
NOTES TO THE FINANCIAL STATEMENTS

NOTE 23: SUBSEQUENT EVENTS

Primary Government**Repair and Renovation Certificates of Participation**

On October 24, 2007 the State issued \$75 million of Repairs and Renovations Certificates of Participation, Series 2007B. The certificates are dated October 24, 2007 and will bear interest from that date. Interest will be payable semiannually on each June 1 and December 1, commencing June 1, 2008. The certificates will mature, subject to the redemption provisions, from June 1, 2009 to 2028 inclusive, and were issued at coupon rates ranging from 4.0% to 5.0%. Pursuant to the provisions of Article 9 of Chapter 142 of the North Carolina General Statutes (the "State Capital Facilities Finance Act") and Session Laws 2003-284, the certificates were issued for the purpose of financing the repairs and renovations of State facilities and related infrastructure that are supported from the State's General Fund and to pay certain costs incurred in connection with the execution and delivery of the 2007B Certificates.

Capital Improvement Certificates of Participation

On October 3, 2007, the State issued \$200 million of Capital Improvement Certificates of Participation, Series 2007A. The certificates are dated September 13, 2007 and will bear interest from that date. Interest will be payable semiannually on each May 1 and November 1, commencing May 1, 2008. The certificates will mature, subject to the redemption provisions, from May 1, 2009 to 2028 inclusive, and were issued at coupon rates ranging from 4% to 5%. Pursuant to the provisions of Article 9 of Chapter 142 of the North Carolina General Statutes (the "State Capital Facilities Finance Act"), and Session Laws 2003-314, 2004-126, 2004-179, 2005-276, 2006-66, 2006-146 and 2006-231 which authorized a total of \$1.41 billion of varying state projects and related infrastructure, the certificates were issued for the purpose of providing funding in varying amounts for the authorized capital projects and to pay certain costs incurred in connection with the execution and delivery of the 2007A Certificates.

Grant Anticipation Revenue Vehicle Bonds

On October 17, 2007 the State of North Carolina issued \$287.57 million of Grant Anticipation Revenue Vehicle (GARVEE) Bonds, Series 2007. The bonds are dated October 17, 2007 and will bear interest from that date. Interest will be payable semiannually on each March 1 and September 1, commencing March 1, 2008. The bonds will mature, subject to redemption provisions, from March 1,

2009 to 2019 inclusive, and were issued at coupon rates ranging from 4.0% to 5.0%. Pursuant to Section 136-18(12b) of the North Carolina General Statutes (the "GARVEE Act") and the State and Local Government Revenue Bond Act, Section 159-80, the bonds were issued for the purpose of accelerating various transportation projects across the State and to pay certain costs incurred in connection with the execution and delivery of the 2007 Bonds. The GARVEE Bonds are payable solely from certain federal aid revenues received on behalf of the State and do not create a debt, liability or obligation of the State or any political subdivision of the State. Such federal aid revenues consist of amounts derived from the National Highway System and other federal surface transportation programs.

Component Units**State Education Assistance Authority, Bond Issuance**

On August 7, 2007 the State Education Assistance Authority (the Authority) issued \$424 million State of North Carolina Education Assistance Authority Tax-Exempt Guaranteed Student Loan Revenue Bonds 2007 Series S (Senior Lien) and \$10 million State of North Carolina Education Assistance Authority Tax-Exempt Guaranteed Student Loan Revenue Bonds 2007 Series S (Subordinate Lien). The proceeds from these issuances will be used to fund student loans.