by Type Report – Beginning cash balance with YTD revenues and expenditure with a calculated ending cash balance.
  - Capital Improvement Funds Availability Report – LTD budgetary information, revenues, expenditures, with allotment balances and cash availability.

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NCFS Cash Management – Reporting (continued)

- Transaction Reports:
  - Deposit Report – Lists detailed deposits with bank account, deposit amount, dates, journal batch source & category, and approval status.
  - Daily Disbursements (Requisition) Report – Lists detailed requisitions with disbursement account, amounts disbursed, dates, journal batch source & category, and batch approval status.
  - Daily Transfers Report – Lists transfers out/in by budget code with amounts, dates, journal batch source, and "Batch Reference" notations for batch reversals. There are three tabs in this report:
    - Summary for posted transfers – by budget code type
    - Unposted transfer details
    - Posted transfer details

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NCFS Cash Management – Reporting (continued)

- Daily Cash Transaction Detail Report – Provides a listing of every general ledger entry posted to a cash account by budget code with transaction type data, journal category, date, and journal.

- Exception Reports:
  - Cash Availability Report – Calculates the ending cash balance for budget codes that have pending transfers and disbursements (requisitions.) The status of the cash balance displays (sufficient vs. insufficient) by budget code.
  - Negative Budget Code Report – Lists all budget codes that have a negative cash balance after all transactions have posted.
  - Internal Transfers Exception Report – Lists all internal (within agency) transfers that have inappropriate transfer types or blank transfer types.

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14

*This is the initial list of reports developed for agency users of the Oracle Cash Ledger for Release 1.

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Getting Ready for Release 1

15

Preparing our Users

- NCFS User Organization project teams
- Training
- Communications and Learning

16

NCFS User Organization Preparations

- Just as we needed broad-based input for our shared FSV and Design, we need help from agencies, universities, and boards and commissions to realize that vision and those designs.

- Comprised of internal resources from each organization, members of the FBR Support Team are responsible for specific project-related activities.

- To give that work a structure we've worked with each organization to define the work and the roles needed and assign people to fill those roles to do that work.

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17

Support Team Roles and Responsibilities

Financial Leadership
- Stay informed
- Maintain accountability

Project Coordinator
- Primary point of contact
- Communications
- Monitor and escalate

Change Agent
- Role Mapping
- Change Impacts
- Readiness

Technical Agent
- Technical Readiness
- Testing
- Interfaces

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18

Support Team Roles and Responsibilities

Training Agent
- Student Preparation
- Student Registration

Subject Matter Expert (SME)
- User Acceptance Testing
- Training Classroom Support
- Cut-Over Activities

Security Admin
- Requestor of security roles
- Security access issues
- Sustainment

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19

Continuous Preparation

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		Nov				Dec				Jan					Feb				Mar				Apr	
		6	13	20	27	4	11	18	25	1	8	15	22	29	5	12	19	26	5	12	19	26	2	9
Project Milestones	R1 Role Mapping										role map edits													
	Budgt Fund Clean-Up completion							12/17																
	R1 UAT (User Acceptance Testing)											UAT												
	Prerequites Training (dates TBD)					online training (FANs)																		
	Train The Trainer (dates TBD)											Train the Trainer (TBD)												
	End User Training (dates TBD)																			End User Training				
	R1 Go Live (4/5)																						Go Live	4/5
Stakeholder Engagement	FBR APC Meetings						12/10																	
	FBR UPC Meetings																							
	FBR Change Agent Meetings					12/1		12/17																
	FBR Training Agent Meetings							12/16			1/6		1/20		2/3		2/17		3/3		3/17			
	FBR SME Engagement Meetings					12/2																		
	FBR End User Information Sessions			11/16							1/6													
	Agency Touchpoints																							
	Change Readiness Survey												1/28											
	Change Impact Planning @ agencies				Change Impact Planning						Agency/University Readiness													
	NCFS Noon Time Knowledge																							

last update 11/30

TBD: actual dates to be determined

20

Polling Question

- Do you know who the support team is for your organization?
  - Yes, I know who all of them are
  - Yes, I know who some of them are
  - No, I don't know who any of them are
  - My organization will not be using NCFS
  - Not applicable

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21

21

Release 1 Curriculum

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Micro Learning (FAN)	Web-Based Training (WBT)	Virtual Instructor-Led Training (VILT)	Quick Reference Guides (QRG)
November - January	January - February	March	March
• **FAN100** – Financial Accounting System Basics • **FAN101** – General Ledger and Sub-Ledger • **FAN102** – Cash vs. Accrual • **FAN103**- Assets and Liabilities • **FAN104** – Balance Sheet • **FAN105** – Revenues and Expenditures • **FAN106** – Operating/Income Statement • **FAN107** – Budget • **FAN108** – Receipts and Disbursements • **FAN109** – Chart of Accounts	• **GEN101** – Overview of NCFS • **GEN102** – Navigation of NCFS • **GEN103**- NCFS Common Features • **GEN104a** – Introduction to North Carolina Chart of Accounts • **GEN105:** NCFS Reporting *The courses below will be delivered as WBT in March:* • **BU100a** – Budget Setup and Management • **BU101a** – Introduction to Budget Management	• **VILT100** – Introduction to VILT Learning • **GL100a** – Journal Entry • **GL101a** – Journal Approval • **IC100a** – Transfer Creation • **IC101a** - Transfer Approval	• Basic Navigation • Budget Management • Create JE • Create banks, branches, bank accounts • Create inbound and outbound transactions in intercompany module • Perform auto/manual reconciliation • How to run a BIP Report • OTBI Report and Dashboard Creation • EPRCS Reporting • BI Publisher Report Creation • SmartView Overview • SmartView Reporting

22

22

End User Training Timeline

November	December	January	February	March	April

Financial Accounting Nuggets (FAN)

1-2 modules released weekly covering NCFS terms, definitions, and application

WBT Pre-Requisites

Up to 5 courses, based on job role

Intro to VILT

2 - hour session

Virtual Instructor Led Training

Job-specific training

Go Live

Refresher Training
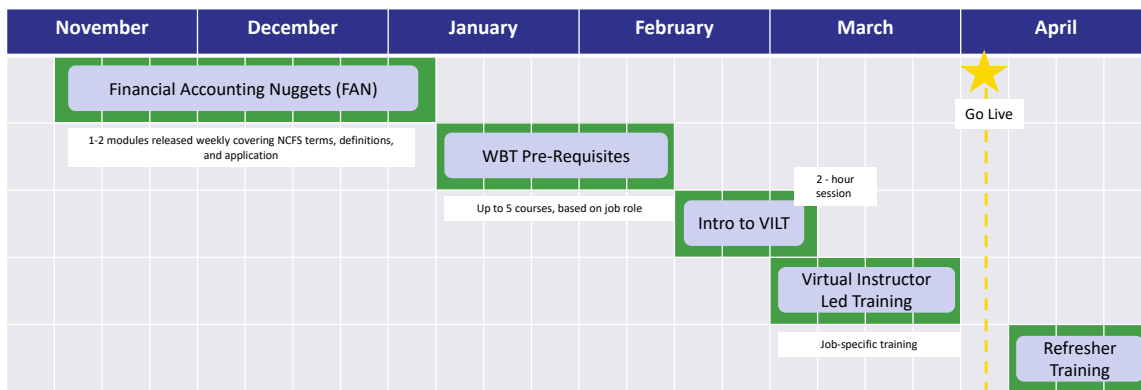
Sessions based on where we see users experiencing problems

23

23

NCFS SharePoint Site
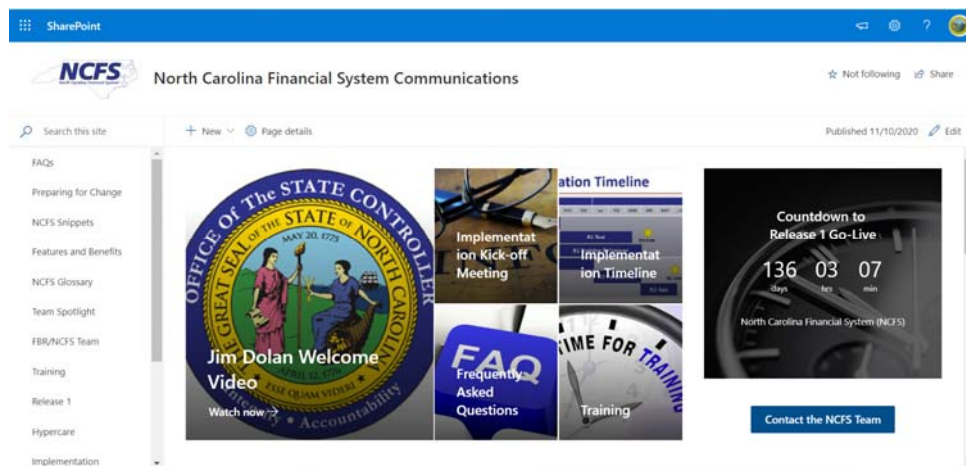
Click the image to access the NCFS SharePoint Site

24

24

The NCFS SharePoint site is where you can find the most up-to-date information on FBR and NCFS *(click the image to view)*

- Want to see NCFS in action? Check out the NCFS Snippets:

- Looking for some quick answers? Check out our project FAQs:
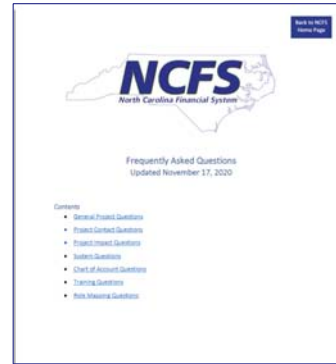
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25

25

The NCFS SharePoint site is where you can find the most up-to-date information on FBR and NCFS *(click the image to view)*

- Need to contact a Training Agent or Change Agent? We have them listed:

- Miss a newsletter? We have them in out Newsletter Archive:

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26

26

The NCFS SharePoint site is where you can find the most up-to-date information on FBR and NCFS *(click the image to view)*

- Want view the timeline for the current release? Check out the Release 1 Implementation timeline.

FBR Release 1 Implementation Timeline

- Not sure what the upcoming release will bring? Check out the Release 1 Change Impacts.

NCFS Release 1 Change Impacts #1

NCFS Release 1 Change Impact Highlights
November 1, 2020

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27
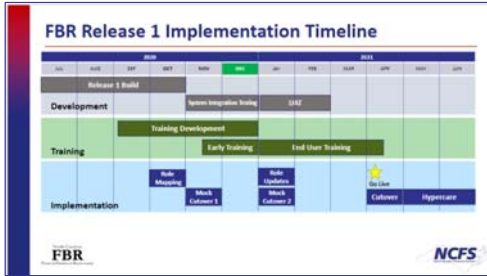
Sharon Edmundson, MPA, CPA

Currently a Deputy Treasurer and the Director of the State and Local Government Finance Division of the North Carolina Department of State Treasurer. She previously served as Director of the Fiscal Management section, and as an assistant director and staff member prior to that. Her other work experience includes ten years in public accounting and four years as an internal auditor. She also currently serves as adjunct faculty at the School of Government at the University of North Carolina at Chapel Hill.

Sharon received her BS in Business Administration with a concentration in accounting from the University of North Carolina at Chapel Hill, and a Master's in Public Administration at North Carolina State University. She is currently pursuing a Doctorate in Public Administration at Valdosta State University. She is a member of the Governmental Accounting and Auditing Committee of the North Carolina Association of Certified Public Accountants and was twice awarded the Outstanding Member in Government Award. Sharon also serves on the AICPA State and Local Government Expert Panel, and the Women in Public Finance Committee of the Government Finance Officers Association. Sharon is a graduate of Leadership North Carolina, Class XXII, and currently serves as the Treasurer for the Raleigh/Wake Partnership to End Homelessness.

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION

Proposed Changes in Government GAAP

Sharon Edmundson, MPA, CPA
Deputy Treasurer

1

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State and Local Government Finance Division

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Agenda:

- Financial Reporting Model Improvements – Exposure Draft
  - Basic concepts
  - Effects on various segments of financial reporting
  - Expected implementation timeframe
- Revenue and Expense Recognition – Preliminary Views
  - Basic concepts
  - Effects on types of revenues and expenses
  - Expected implementation timeframe

2

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GASB Projects

PROJECT	STATUS	COMMENTS DUE	FINAL DOCUMENT
Update on Implementation Guidance	ED	2/15/2021	2ND Q 2021
Financial Reporting Model	ED	2/26/2021	2ND Q 2022
Recognition of Elements of Financial Statements	ED	2/26/2021	2ND Q 2022
Revenue and Expense Recognition	PV	2/26/2021	ED 2ND Q 2023

3

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Financial Reporting Model Improvements

- Changing to a theory-based model
- Encompasses review of MD&A, government-wide statements, major funds, governmental/proprietary/fiduciary funds, and budgetary considerations

4

Financial Reporting Model Improvements

MD&A

- Primary goal is to reduce boilerplate language and make a more meaningful document
- Focus on analysis of why things change from year to year
- Eliminate some of repetition
- Consolidated into 5 sections

5

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Financial Reporting Model Improvements

Five Sections

- Introduction
- Financial Summary
- Detailed analysis
- Significant capital and long-term debt activity
- Currently known facts, decisions, and/or conditions that will have a significant impact on the entity's financial position or cause significant differences from the current period financial results

6

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Financial Reporting Model Improvements

Change in terminology and classification

- No more special or extraordinary items
- Single category of unusual or infrequent in occurrence (can be both)
  - Management input or involvement no longer relevant

7

POLLING QUESTION #1

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Financial Reporting Model Improvements

Governmental Fund Reporting

- Moving to a short-term financial resources measurement focus and accrual basis of accounting in lieu of modified accrual
- New titles for statements
  - Short-term financial resources balance sheet
  - Statement of short-term financial resource flows

9

Financial Reporting Model Improvements

What is reported?

- Inflows and outflows of short-term financial resources
- All short-term financial assets
- Deferred outflows of resources
- Liabilities
- Deferred inflows of resources
- Fund balance

10

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Financial Reporting Model Improvements

- Recognize short-term transactions and other events as they occur
    - Duration from inception to conclusion is one year or less
- Recognize long-term transactions and other events when they are due
    - Duration from inception to conclusion is greater than one year
- Transactions – external events between the entity and another entity requiring action by one or more party and have financial consequences for the government
    - First occurs when one party takes an action that results in the recognition of an asset or liability

11

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Financial Reporting Model Improvements

- Other events – internal transactions and other events that don't meet the definition of a transaction
- Once classification is determined, it does not change regardless of any changes in the transaction

12

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Financial Reporting Model Improvements

Recognition of Assets and Liabilities

- Assets are those that result from short-term transactions and other events
  - Includes inventory and pre-paids
  - Investments are reported as assets consistent with the definition of financial assets
- Assets arising from long-term transactions and other events are recognized when payments are due

13

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Financial Reporting Model Improvements

- Liabilities
  - Those that arise from short-term transactions and other events
  - Long-term debt issued for short-term purposes
    - Tax anticipation notes with maturities beyond one year
    - Revenue anticipation notes with maturities beyond one year
  - Liabilities from long-term transaction and other events are recognized as they come due

14

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Financial Reporting Model Improvements

Inflows and Outflows of Resources

- Inflows recognized
    - Short-term transactions and other events as they occur
    - Long-term transactions and other events as they are due except for long-term debt issued for short-term purposes
    - Also includes on-behalf payments for fringes and salaries
    - Also includes direct vendor financings

15

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Financial Reporting Model Improvements

- Outflows recognized
    - Short-term transactions and other events as they occur
    - Long-term transactions and other events as they come due
    - Long-term debt for short-term purposes is recognized as short-term
    - Includes on-behalf payments for fringes and salaries
    - Includes outflows associated with direct vendor financings

16

Financial Reporting Model Improvements

- Deferred Inflows and Outflows
  - Recognized for both short and long-term transactions and other events when the flow of resources is applicable to a future reporting period
  - Continue to be restricted to those instances identified in GASB Statements
  - Taxes collected or recorded as receivables that are applicable to a future period are deferred inflows

17

POLLING QUESTION #2

18

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Financial Reporting Model Improvements

Proprietary Fund Reporting

- No change in measurement focus or basis of accounting
- Will report non-operating revenues and expenses somewhat differently

19

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Financial Reporting Model Improvements

Definitions

- Operating revenues and expenses are those other than non-operating revenues and expenses
- Non-operating revenues and expenses
  - Subsidies provided and received
  - Revenues and expenses related to financings
  - Resources from the disposal of capital assets and inventory
  - Investment income and expenses
  - Subsidies are resources received from or provided to another party or fund to keep rates lower or keep rates higher than is necessary to support operations

20

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

State and Local Government Finance Division

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

Financial Reporting Model Improvements

Exception

- If revenues and expenses that are typically considered non-operating constitute the main operations of a proprietary fund then they are considered operating
- Example – fund that provides funding for first-time homeowners

21

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State and Local Government Finance Division

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Financial Reporting Model Improvements

Budgetary Reporting

- All RSI with no option to include in basic financial statements
- No longer subject to auditors' opinion
- Will report variances between original and final budget and variance between final budget and actual
- Analysis of significant variances will be in the notes to RSI
- Analysis should include any known reasons for those variances that are expected to have a significant effect on fund balance or produce results significantly different from current period

22

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Financial Reporting Model Improvements

Potential Implementation Timeline
- Two-tier phased-in approach with thresholds determined by FYE 6/30/23 (NC) – first fiscal year beginning after 6/15/22
  - $75 million or more in revenue for governmental and enterprise funds less any revenue from special and/or extraordinary items
    - Implement FYE 6/30/25
  - $75 million or less in revenue for governmental and enterprise funds less any revenue from special and/or extraordinary items
    - Implement FYE 6/30/26
- Fiduciary activities only governments will use additions instead of revenues

23

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Revenue and Expense Recognition

- Primarily focuses on measurement focus/basis of accounting for government-wide and enterprise funds
- Three components
  - Categorization
  - Recognition
  - Measurement

24

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Revenue and Expense Recognition

- Methodology for both revenue and expense recognition consists of four steps
- Revenue
  1. Does the government have an increase in net assets?
  2. Does the increase in net assets result in a related liability?
  3. Does the increase in net assets result in an inflow related to a future period?
  4. Recognize revenue

25

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Revenue and Expense Recognition

- Expenses
  1. Does the government have a decrease in net assets?
  2. Does the decrease in net assets result in a related asset?
  3. Does the decrease in net assets result in an outflow applicable to a future period?
  4. Recognize expense

26

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Revenue and Expense Recognition

Categorization Methodology

- Another four-step process
    1. Is there a binding arrangement?
    2. Is there mutual assent of the parties?
    3. Are there identifiable rights and obligations that are substantive?
    4. Are the rights and obligations interdependent?
- If no binding arrangement the transaction is out of scope of project

27

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Revenue and Expense Recognition

- If government believes that all four characteristics are present, transaction is a Category A transaction
- Any other transaction within the scope of the project is a Category B transaction
- Eliminate the exchange/non-exchange classification

28

14

State and Local Government Finance Division

Revenue and Expense Recognition

Binding arrangement
- Intended to include a wide variety of arrangements
- Can be oral, written, or implied by the government's practices
- Examples include grant agreements, contracts, MOUs, legislation, issuance of a legally-enforceable purchase order
- Other examples based on a government's practices include creation of a new utility account with a public utility or the purchase of a ticket for a public transportation system

29

State and Local Government Finance Division

Revenue and Expense Recognition

Other categorization considerations
- Determine at binding arrangement level, including binding arrangements with multiple transactions
- If the binding arrangement has both Category A and B transactions, then determine categorization at transaction level
- If term change in binding arrangement, reassess if rights or obligations have significantly changed
- Can use portfolio approach

30

State and Local Government Finance Division

Revenue and Expense Recognition

- Recognize transactions based on determination of Category A or Category B transactions
    - Category A will be those with a performance obligation
    - Composed of acquisitions coupled with sacrifices or sacrifices coupled with acquisitions that are interdependent

31

State and Local Government Finance Division

Revenue and Expense Recognition

- Category B transactions are
    - Acquisitions without sacrifices
    - Sacrifices without acquisitions
    - Acquisitions and sacrifices that are not interdependent
- Category B will be one of the following five: (1) derived revenue, (2) imposed revenue, (3) contractual binding arrangement, (4) general aid to governments, and (5) shared revenue

32

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Revenue and Expense Recognition

Category A Revenue Transactions
- Expenditure –drive grants
- Healthcare procedure
- Loan/grant – combination award from state to local government
- State lottery
- Summer camp
- Transit pass
- College tuition

PV has extensive discussion of the transaction details and how they reached the classification as Cat A for each transaction

33

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Revenue and Expense Recognition

Category B Revenue Transactions
- General state aid to school districts
- Passenger facility charge
- Pledge
- Professional license
- Property tax
- Purpose restricted grants and donations
- Special assessment
- State sales tax shared with counties
- Traffic ticket

Again, GASB has extensive discussions of each

34

Revenue and Expense Recognition

Category A Expense Transactions
- Expenditure drive grant
- Loan/grant combination
- Supplies expense
- Teacher salaries

35

Revenue and Expense Recognition

Category B Expense Transactions
- General state aid to school districts
- State sales tax shared with counties

36

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Revenue and Expense Recognition

- Comments due by February 26, 2021
- Public hearings Spring 2021
- Exposure Draft, second quarter, 2023
- Final standard, first quarter, 2025

37

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Revenue and Expense Recognition

GASB is offering several free webinars on the Revenue and Expense Recognition project – free CPE too!

https://gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176158838207

38

POLLING QUESTION #3

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39

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CONTACT INFORMATION

- SLGFD phone number 919-814-4300
- Email
  - Sharon.Edmundson@nctreasurer.com

40

41

Questions from OSC Virtual Financial Conference

1. Can it be both - On the MD&A improvement: Currently known facts vs cause significant differences from the current period Financial results?

   Yes – in two different ways. The MD&A in general is to be based on currently known facts which of course includes your financial statements. The analysis of those statements is the backbone of the MD&A. There is a new section that is required that will include a discussion of how currently known facts may cause significant differences going forward from the current period financial results.

2. When will we implement Gasb 96 Subscription Based Information Technology Arrangements? Early adoption is encouraged. This has a big impact because IT programs are all moving to the cloud. Our entity was told we could not adopt until the State did.

   OSC Answer: SBITA is effective for FY 2023. The State plans to implement in FY 2023 so entities that are part of the State's financial reporting entity and included in the State CAFR cannot implement GASB standards before the State implements. The financial statements, note disclosures, etc. presented in the State CAFR have to be consistent so all entities in the State CAFR have to implement the standard in the same fiscal year.

3. Will state appropriations to universities and other component units still be considered nonoperating revenue under the new model?

   Generally I think the answer to this is yes, but it may vary on a case by case basis. OSC may want to weigh in on how they expect to see these appropriations.

4. Will FY2024 have to be restated for the reporting model changes in order to have comparative statements?

   Yes if you choose to issue comparative statements.

Comments provided during OSC Virtual Financial Conference

1. I just wanted to say that Mrs. Edmundson checked all the boxes of a true leader as explained by Dr. Sweeney earlier. I thank her for her leadership and extraordinary work at the LGC.

Charles Perusse
State Budget Director
North Carolina Office of State Budget and Management

On January 1, 2017, Governor Roy Cooper appointed Charlie to his second stint as State Budget Director. Charlie, a 25-year state employee, returns to the Governor's Budget Office after serving six years as the Senior Vice President and Chief Operating Officer of the University of North Carolina System. In his earlier work with the Budget Office, he served as State Budget Director for three years and Deputy Director for six years. Charlie also spent eight years in the General Assembly's Fiscal Research Division, serving three years as budget coordinator for the House of Representatives.

Budget & Economic Outlook

1

We can't talk about the economy

…without talking about Coronavirus

2

Federal Coronavirus Aid in NC >$14 Billion

Four main federal relief laws…

1. Coronavirus Preparedness & Response Supplemental Appropriations Act
2. Families First Coronavirus Response Act
3. CARES Act
4. Paycheck Protection Program and Health Care Enhancement Act

…targeting these areas:

NC's Share of Federal Relief Funds by Category (in millions of dollars)
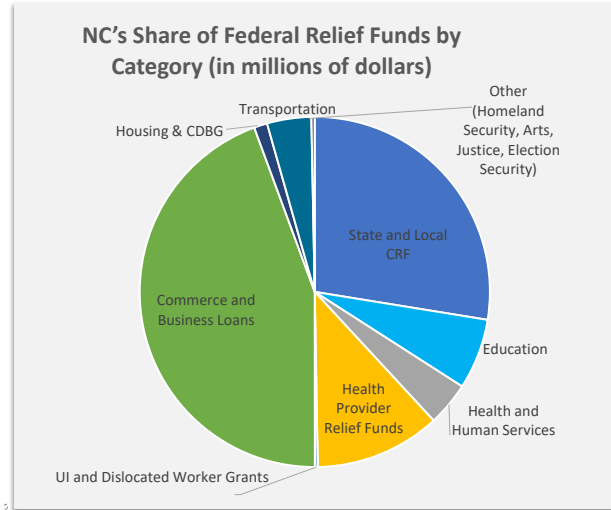
3

90% of NC's Coronavirus Relief Funds (CRF) Disbursed

CRF Funds Disbursed as of November 30, 2020
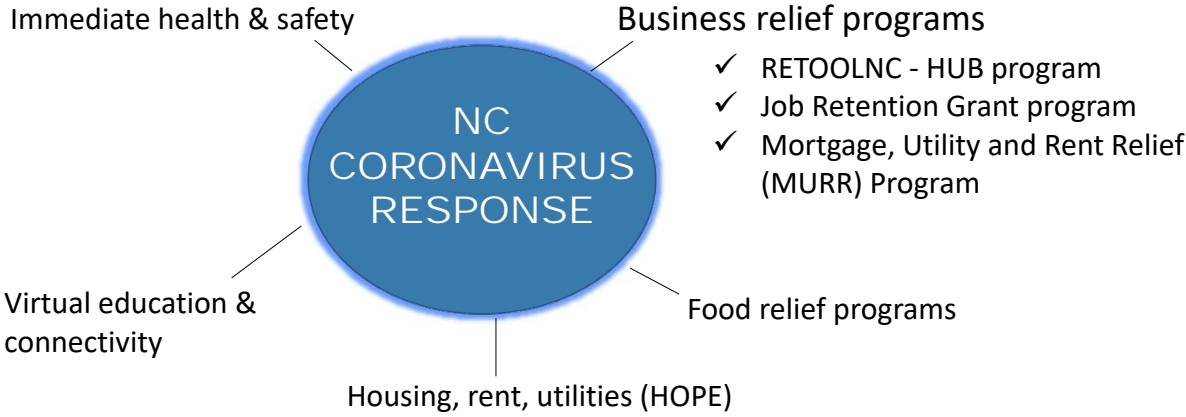
Recipient Type	Appropriated	Disbursed	Remaining to be Disbursed
Agencies (except education)	$1,671,006,530	$1,624,929,374	$46,077,156
Education	523,613,029	523,613,029	0
General Fund Offset for allowable expenditures	645,400,000	403,300,335	242,099,665
Non-profits	341,527,617	274,154,064	67,373,553
Hospitals	102,000,000	89,921,659	12,078,341
Counties	316,844,000	307,844,000	9,000,000
TOTALS	$3,600,391,176	$3,223,762,462	$376,628,714

NCPRO
NC Pandemic Recovery Office

4

CRF Program Highlights

Immediate health & safety

Business relief programs

- ✓ RETOOLNC - HUB program
- ✓ Job Retention Grant program
- ✓ Mortgage, Utility and Rent Relief (MURR) Program

NC CORONAVIRUS RESPONSE

Virtual education & connectivity

Food relief programs

Housing, rent, utilities (HOPE)

NCPRO
NC Pandemic Recovery Office

5

5

QUESTION

Coronavirus Relief Funds eligible expenses, according to the CARES Act

6

6

CRF Program Challenges

- Changing US Treasury reporting requirements
- Conflicting state law, federal guidance
- Real-time audits
- No governmental revenue replacement
- Hidden people in need
- Condensed timeline
- Uncertain future of funding

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NC Pandemic Recovery Office

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7

Employment in NC

- Unemployment trends downward since April/May peak
- NC's unemployment rate tracked below national average

Uncertainty ahead

Rising COVID-19 rates has led to rising unemployment in some U.S. locales

**United States/North Carolina Unemployment Rates
October 2019–October 2020**
(Seasonally Adjusted)

	Oct. 2019	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	March 2020	April 2020	May 2020	June 2020	July 2020	Aug. 2020	Sept. 2020	Oct. 2020
United States	3.6	3.5	3.5	3.6	3.5	4.4	14.7	13.3	11.1	10.2	8.4	7.9	6.9
North Carolina	3.7	3.6	3.6	3.6	3.6	4.3	12.9	12.8	7.5	8.5	6.5	7.2	6.3

Source: NC Department of Commerce Labor Market Conditions

8

8

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Employment Disparity in NC

- Job losses disproportionately affecting certain industries
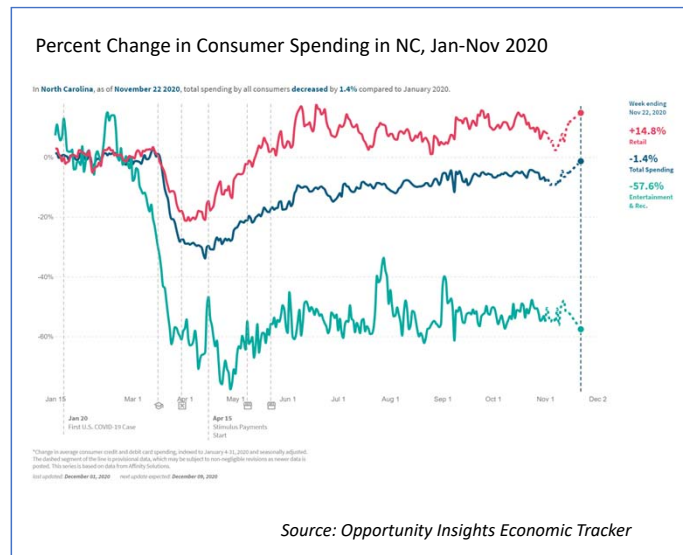
- Job recovery slower for lower income jobs

**Changes in Employment by NAICS Industries
October 2019 Compared to October 2020**
(Seasonally Adjusted)

Note: It is important to note that industry employment estimates are subject to large seasonal patterns. Seasonal adjustment factors are applied to the data. However, these factors may not be fully capturing the seasonal trend. Therefore, when interpreting the changes in industry employment, it is advisable to focus on over-the-year changes in both the seasonally adjusted and not seasonally adjusted series.

Source: NC Department of Commerce Labor Market Conditions

9

9

Consumer Spending Picture

- BEA: in Oct
  - Personal income ↓0.7%
  - Consumer spending ↑0.5%
  - Q3 GDP above expectations

- Spending shifted: online, consumables

- NC benefits from
  - nontaxable services → taxable goods
  - sales tax on online goods

- Inflation & interest rates low

Percent Change in Consumer Spending in NC, Jan-Nov 2020

Source: Opportunity Insights Economic Tracker

10

10

Reasons for Economic Optimism

Early signs of economic impact were dire but…

- Revenue not as bad as originally anticipated
  - Moody Analytics: state/local government shortfall estimate revised *down* by **$50 billion** (to $450 billion) through 2022
  - Through October, we estimate state revenue is:
    - ✓ **$1.4 billion** over target in May forecast
    - ✓ **More than $400 million** over last year excluding the tax shift

- Record number of new business applications: Secretary of State

- NC solid fiscal position entering crisis
  - All 3 bond rating agencies reaffirmed NC's AAA rating this fall

11

11
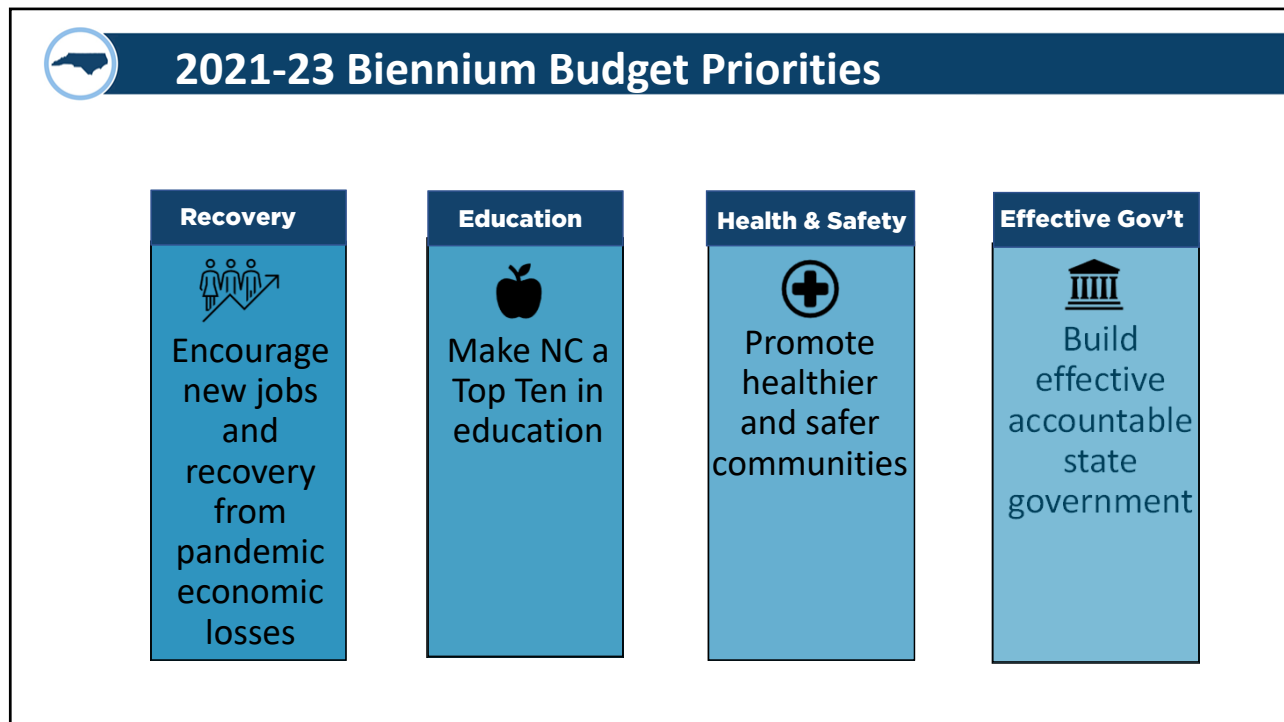
Uncertainty Prevails

- Pace of COVID-19 transmission & vaccine dissemination
  Jobs, consumer spending, production, state revenue all affected

- Consumer Sentiment Survey **76.9** in Nov—down **5** pts from Oct.
  Source: University of Michigan survey

- S&P Global predicting double-dip recession w/o new coronavirus relief bill

12
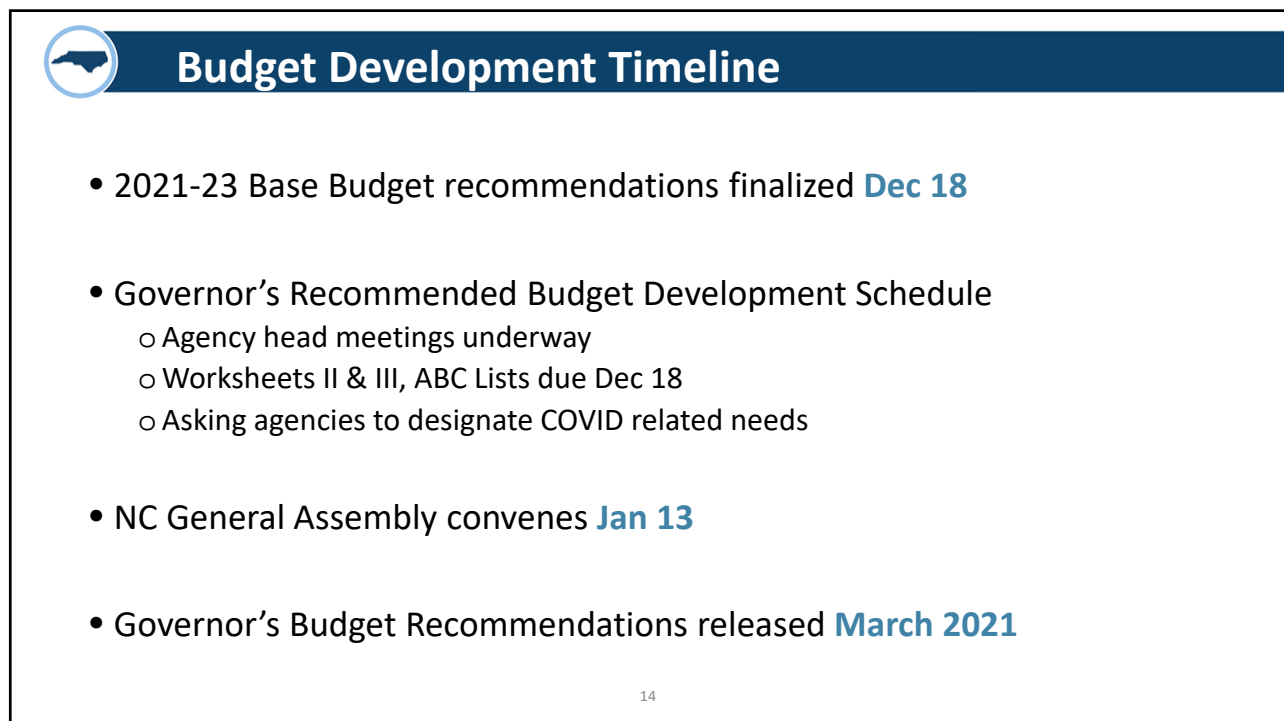
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2021-23 Biennium Budget Priorities

Recovery	Education	Health & Safety	Effective Gov't
Encourage new jobs and recovery from pandemic economic losses	Make NC a Top Ten in education	Promote healthier and safer communities	Build effective accountable state government

13

Budget Development Timeline

- 2021-23 Base Budget recommendations finalized **Dec 18**

- Governor's Recommended Budget Development Schedule
  - Agency head meetings underway
  - Worksheets II & III, ABC Lists due Dec 18
  - Asking agencies to designate COVID related needs

- NC General Assembly convenes **Jan 13**

- Governor's Budget Recommendations released **March 2021**

14

14

QUESTION

Biennial Budgeting across the US

15

15

Questions

Charlie Perusse

State Budget Director

Office of State Budget and Management

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16

16

Charlie Perusse – State Budget Director
State Budget Update

Question 1: Is OSBM addressing any of the State Auditors expectations vs NCPRO guidance?

Answer 1: In response to CARES Act funding, state governments across the country have had to develop ways to distribute, track, and oversee these funds to maximize benefits to their residents while also remaining in compliance with all applicable federal laws and regulations. The North Carolina Pandemic Recovery Office (NCPRO) was created to help fulfill that obligation for North Carolina. Since its inception in the late-spring of 2020, NCPRO has created numerous tools to support state and federal tracking and reporting requirements, including compliance with US Treasury Inspector General requests and audits.

NCPRO has provided ongoing technical assistance and guidance to state government agencies, local governments, nonprofits, and hospitals. We work to remain in compliance with state law and the federal requirements and guidance, while also assisting North Carolinians as they cope with the COVID-19 pandemic.

Question 2: As an economic impact, what is being done for connectivity for rural communities? The pandemic has put into sharp relief the disparity between urban and rural communities for internet connectivity, which hurts the rural community economically, as well as for educational issues for the children?

Answer 2: Expanding connectivity across the state of North Carolina has been a goal for state government for several years, but the pressure exerted by the COVID-19 pandemic has increased the urgency of these efforts. North Carolina's Broadband Infrastructure Office has several resources and initiatives to foster the expansion of broadband and maintains the state's broadband plan. Funding for grants and other programs focused on connectivity is expected to continue to be a priority in 2021.

In addition, this year the state committed $40 million for distanced learning activities including installing Wi-Fi routers in school buses, providing home internet access points, and purchasing computers for K-12 students and teachers.

At the federal level, the recently passed federal $900 billion coronavirus relief package provides additional funds to the Federal Communications Commission to expand broadband, including specific funds for bringing broadband access to rural and underserved areas.

This is an area of public policy we anticipate seeing continued efforts to address in 2021 and beyond.

Meet the facilitator…

Holly A. Sullenger, PhD, Dr. Holly Speaks LLC

Dr. Holly Sullenger is an award-winning, highly sought-after corporate speaker, trainer, facilitator and consultant. With clients spanning the globe, Dr. Holly specializes in providing services in the areas of leadership, professional development and technology.

Dr. Holly's background includes careers in technology ranging from computer programming to systems development to database administration to data analytics, and providing leadership to six different corporate training centers. Dr. Holly holds five different college diplomas in the areas of Computer Science, Liberal Arts, Business Administration, and Adult Education. Her PhD is in Adult, Workforce and Continuing Professional Education – also known as Corporate Training.

Dr. Holly has an amazing energy that allows her to be interactive, inclusive and effective both in-person and online. She is able to present high-level topics in ways that make the content easy to understand, to assimilate, and to act on.

Dr. Holly Speaks, PhD, LLC
Corporate Speaking, Training and Consulting

Dr. Holly delivers impactful, interactive presentations designed to motivate, inspire and move to action.

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THRIVING IN A VIRTUAL ENVIRONMENT

With the right tools, stellar communication, and intentional interaction!

ABSTRACT

When conducting business in a virtual environment, you can employ basic strategies to turn the boring virtual world into an exciting, memorable experience. During this highly interactive session, attendees will learn three areas in which simple changes create a presence that others can learn from, interact with and enjoy.

Dr. Holly A. Sullenger, PhD
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Dr. Holly Speaks

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919-649-8068

Thriving in a Virtual Environment

Communication Tips and Tricks

The body language truth

What percentage of any communicated message is verbal (words)? _____

What percentage of any communicated message is non-verbal? _____

What percentage of the non-verbal is body language? _____

What percentage of the non-verbal is vocal? _____

Voice

Modulation/pitch

Rate of speech

Which video teleconferencing software do you use?

_____

A successful virtual presence begins with:

Virtual Presence Tips: Before the Session

- _____ the space as much as possible – use _____

- Have a _____ background

- Set your _____ on your Zoom account profile

- Wear _____ colors

- Tailor your _____

- Sit up straight or _____

- Set your computer at _____

Virtual Presence Tips: During the Session

- Leave your webcam _____

- Use a _____ eye contact strategy

- Maintain a strong _____ and slow down

- Don't become your own _____

- Use _____ body language

- Use _____ with your hands – assign idea a different gesture location

- Use the _____ as your partner

Virtual Presence Tips: As the Host

- _____ each participant as they enter the room

- Let participants know what they need to _____

- Let participants know the _____

- Make participants aware of _____

- Encourage participants to _____to ask or answer questions

- Encourage participants to leave webcams _____

Virtual Presence Tips & Tricks

- Use _____ to avoid zoom-bombers

- Use _____ to help people get to know each other

- Practice video teleconferencing with _____

- Use _____ to help people feel important and connected

- Use great _____ descriptors

- Use _____ to create an interactive experience

- _____ distracting participants – _____ inappropriate users

- Be _____ and _____

Interaction for Attention and Retention

Three things we use to keep attention and promote retention are:

_____

_____

_____

The Number One Tip for Virtual Success?

_____   _____

Wrap Up

Congratulations!

You now have a new set of tools on your virtual tool belt.

Please remember that as humans, we don't remember much unless we put it to practice and use it on a regular basis. So, practice when you return to work! Train someone in the office on the new concepts you think would be most useful.

If you have any questions about the material contained in this seminar, please contact Dr. Holly using any of the contact points listed below.

Happy Virtual Experiences!

Dr. Holly Speaks

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Questions from OSC Virtual Financial Conference

Thriving in a Virtual Environment – Dr. Holly Sullenger, Dr. Holly Speaks

Question: Do you feel glasses with blue light blocking is distracting?

Answer: I have not experienced any distractions from blue-light blocking. However, I am definitely not an expert in this arena!

Question: Any suggestions for trying to get more off camera time during the day - we no longer seem to have any transition time between meetings.

Answer: Schedule your meetings so that there absolutely is time between them for you to regroup. There is a methodology called Time-boxing, or the Pomodoro Method. You can Google that for ideas.

Question: Do you prefer a live or a virtual background?

Answer: Live background. Experts say the same. Virtual is good in a pinch – but most users lose body parts and outline when using virtual – can be distracting.

Question: Is there any science that says you can be more effective using a webcam than without?

Answer: YES – always more effective using a webcam. It is like attending the meeting. We want others to see our faces – our reactions and our presence.

Question: What webcam do you use?

Answer: Logitech C920S HD Pro Webcam with Privacy Shutter - Widescreen Video Calling and Recording, 1080p Streaming Camera, Desktop or Laptop Webcam

Question: You mention that 93% of communication is nonverbal. This makes it difficult even for adults to communicate virtually, and behind a mask. What do you see as the impact for young school age children doing the zoom learning as well as having their experiences in person with masks?

Answer: I see masks as presenting a challenge. Interestingly, my daughter is a teacher. She has found ways to get around this. First, when teaching virtually, masks are not a problem. Second – in person – she asks a ton of questions and uses emotion indicators with the kids both on their end and on hers. Has them on a stick. She can hold up a smile in front of her mask – or an open "shocked" mouth (lol) – or a series of question marks, etc. The children can too. I think we all must "think outside of the box" at this point in our lives!

Question: In the situation where bandwidth might be an issue for a large meeting, and the platform cannot handle everyone's camera being on, how should we handle the supportive professional need to keep the camera on vs. the limits of technology?

Answer: Get better technology. I upped to Zoom pro and got a better internet service and have had no issues. The company really needs to invest here!

Comments provided during OSC Virtual Financial Conference

Comment: Cool skeleton!

Reply: THANKS! The skeletons (there are two) have names. They are Skully and Molder, and they came out on social media at Halloween to help people get out of their pandemic malaise. They reappeared at Thanksgiving and are getting ready to debut their own rendition of the Twelve Days of Christmas. I never intended them to have this lengthy of a shelf life, but my friends and business associates loved them so much and demanded return appearances – so I am happy to oblige.

HAPPY HOLIDAYS from Dr. Holly!

PATRICK J. SWEENEY, PH.D.

EXPERTISE

Leader and leadership development; building and leading high performing teams; leading organizational change; leadership in dangerous contexts; and behavioral ethics

EXPERIENCE

Dr. Patrick Sweeney is an experienced senior leader-practitioner and scholar with over 39 years of experience leading high performing organizations. He is a Professor of the Practice of Management and currently serves as the Executive Director for the Allegacy Center of Leadership and Character in the School of Business at Wake Forest University. His research interests focus on character and identity development, trust, exemplary leadership, and building teams. Before joining Wake Forest University, he served over 29 years in the United States Army and retired as a Colonel. During his military career, his leadership assignments were both in the United States and abroad to include: Deputy and Acting Head of the Department of Behavioral Sciences and Leadership, United States Military Academy, West Point; Director, Eisenhower Leader Development Graduate Education Program, a joint venture with Columbia University and West Point; Liaison Officer and Deep Fires and Effects Coordinator at V Corps for the Commanding General of the 101st Airborne Division during Operation Iraqi Freedom I; Commander of a 450-person artillery unit and Chief of Staff of a 1600-person organization in the 101st Airborne Division, Ft. Campbell, Kentucky; and Executive Officer and Researcher for West Point's Center for Leadership and Organization Research.

SCHOLARLY WORK/PUBLICATIONS/CONSULTING EXPERIENCE

Dr. Sweeney led a team of 62 prominent international scholars and practitioners to produce the book entitled, "Leadership in Dangerous Situations: A Handbook for the Armed Forces, Emergency Services, and First Responders." He has also published 36 articles and chapters on leadership across an array of academic and military professional publications. His current research projects include longitudinal studies exploring trust and cohesion development in organizations, leader development throughout a career, and enhancing organizations' and members' resilience and adaptability. He has extensive consulting experience in the areas of leader, leadership, and organizational development for Fortune 500 companies to include: Deloitte, EMCOR, GE, HP, Kellogg's, JP Morgan Chase, Mercedes Benz, P&G, Pratt and Whitney, Prudential, State Farm, Synchrony Financial, USAA, YPO, 7-Eleven, and the Departments of Defense and Energy.

EDUCATION

PhD, Social Psychology, University of North Carolina, Chapel Hill, NC
MA, Social Psychology, University of North Carolina, Chapel Hill, NC
MA, Military Art and Science, U.S. Army Command General Staff College
BS, United States Military Academy, West Point, NY

Questions from OSC Virtual Financial Conference Pat Sweeney's Trust Session (15 December 2020)

1. What do you do when people do not step up, no matter how many opportunities you give them to do so?
    *   I view this question as having two potential interpretations. First, if the person is fulfilling his/her primary role responsibilities and does not desire to take advantage of opportunities, then the leader needs to respect his/her wishes. The key is that all team members perceive they have opportunities to advance if they so choose.
    *   The second interpretation of "not stepping up" could mean not fully fulfilling their role responsibilities. If this is the case, I would respectively invite them off the team (e.g., re-assignment or termination) and let the team members know why.

2. What did the Mann Gulch survivors say about Wag Dodge's competence, character and caring?

    *   The survivors felt Wag Dodge was highly competent and dedicated to the mission. They did not specifically comment on his character or caring.

3. I think it would be interesting to see the video. If there is a link to the video, would love to have it.
    *   The video would have made the case even more compelling. I apologize for the technical glitch. You can watch the clip by obtaining the History Channel's film entitled, "Escape: Fire in Mann Gulch."

4. What are your recommendations when you are placed into a leadership position where those you lead have the greater knowledge and experience than you?

    *   Work to develop your expertise. Be open and ask for input from experts when planning projects or making decisions. Be humble and ask people to assist you in the development of your expertise. By exercising shared3 leadership and inviting the experts into the influence process, you ensure the team benefits from the collective wisdom and get buy-in from members.

5. It is worth repeating that a manager should give challenging growth opportunities to a variety of staff members - do not be locked in to "favorites". Without those experiences, promotions are more difficult. Women and minorities have faced this problem for decades.

    *   Concur. Leaders have a responsibility to develop all their people. By sharing growth opportunities, you enhance inclusion, build a robust bench of experts, and help people realize their potential while increasing trust.

Dr. Shannon Tufts Bio:

Shannon Tufts, PhD, Associate Professor of Public Law and Government, is the Director of the University of North Carolina at Chapel Hill's Center for Public Technology. She designed and implemented the first local government Certified Government Chief Information Officers (CGCIO) program in the nation in 2004 and continues to run multiple CIO certification programs across the US for local and state government IT professionals. Dr. Tufts' areas of expertise include the intersection of law and technology in the public sector, cybersecurity, cloud computing, social media, and strategic IT investments, as well as CIO leadership and development. Tufts earned a BA from UNC-Chapel Hill, an MPA from UNC-Charlotte, and a PhD in public administration with a concentration in public sector information systems from North Carolina State University.

6. In the case study, do you think it was a lapse of leadership or failure to communicate that the burn fire was rejected as a viable option? Or did fear take over?

- The escape fire was not a known safety tactic before Wag used it, so the firefighters thought Dodge cracked under the pressure. Second, Wag did not have enough trust built with the firefighters to get them to take the leap of faith to join him in the escape fire. Finally, communication regarding the intent of the escape fire was lacking.

7. In terms of open communication, how do you navigate a professional relationship where the persons involved are "openly communicating" but are miles apart as to expectations and performance? Clearly there is no trust.

- Jointly review performance expectations and metrics to measure progress. Discuss concerns and potential resource needs. As the leader, place yourself in the other person's position and view the expectations. Start with common ground (e.g., shared purpose, mission, desired for functioning relationship, etc.) and start discussing expectations.

8. To the dangerous words of "This is the way we have always done it" how do you overcome this when the undertone appears to be "not only is this the way it has always been done, but I am not interested in doing it another way?"

- Appoint teams to review various policies, processes, procedures, and/or systems and give them the mission to find a better way given the current external environment. Mix the composition of the team with people not interested and people with open and learning perspectives. This also implies they will benchmark similar organizations. Highlight the benefits of creating more efficient P4S2s in terms of team saved, recognition, rewards, etc.

9. How can introverts be better leaders?

- First, understand the importance of social engagement to developing relationships and trust. Second, make a purposeful effort to engage with 2-3 team members or external stakeholders per day at a personal level. This could include asking them about: their day, weekend plans, hobbies/interests, etc. with the intent of understanding them as people. People enjoy talking about themselves. Third, set a goal of speaking up at each meeting. Fourth, enhance your self-awareness by requesting informal feedback or a 360 assessment to see if your teammates and external stakeholders perceive you as being personable. Finally, continue to leverage your strengths and work on purposeful social engagement, which is not a natural tendency for introverts.

10. Did the Forest Service determine why some men followed Wag Dodge & other men did not?

- The Forest Service investigation found that the firefighters had a greater level of trust in Bell Hellman compared to Wag Dodge, thus they followed Bill when he stated, "the hell with this, I am getting out of here."

11. Did forest service change their policies after this?

- Yes. The Forest Service conducted a full review of the policies, practices, processes, procedures, structure, and systems (P4S2s) and changed them to facilitate the development of cohesion and trust among teammates.

12. Did his credibility change during the mission? Were there earlier disagreements? The relationship may have changed during the mission.

- Based on Salle's comments about the incident, it appears he changed his perception of Wag's credibility during the mission. He stated at the turn around point, he fought to get close to Wag because he felt following Dodge would give him the best chance to get out of the crisis alive which indicates high credibility. At the trust point, Salle did not understand what Wag was doing regarding lighting an escape fire and felt he broke under stress, which indicates low credibility.

13. Can I be an effective leader if I do not have all the credibility qualities? If I am not an ideally caring or courageous leader or a good communicator, would you say that I could still be effective if my people somehow knew that I was working on some of these qualities?

- Yes. Be sure to let them know how you demonstrate care for them and the team by the rationale you use to make decisions. Remember being courageous is striving to do the right thing day-to-day this could include modeling the core values, holding people accountable, ensuring work is done ethically, providing candid feedback, etc. Work to improve your communication skills and ask people for feedback to help you improve.

14. What reference materials would you recommend for further learning about the IROC model?

Sweeney, Dirks, Sundberg, & Lester (2011). Trust: The Key to Leading When Lives are on the Line, Chapter 9, 163-181. In Sweeney, Matthews, & Lester (Eds.), *Leadership in Dangerous Situations: A Handbook for the Armed Forces, Emergency Services, and First Responders.* Annapolis, MD: Naval Institute Press.

Sweeney, Thompson, & Blanton (2008). Trust and Influence in Combat: An Interdependence Model. *Journal of Applied Social Psychology, 39 (1)*, 235-264.

Comments provided during OSC Virtual Financial Conference (Thank you)

1. Thank you, Dr. Sweeney. Such an excellent presentation. If our nation's leaders implemented these principles, we would be in a much better place.
2. High-potential employees at different levels.... LOVE IT!

**Cybersecurity:
Protecting Yourself, Your
Organization and Your Clients' Data**

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1

AGENDA

- Cybersecurity – Why It Matters
- Social Engineering
- Types/Strategies of Attacks
  - Ransomware/Malware
  - Phishing
  - Business Email Compromise
- What to Look For: Protect Your Data
- NC Breaches and More

*If you get bored, go to https://haveibeenpwned.com

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2

Cyber Security Knowledge QUIZ

What does the https:// at the beginning of a URL mean?

1. The site has special high definition
2. The information entered into the site is encrypted
3. The site is the newest version available
4. The site is not accessible to certain computers
5. I have no clue!

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Pro Tip

All Financial, PII, PHI (and more) Collections Must Use HTTPS://

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Cyber Security Knowledge QUIZ

Criminals access someone's computer and encrypt the files/data. The user is unable to access the data unless they pay the criminals to decrypt the files. This is called:

1. Botnet
2. Ransomware
3. Driving
4. Spam
5. I have no clue!

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5

Pro Tip   Never Pay!

20% ransomware victims who paid but **never got** their files back

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6

Polling Question

Which of the following passwords is most secure?

7

Pro Tip

Password
****

❖ 15 character non-complex passwords are more secure than 8 character complex passwords

❖ The space bar at the end of your password is very hard to hack (at least by brute force attacks or harvesting of credentials via a bot)

8

Cyber Security Knowledge QUIZ

Which of these options is a form of multi-factor authentication?

1. User name and password
2. Security image to verify you are not a robot and password
3. One time code sent to phone and password
4. Two questions: 1) Name of childhood best friend and 2) City where your parents met
5. I have no clue!

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Pro Tip

❖ If you leave your phone laying around with the screen unlocked or text previews available on the locked screen, you are a security problem.

❖ It might seem like a pain, but if you use your organization's network for anything involving personal data (like checking your bank account, logging into your doctor's portal, etc), it is worth the headache to have MFA.

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Cyber Security Knowledge QUIZ

If a public Wi-Fi network requires a password to access, is it generally safe to use that network for sensitive activities such as online banking?

1. Yes, it is safe.
2. No, it is not safe.
3. I have no clue!

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Pro Tip

❖ Use a VPN (virtual private network) to create an encrypted connection between your device and the Internet in order to make it much harder for anyone other than you (as the user) to see your activity online.

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13

14

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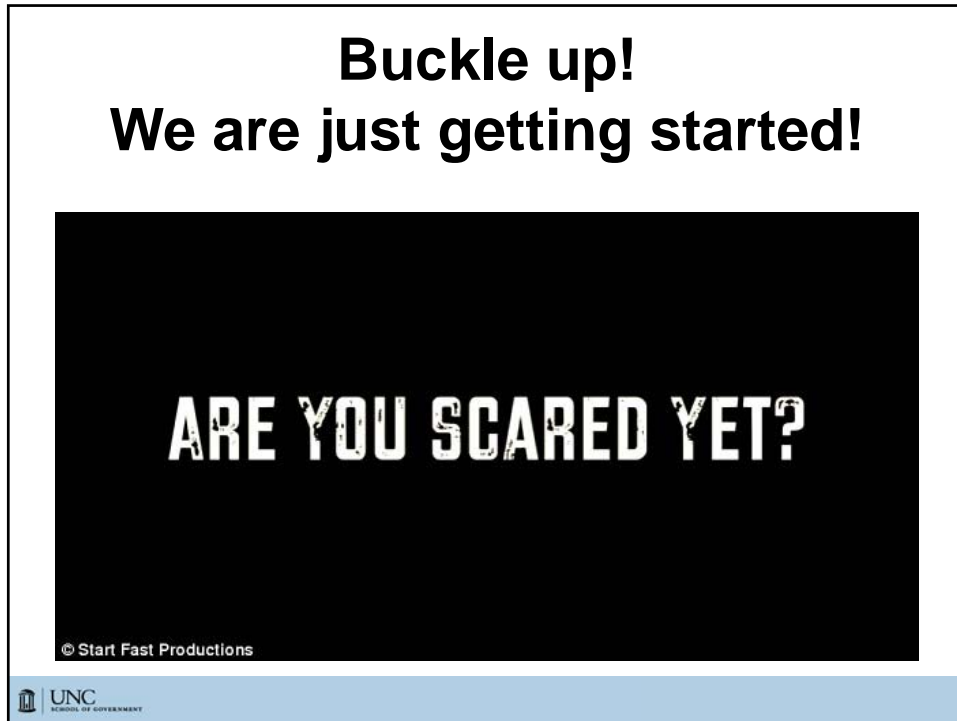
15

Recognize These?

- What was your favorite teacher's name?
- What was the name of your childhood pet?
- What was your childhood best friend's name?
- What was the first car you had?
- Where were you born?
- What was the name of your high school?

16

Spreading Holiday Cheer!

17

Polling Question

Does Amazon, Apple, Facebook, or the IRS ever call you on the phone unannounced?

18

19

20

NC Governments Ransomware Statistics

- **Over 180 known attacks on NC counties, cities, K-12s, and state government systems since 2013**
    - 10 (reported) ransomware attacks on NC governmental entities in 2019.
    - **As of Dec 1, 2020, we have over 22 confirmed ransomware events in NC governmental entities.**
- **Disturbing trend with data exfiltration**

NOT IF BUT WHEN

21

PHISHING

22

Polling Question

True or False: A "phishing" email can be used to initiate a ransomware attack.

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23

93% of all breaches or incidents involve…

"PHISHING"

You receive an email asking you to update your account details

You enter your username and password in the scam page

Attacker collects your information

Attacker acquires more account details and access to resources

Attacker steals your data

24

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Hacker 101: Build Trust

- Spear phishers personalize emails to try to gain your trust
  - Full name
  - Mailing address
  - Name of your employer
  - Personal Data (SSN, Banking Account Number, etc)

*Even if the email or text message appears to be from someone you know, use caution.

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25

From: service@intl.paypal.com <buiklaopers@paypalimay.com>
Sent: 27 October 2016 23:56
To: paul-simon-smith@hotmail.com
Subject: Your recent transactions has been declined

PayPal

Your Transaction Has Been Declined

Dear Customer,

We wanted to let you know your PayPal account has been limited because recently noticed a pattern of activity in your account that is maybe high risk and noticed some unusual log in activity with your account. Please check that no one has logged in to your account without your permission. For more information, Please log in to PayPal and see the section limited.

Remove Your Limitation

After we receive and review your documentation, we'll email you regarding the status of your PayPal account. Thank you for your understanding and cooperation. If you need further assistance, please click **Contact** at the bottom of any PayPal page.
Sincerely,
PayPal

Copyright © 1999 – 2016 PayPal. All rights reserved.
Consumer advisory - PayPal Pte. Ltd. Users are advised to read the terms and conditions carefully.
PayPal PPC000874:5ef6c8ed652f

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26

27

28

29

30

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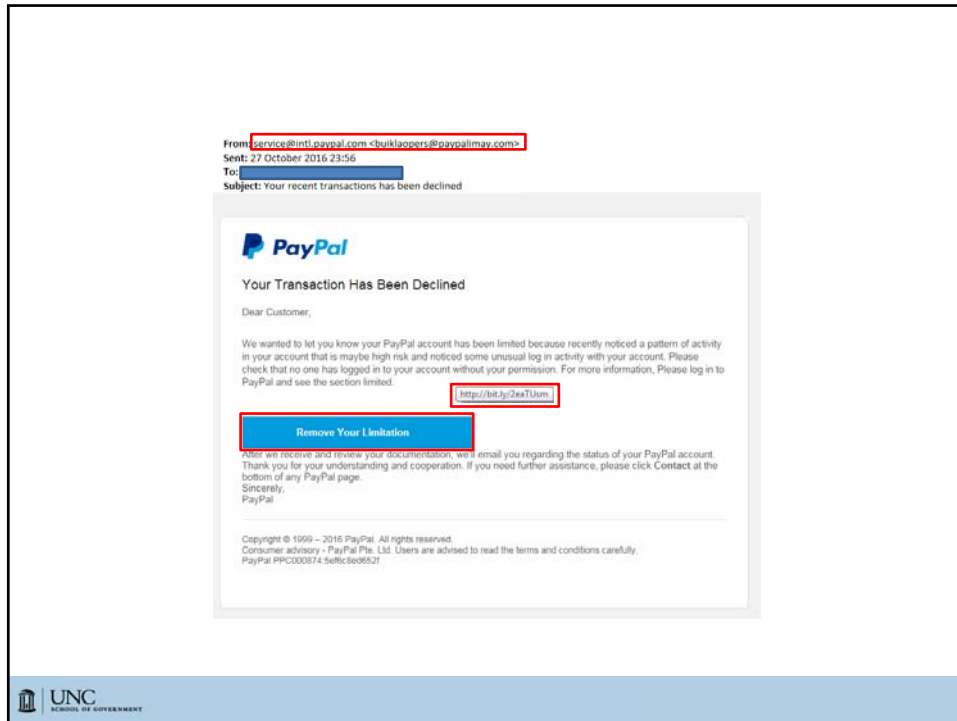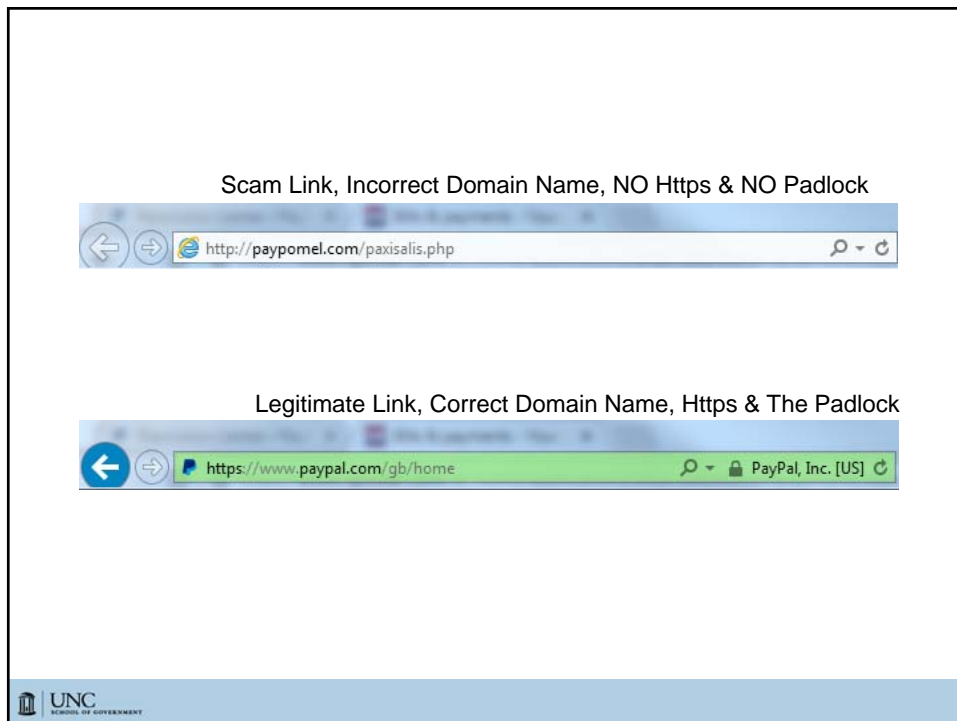
Polling Question

Which of the following are signs of a phishing email?

31

Another Approach

The Double Barrel attack uses multiple emails to create a believable narrative.

Stage One: The Lure

1st Email builds trust

From: Lena.Dobbs@example.com
To: jack.doe@example.com
Subject: Re: Request

Hey Jack,
I'm about to jump on a flight. Just to let you know I'll be sending you a file when I land or get wifi.

-Lena

32

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Stage Two: The Phish

The second email contains malicious attachments or links

From: Lena.Dobbs@example.com
To: jack.doe@example.com
Subject: Re: Request

Jack,

Thank you for your patience.
Attached is the file I need you to review.

Thanks for your help.
-Lena

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33

Voice Phishing Example

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34

35

Ransomware: What Is It?

Ransomware is a type of malware that attempts to extort money from user or organization by infecting or taking control of the victim's computer, files, servers, etc.

Ransomware usually encrypts files, folders, machines, servers to prevent access and use unless the ransom is paid to receive the decryption key.

Data exfiltration has become more widespread as part of ransomware events in the past 6-9 months.

36

37

Timeline of A Ransomware Attack

Month 1	• An employee opens a phishing email and clicks on a link containing ransomware.
Month 2	• The ransomware downloads onto the employee's computer and starts executing malicious code.
Month 3	• The ransomware creates a connection via the Internet with the threat actor's command and control (C2) server.
Month 4	• The ransomware steals/harvests credentials to gain access to more accounts.
Month 5	• The ransomware looks for files to encrypt on local computers and on servers via the network, moving laterally across the network to compromise multiple accounts. Data exfiltration might also be occurring during this timeframe.
Month 6	• The ransomware starts the encryption process, typically attacking domain controllers and backups first. The government is now aware they have been compromised. The threat actor leaves a ransom note demanding payment in exchange for the decrpytion key.

38

Your Backups Aren't Enough

Stage 1. Phishing attempt or brute force attack is successful & a dropper virus is released (Emotet, Trickbot, etc)

Stage 2. Credential harvesting tool deploys and gathers credentials across your network (including your backups potentially)

Stage 3. Ransomware is the big red flag alerting you that you have been hacked

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39

Common NC Attack Vectors

- Phishing emails loaded w/ malware
- Password brute forcing
- Remote Desktop Protocol
- VPN exploits
- Other unpatched CVEs
  - Microsoft applications
- Outdated infrastructure
- **Open ports per vendor instructions**

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Polling Question

Be honest!

Do any of your vendors have persistent tunnels to "support" your software?

41

Business Email Compromise:

The $9 Billion Security Threat You Can't Ignore

42

COUNTY & LOCAL

North Carolina county lost $1.7 million in email scam
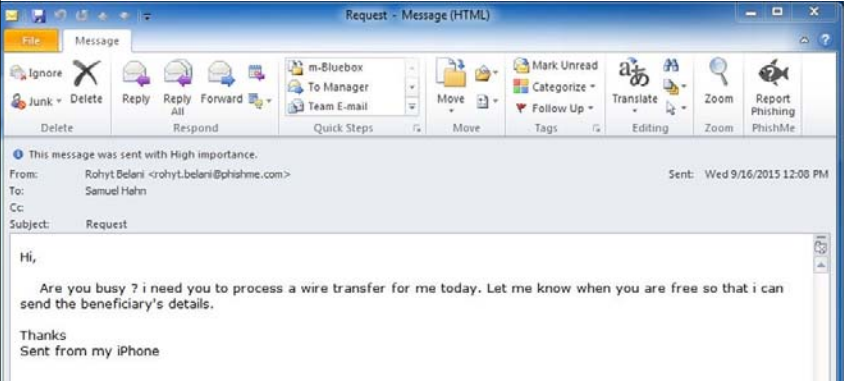
- Cabarrus County, North Carolina, was the victim of an email scheme that diverted $2.5 million meant for the construction of a new high school in December of 2018.

- Though the county has recovered $776,518, more than $1.7 million remains unaccounted for.

- Most cyber insurance policies do not cover Business Email Compromise (BEC).

43

What Does it Look Like?

This message was sent with High importance.

From: Rohyt Belani <rohyt.belani@phishme.com>   Sent: Wed 9/16/2015 12:08 PM
To: Samuel Hahn
Cc:
Subject: Request

Hi,

    Are you busy ? i need you to process a wire transfer for me today. Let me know when you are free so that i can send the beneficiary's details.

Thanks
Sent from my iPhone

44

Type #1: CEO Fraud

- Impersonates an executive
- Hacked or spoofed email address
- Exploits authority

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Sample CEO Fraud

Date: Mon, 4 Feb 2019 22:18:08 GMT
From: Michael Smith [msmith1@gmail.com]
To: lpartin@sog.unc.edu
Subject: Please get back to me on this

Do you have a moment? I am tied up in a meeting and there is something i need you to take care of.

We have a pending invoice from our Vendor. I have asked them to email me a copy of the invoice and i will appreciate it if you can handle it before the close of banking transactions for today.

I cant take calls now so an email will be fine.

    Sent from my iPhone

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Type #2: Bogus Invoice Schemes

- Impersonate trusted vendor or supplier
- Use fake invoices
- Point you to new location for wire transfer

INVOICE

FALSE

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Bogus Invoices

From: Brandon Wood
To: Brandon Wood
Subject: APPROVAL DOCUMENT
Date: Monday, July 30, 2018 8:17:34 AM
Attachments: Invoice.01.htm

Good Day,
Please kindly review the attached invoice for your perusal.

Best Regards,
Brandon Wood
Sales/Project Manager
Performance Cabling Technologies Inc
Brandon@pct.cc

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48

Direct Deposit Scams

49

50

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Polling Question

Are business email compromise scams and direct deposit scams preventable?

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Resources to Assist Your Government

NC DIT Cybersecurity Reporting Site:
https://it.nc.gov/resources/cybersecurity-risk-management/nc-information-sharing-analysis-center/statewide

NC ISAAC Fusion Center:

Tom McGrath
Tom.McGrath@ncdps.gov

ONE TEAM

NCLGISA IT Strike Team:
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**NCLGISA IT Strike Team
Recommendations for Non-IT Staff**

1. If you suspect ransomware, contact your IT department immediately!
    1. They should start severing all Internet-based connections asap.

2. Don't turn off your computer/server, just disconnect it from the Internet (ethernet and wireless)

3. Do not try to stay up and "functional", as it will allow for rapid, catastrophic proliferation across your networks and into any interconnections you might have with neighboring entities.

** No, you cannot just turn on your computer really quickly and insert a flash drive for those files you really need.

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6. Do not allow vendors to have open tunnels into your environment for remote support. Use a documented process for external access.

7. Do not use the same credentials for domain, system or software administration and your local accounts. Many of the recent breaches have involved compromised domain administrator credentials, which often are found to be the same as cached local administrator credentials.

8. Ask for immutable backups that are stored physically and virtually apart from the network for critical systems. After attacking the domain controller(s), most current variants go straight to encrypting your backups.

10. Determine what servers contain sensitive data (PHI, PII, financial data, CJIS data, etc) and keep this on file outside of the network.

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54

16. Know your cyber-liability insurance policy well and have conversations with them prior to an event to determine their standard course of action (preferred vendors, etc).

17. Require user education for phishing messages and aggressive response to mitigate anyone who falls for phishing. Exposed credentials and malware downloads are part of the problem and can be limited with proper education.

18. Create a Continuity of Operations plan for your entity including defining who will serve as Incident Commander and drill it to make sure it works for your team!

19. Work with senior leadership to create a prioritization document for bringing departments/applications back online.

55

Questions

56

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MICHAEL L. WALDEN

Dr. Michael L. Walden is a William Neal Reynolds Distinguished Professor and Extension Economist at North Carolina State University and a member of the Graduate Economics faculty with The Poole College of Management. His Ph.D. degree is from Cornell University and he has been at N.C. State since 1978. He has also been a Visiting Professor at Duke University. He also serves as a member of the North Carolina Chamber of Commerce Foundation's Board of Economic Advisors.

Dr. Walden has teaching, research, and extension responsibilities at NCSU in the areas of consumer economics, economic outlook, and public policy. He has published eight books and over 250 articles and reports, including the book *North Carolina in the Connected Age*, published by the UNC Press. He has served on several local and state level commissions. With his wife, he is the co-author of three "economic thrillers", *Macro Mayhem, Micro Mischief, and Fiscal Fiasco*, designed to teach economics in an entertaining way.

Dr. Walden can be frequently seen, heard, and read in the media. He has daily radio programs aired on stations around North Carolina for which he has won two national awards. He is often interviewed on local TV and radio news broadcasts, has appeared on *NBC, CBS, The Fox Report*, and the *Newshour With Jim Lehrer*, and is frequently quoted in such newspapers as *USA Today, The News and Observer, The Charlotte Observer, The Boston Globe, The Wall Street Journal,* and *The Washington Post.* His biweekly column, *You Decide,* is carried by over forty newspapers in the state. He has made over 2500 personal presentations.

Dr. Walden directs the semiannual economic forecast, *The North Carolina Economic Outlook*. He has won numerous academic and public awards, including two Champion-Tuck Awards for Excellence in Broadcasting, the UNC Board of Governor's Award for Excellence in Public Service in 2010, the Order of the Long Leaf Pine in 2013, and the Holladay Medal for Excellence from North Carolina State University in 2014. His newest books are *Real Solutions: Commonsense Ideas for Solving Our Most Pressing Problems* and *Disunion: A Political Thriller.*

ECONOMIC OUTLOOK:
THE "MANDATED RECESSION," UNCHARTED TERRITORY, AND PERMANENT CHANGES TO THE ECONOMY

Dr. Michael L. Walden, Reynolds Distinguished Professor

North Carolina State University

1

THE ECONOMY WAS VERY GOOD PRIOR TO THE VIRUS

1. RECORD LENGTH OF ECONOMIC GROWTH
2. GROWTH RATE (REAL GDP) OF 2%
3. RISING REAL WAGES
4. 50-YEAR LOW UNEMPLOYMENT
5. LOW INFLATION
6. GAINS AT THE LOWER PART OF THE ECONOMIC LADDER

2

TODAY'S RECESSION CAUSED BY COVID-19

CONTAGIOUS

DEADLY

OUR WORST NIGHTMARE

BUT COULD HAVE BEEN

A FALSE ALARM

3

TO CONTROL THE SPREAD, HEALTH EXPERTS SAID PERSONAL CONTACT MUST BE LIMITED

RESULTS:
   * SHUTDOWN ORDERS
   * STAY-AT-HOME ORDERS
   * DEBATE OVER WHETHER
     PEOPLE WOULD HAVE
     DONE SO ANYWAY
   * THE "MANDATED" RECESSION

X

4

POLLING QUESTION

- THE ORIGIN OF THE CURRENT RECESSION IS:
- A. THE FINANCIAL COLLAPSE OF BANKS
- B. THE INTERRUPTION OF INTERNATIONAL TRADE
- C. TAX CHANGES ADVERSELY IMPACTING BUSINESSES
- D. THE NEED TO LIMIT PERSONAL INTERACTIONS

5

HOW BAD OF A RECESSION?

DEEP BUT SHORT

NEGATIVE GROWTH IN BOTH
FIRST AND SECOND QUARTERS

SECOND QUARTER:
  "ANNUALIZED": DOWN 32%
   BUT "ACTUAL": DOWN 9%

6

MONTHLY CHANGE IN NON-FARM EMPLOYMENT, US & NC
(seasonally-adjusted)

US, Change in millions

NC, Change in thousands

7

MONTHLY CHANGE IN NON-FARM EMPLOYMENT, AS A PERCENT OF FEBRUARY TOTAL EMPLOYMENT, US & NC

US NC

8

UNEMPLOYMENT RATES, US, NORTH CAROLINA
(SEASONALLY-ADJUSTED, % OF LABOR FORCE)
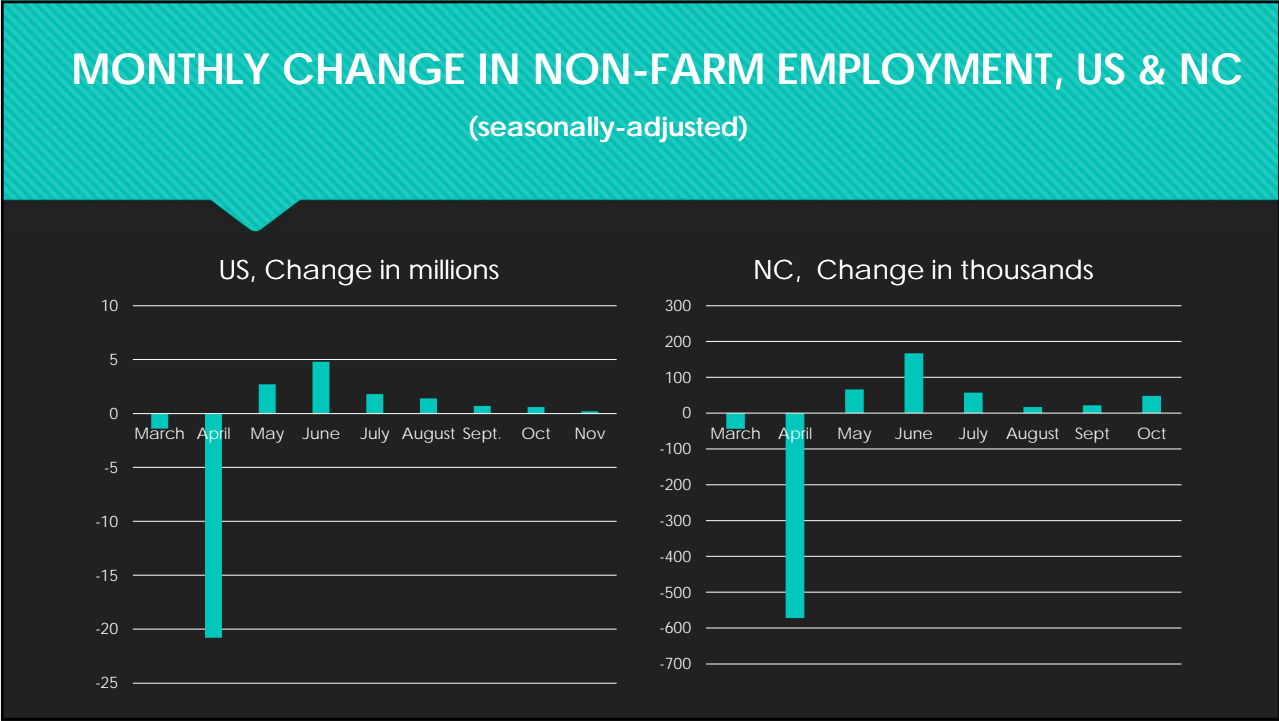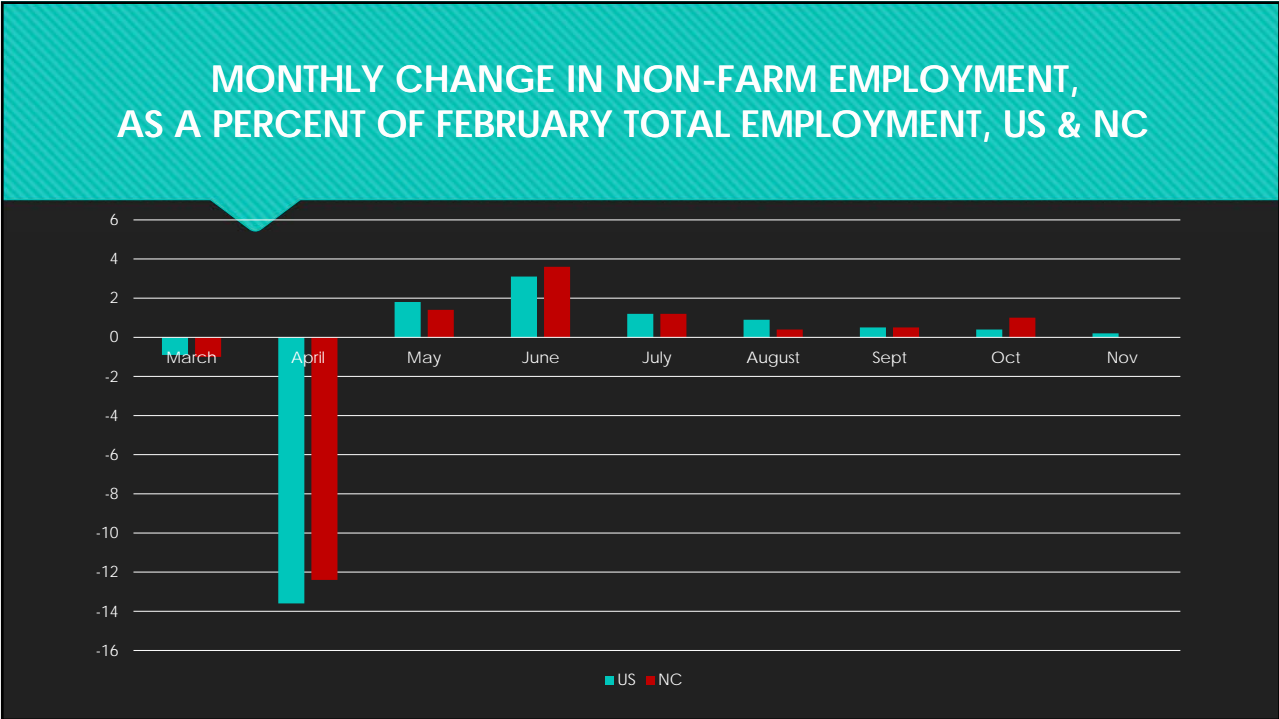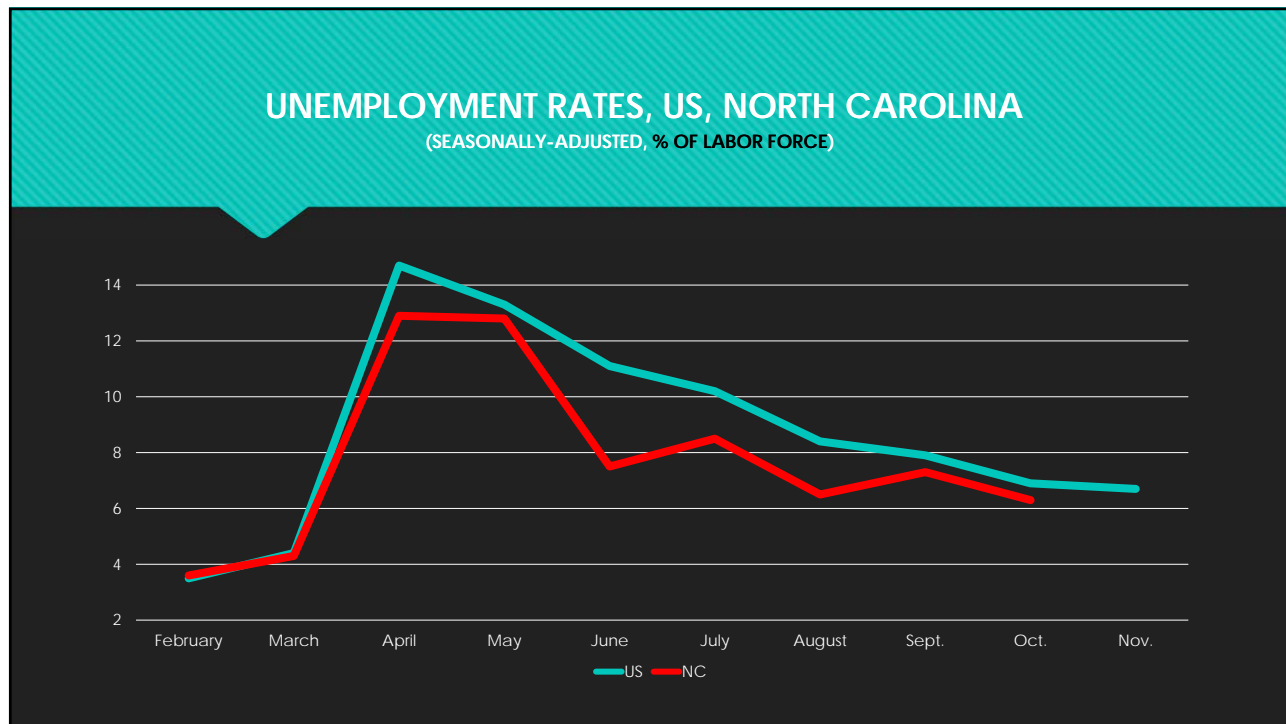
9

BUT IMPACTS HAVE VARIED BY ECONOMIC SECTOR

BIGGEST JOB LOSERS:
HOSPITALITY AND LEISURE
PERSONAL SERVICES

SMALLEST JOB LOSERS
FINANCIAL SERVICES
CONSTRUCTION
GOVERNMENT

10

POLLING QUESTION

- TO BE "OFFICIALLY" COUNTED AS UNEMPLOYED, AN INDIVIDUAL MUST:
- A. NOT HAVE A JOB
- B. WANT A JOB
- C. BE ACTIVELY LOOKING FOR A JOB
- D. ALL OF THE ABOVE

11

THE FEDERAL RESPONSE: OVER $3 TRILLION IN SPENDING

ALL BORROWED

$39 BILLION TO NC

FUTURE ECONOMIC
GROWTH WILL BE LOWER

BUT ALTERNATIVE: LOSE
BIG PART OF ECONOMY

TODAY ← FUTURE

12

THE FEDERAL RESPONSE: FREE MONEY AT 0% RATE

COMPLEMENTS OF THE FEDERAL RESERVE

WORRIES ABOUT:
- SPECULATION
- INFLATION

13

STATE AND LOCAL GOVERNMENTS ARE LOSING REVENUES

NC IN BETTER SHAPE THAN MOST STATES

OF THE $39 BILLION OF FEDERAL MONEY PROVIDED TO NC, ONLY $1 BILLION WAS DISCRETIONARY

14

LEADING NC INDEX SUGGESTS RECOVERY

NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS

Source: calculations by Dr. Michael Walden

15

FORECASTED PATH OF NORTH CAROLINA'S REAL GDP

16

8

FORECASTED PATH OF NORTH CAROLINA'S UNEMPLOYMENT RATE
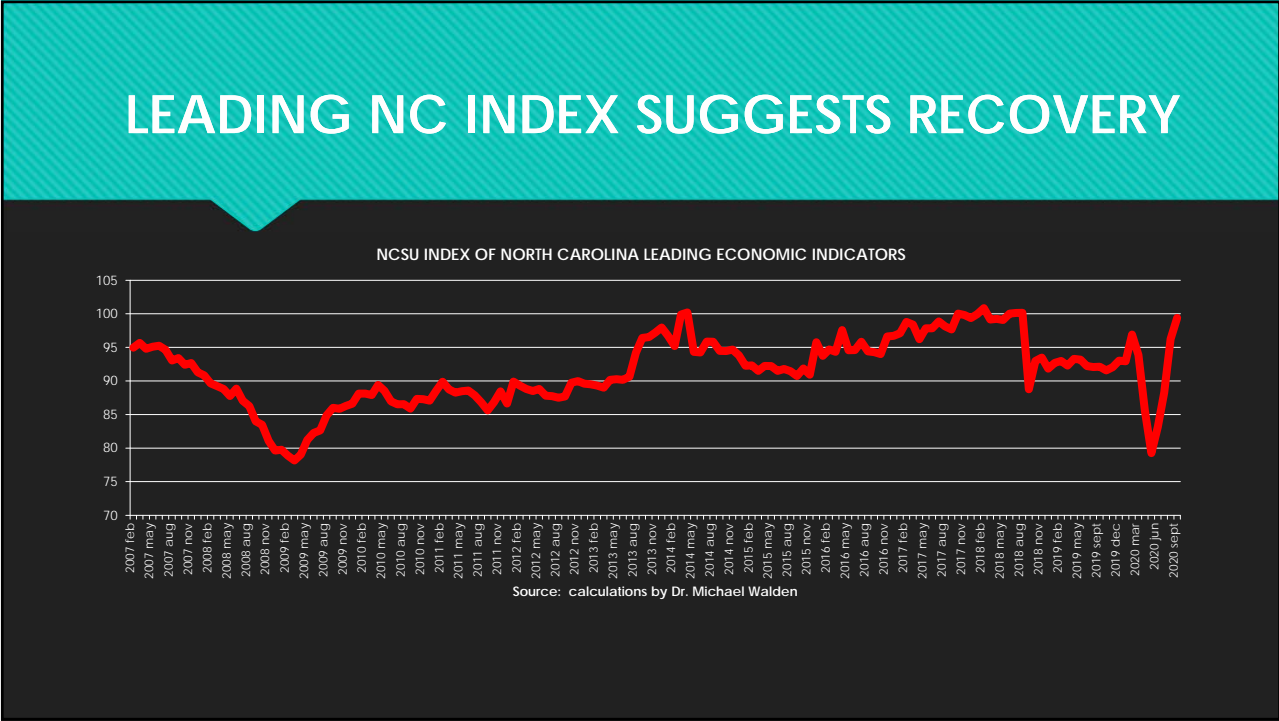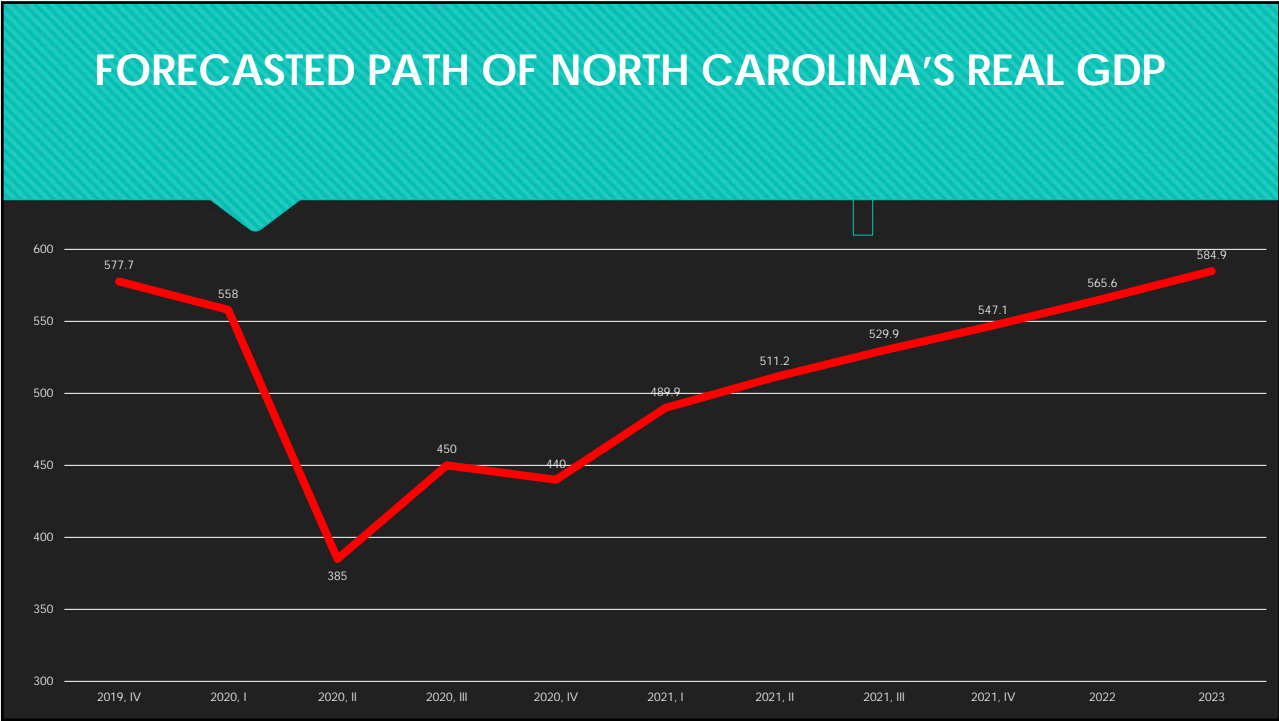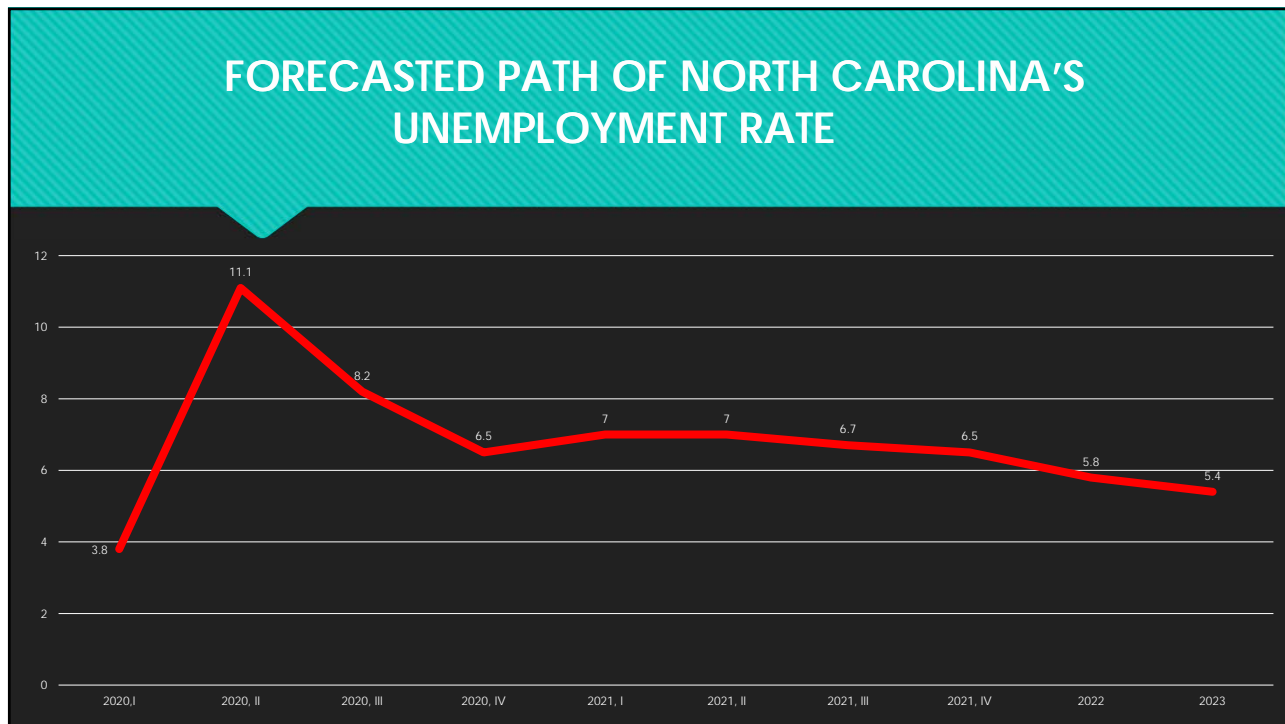
17

GLOBALIZATION RE-CONSIDERED

TO CONTAIN SPREAD OF VIRUSES

TO REDUCE RELIANCE ON FOREIGN SUPPLIERS OF KEY PRODUCTS – ESPECIALLY MEDICAL

TO PREVENT INTERRUPTIONS OF SUPPLY-CHAINS

WORLD TRADE TO BE CURTRAILED ?

18

MORE LABOR MARKET DISRUPTON

TECHNOLOGICAL UNEMPLOYMENT

PANDEMIC HAS SPEEDED IT

NO WORRIES ABOUT SOCIAL DISTANCING WITH MACHINES

ROBOTS IN FOOD PROCESSING PLANTS

HUMANS VERSUS MACHINES

19

POLLING QUESTION

- CURRENT ECONOMIC FORECASTS FOR NORTH CAROLINA SUGGEST:
- A. ECONOMIC OUTPUT AND JOBS RECOVER AT THE SAME RATE
- B. ECONOMIC OUTPUT WILL RECOVER FASTER THAN JOBS
- C. ECONOMIC OUTPUT WILL RECOVER SLOWER THAN JOBS

20

BIG IMPLICATIONS FOR EDUCATION

MORE DIRECT JOB TRAINING IN HIGH SCHOOL

MORE SHORT, TASK ORIENTED TRAIING IN COLLEGES

FAST, FOCUSED, AFFORDABLE

EDUCATION

RE-MADE

21

TELE-WORKING

8% PRE-VIRUS

40% NOW

NOT FOR EVERYONE, BUT SHARE WILL RISE TO 50%

WORK – HOME

BALANCE

22

TELE-EDUCATION AND TELE-MEDICINE

TECHNOLOGY WILL IMPROVE

INTERNET ACCESS DELIVERED BY LOW-ORBITING SATELLITES

COULD HELP WORK/LIFE BALANCE

SERVICES ON-LINE

23

DRONE DELIVERY OF PRODUCTS; INTERNET DELIVERY OF SERVICES

AVOIDS FACE TO FACE CONTACT

NEXT: 4D HOME MANUFACTURING

IMPLICATIONS FOR CONTROL OF THE SKIES

24

RECONSIDERATION OF RESIDENTIAL LOCATION

"DISTANCE IS DEAD"

PROXIMITY TO WORK, SCHOOLS, SHOPPING NO LONGER NEEDED

"NEW FARM LIFESTYLE" ON CHEAPER LAND

WHERE IS HOME ?

25

CONCLUSION

THE CORONAVIRUS PANDEMIC HAS CREATED PERMANENT PERSONAL AND ECONOMIC LOSSES ON THE WORLD

ALL THE MORE DIFFICULT BECAUSE IT HAS BEEN OVER 60 YEARS SINCE A SIMILAR OUTBREAK OCCURRED

LESSON: VIRUS PANDEMICS CAN STILL OCCUR - $ SPENT IN PREDICTION AND PREVENTION HAVE A VERY HIGH RATE OF RETURN

26

"REAL SOLUTONS" IS NOW AVAILABLE
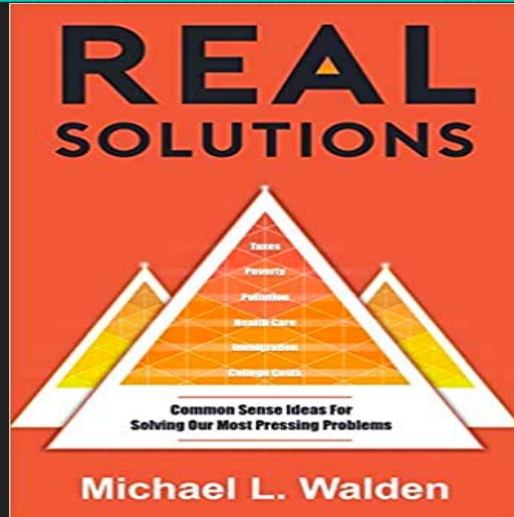
27

AND SO IS "DISUNIONIA"
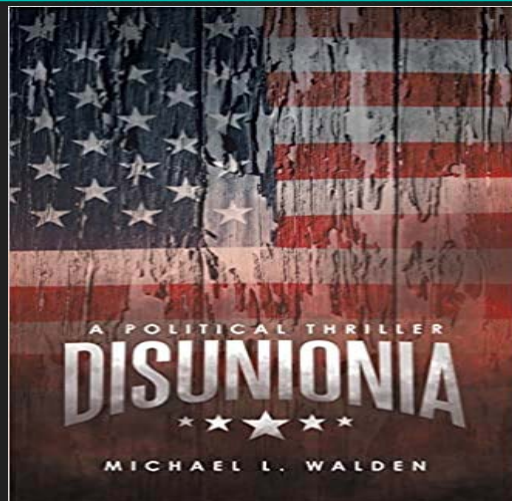
28

Dr. Michael Walden – NC State University
Economic Update

1. Do you foresee any IRS/State Tax changes related to teleworking across the US or in foreign countries?
   Answer: Yes, this will be a hot topic if remote working reaches the 50% level, as some expect.

2. In your opinion, what amount of additional borrowings do we need to avoid a deeper fall/crash in the next six months?
   Answer: I think the $1 trillion amount Congress is now considering is **just the right amount.**

3. Given the current national debt, projected deficits in S. Security and Medicare in the next 5 to 10 years, can the US realistically address its structural deficit challenges?
   *Answer: Public debt is different than private debt in that it can continually be rolled over. There are two costs – the interest payments, and what we are giving up if the funds had been used in another way.   In my new book Real Solutions: Common Sense Answers for Solving Our Most Pressing Problems, I identify the responsible way to use public debt, and I also present a way to reduce current debt levels.*

4. If unemployment is not measured through unemployment applications, who surveys for the unemployment stats and who gets surveyed?
   Answer: The federal government conducts monthly surveys, using a stratified random sample approach – that is, using a statistically proper sample capturing all groups of workers.

5. Why has the stock market reached new highs while employment and GDP has declined?
   Answer: GDP did drop in the second quarter but has strongly rebounded in the third quarter. Stock markets are forward looking, meaning they are trying to foresee the future – not current – economy. Collectively, the market's recent gains suggest optimism about next year's economy.

6. Will the technology sector finally start recognizing the value in serving rural populations?
   Answer: Rural economic development is being held back by the lack of reliable, high speed internet. Rather than expecting cable to be the mechanism for providing service, watch for a new technology using low-orbiting satellites (800 miles up, rather than 20,000 miles for current satellite providers). Elon Musk – of Tesla fame – is already testing this technology. Many futurists think this is the way everyone will eventually receive internet service. It could be available in five years.

7. One economic theory that has made headlines recently is Modern Monetary Theory, or MMT. As an economist, what is your opinion on it? Do you believe it to be economically viable, or is it considered by most economists to be less viable, but rather politically expedient?
   Answer: MMT's most important contribution is to remind us that borrowing for public purposes can be very wise, because public investments can have a high rate of return.   A good example is public infrastructure projects (roads are examples), where annual investment returns have been estimated to be over 20%. However, we need to keep in mind that public

borrowing competes with private borrowing, so we do not want public borrowing to crowd-out private borrowing.

8. Do you ever envision a time when our Federal Govt will ever get back to a reasonable debt load? *Answer: It is possible with the correct structural changes – see Chapter 13 of my book, Real Solutions.*

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David Webb-Johnston CC	Candace Walker-NCSU	Virginia Sisson-OSC	Mary Hall-UNC Asheville
Cindi Renfro-Mayland CC	Michael Walker-NCSU	Randy Smith-OSC	John Pierce-UNC Asheville
Jonathan Harris-Mitchell CC	Misty Wilson-NCSU	Lisa Stubbs-OSC	Cyndi Autenrieth-UNC Charlotte
Adrienne Covington-Nash CC	Prabhavathi Vijayaraghavan-OAH	Kathleen Tolbert-OSC	Alicia Bartosch-UNC Charlotte
Mark Stohlman-NC Biotech Center	Kristina Autio-OSA	Jim Tulenko-OSC	Eric Conklin-UNC Charlotte
Bryan Jenkins-NC CC System	Joyce Flowers-OSA	Elizabeth John-OSHR	Tony Georges-UNC Charlotte
Yolanda Deaver-NCCU	Linda Hollar-OSA	Terry Dail-Ports Authority	Ellen Harris-UNC Charlotte
Antonio McDaniel-NCCU	Leanne McLaughlin-OSA	Simuel Hodges-Retired	Amy Hisler-UNC Charlotte
Theresa Turner-NCCU	Ashley Price-OSA	Tami George-Robeson CC	Greg Husted-UNC Charlotte
Gary Ward-NC Central University	Ted Price-OSA	Steve Woodruff-Rockingham CC	Teri Miller-UNC Charlotte
Nirav Amin-NCEL	Mary Evans-OSBM	Norma Brice-Rowan-Cabarrus CC	Kimberly Seamans-UNC Charlotte
Ross Davidson-NCEL	Sandy Barnes-OSC	David Cannon-Rowan-Cabarrus CC	Laura Williams-UNC Charlotte
Daniel Honeycutt-NCEL	Ritchie Barnette-OSC	Brenda Jackson-Sandhills CC	Fang Zuo-UNC Charlotte

Justin Bishop-UNC Greensboro	Sidney Hughes-UNC Pembroke	Sherryl Seigfreid-UNC-CH
Katie Condit-Jang-UNC Greensboro	Melinda Locklear-UNC Pembroke	Audra Slavin-UNC-CH
Brenda Hampshire-UNC Greensboro	Amber Russ-UNC Pembroke	Justin Stiles-UNC-CH
Melissa Hoff-UNC Greensboro	Edna Sanchez-UNC Pembroke	Dawei Tang-UNC-CH
Wayne Jones-UNC Greensboro	Virginia Teachey-UNC Pembroke	Lee Wagner-UNC-CH
Quita Loflin-UNC Greensboro	Leon Browning-UNC System	Yiwen Wang-UNC-CH
Stephanie Pflum-UNC Greensboro	Debbie Dryer-UNC System	Susan Williams-UNC-CH
Holly Atkins-UNC Hospitals	Nuray Eksen-UNC System	Melanie Wright-UNC-CH
Ruth Bartholomew-UNC Hospitals	Cliff Flood-UNC System	Jarrett Bailey-UNCSA
Michael Bonner-UNC Hospitals	Heather Hummer-UNC System	Dana Dupree-UNCSA
Timothy Byrd-UNC Hospitals	Rhonda Melton-UNC System	Wendy Emerson-UNCSA
Carol Dorshimer-UNC Hospitals	Preksha Patel-UNC System	Jasheen Midgette-UNCSA
Linda Garr-UNC Hospitals	Megan Wallace-UNC System	Michael Montgomery-UNCSA
Amber Greiner-UNC Hospitals	Daysi Allen-UNC-CH	Cynthia Chroman-UNCW
Michael Griffin-UNC Hospitals	Lamees Asad-UNC-CH	Jesse Chroman-UNCW
Paul Grosswald-UNC Hospitals	DeAhn Baucom-UNC-CH	Joanne Ferguson-UNCW
Leslie Gura-UNC Hospitals	Manali Bettendorf-UNC-CH	Dana Harris-UNCW
Mark Hoffman-UNC Hospitals	Jeff Birdsong-UNC-CH	Heather Iannucci-UNCW
William Hosterman-UNC Hospitals	Jennifer Blair-UNC-CH	Laura Labree-UNCW
Jean Kaseke-UNC Hospitals	Miranda Brownlow-UNC-CH	John Lengyel-UNCW
Peizhu Liu-UNC Hospitals	Laurie Burroughs-UNC-CH	Julie Lynn Neill-UNCW
Mark Miller-UNC Hospitals	John Carlson-UNC-CH	William Stewart-UNCW
Firoza Mistry-UNC Hospitals	Dan Chen-UNC-CH	Keith Westcott-UNCW
Seong Woon Mo-UNC Hospitals	David Churchill-UNC-CH	Elizabeth Haynes-USS NC Battleship
Pattie Moore-Boyette-UNC Hospitals	Angie Davis-UNC-CH	Marla Tart-Wake Technical CC
Carolyn Perkins-UNC Hospitals	Andrew Fulmer-UNC-CH	Annette Woodard-Wayne CC
Raghav Reddy-UNC Hospitals	Jessica Hwang-Strickland-UNC-CH	David Steinbicker-WCU
Joanne Rich-UNC Hospitals	Karin Langbehn-Pecaut-UNC-CH	Steve Chase-Wildlife
Jessica Rosera-UNC Hospitals	Judy LeDoux-UNC-CH	Randy Bennett-WSSU
Susan Schena-UNC Hospitals	Tracey Lemming-UNC-CH	Jonathan Smith-WSSU
Rashmi Shivaraj-UNC Hospitals	Arun Malik-UNC-CH	LaToya Wiley-WSSU
Brock Simonds-UNC Hospitals	Elizabeth McAndrew-UNC-CH	
Jeffrey Stevens-UNC Hospitals	Beatrice Muganda-UNC-CH	
John Storment-UNC Hospitals	Gwen Norwood-UNC-CH	
Janina Thomas-UNC Hospitals	Bennie Poulson-UNC-CH	
Roshmi Valiyapurayil-UNC Hospitals	Chandrika Rao-UNC-CH	
Hunter Wagstaff-UNC Hospitals	Ann Reinking-UNC-CH	
Richard Wilson-UNC Hospitals	Bing Roenigk-UNC-CH	
Michelle Donegain-UNC Pembroke	Janet Rupert-UNC-CH	