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**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 25: SUBSEQUENT EVENTS**

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**Primary Government***General Obligation Public Improvement (Connect NC) Bonds*

On October 22, 2020, the State of North Carolina issued \$400 million of General Obligation Public Improvement (Connect NC) Bonds, Series 2020A. The bonds are dated October 22, 2020 and bear interest from that date. Interest on the bonds will be payable semiannually on each June 1 and December 1, commencing June 1, 2021. The bonds will mature from June 1, 2021 to June 1, 2040 and were issued at coupon rates ranging from 1.5% to 5%. The bonds carry an all-in true interest cost of 1.48%. The bonds maturing on or after June 1, 2031 are subject to redemption prior to maturity. The bonds were issued pursuant to the provisions of the Connect NC Bond Act of 2015 (Act), Session Law 2015-280 of the 2015 Session Laws of the General Assembly of North Carolina, and were later approved by a state-wide voter referendum held on March 15, 2016. A resolution was duly adopted by the Council of State on August 4, 2020. The bonds were the fourth series issued under the Act. The bonds were issued to provide financing for various capital improvements throughout the State as authorized in the Act and to pay the costs incurred in the issuance and delivery of the bonds.

*Limited Obligation (Build NC) Bonds, Series 2020B*

On November 12, 2020, the North Carolina Department of Transportation issued \$700 million in tax-exempt Limited Obligation (Build NC) Bonds, Series 2020B. The bonds are dated November 12, 2020 and bear interest from that date. Interest on the bonds will be payable semiannually on each May 1 and November 1, commencing May 1, 2021. The bonds consist of serial bonds that will mature from May 1, 2021 to May 1, 2035, with interest rates of 5%. The bonds were issued to provide funds for the purposes of funding transportation projects across the State, funding the Debt Service Reserve Fund, and to pay certain costs in connection with the issuance of the bonds.

*Triangle Expressway System Senior Lien Turnpike Revenue Bond Anticipation Notes, Series 2020*

On October 29, 2020, the North Carolina Turnpike Authority issued \$499.46 million in tax-exempt Triangle Expressway System Senior Lien Turnpike Revenue Bond Anticipation Notes, Series 2020. Interest on the notes will be payable semiannually on each January 1 and July 1, commencing January 1, 2021. The expected maturity for the notes is February 1, 2024. The notes will be issued to provide funds for the construction of the Complete 540 Phase 1 project, and to pay certain costs in connection with the issuance of the bonds.

*401(K) Supplemental Retirement Income Plan and 457 Deferred Compensation Plan – Coronavirus Related Distributions and Loans*

Eligible participants in the 401(k) and NC 457(b) Plans have accessed their fund balances under the CARES Act provisions adopted by the Supplemental Retirement Board of Trustees. The CARES Act provides eligible participants, through a self-certification process, the ability to withdraw or borrow amounts greater than typically permitted. Coronavirus Related Distributions (CRDs), which are not subject to the Plans' age or employment restrictions for distributions, have had the greatest take up rate. CRDs do not have the typical penalty associated with distributions prior to age 59 ½ which is highly favorable for Plan participants. Distributions will not be taxed as personal income if repaid to an individual's account. Plan participants have up to three years to repay all or part of the distribution should they choose to do so. Eligible Plan participants have also taken CRD loans as provided by the CARES Act and have the option to defer loan payments through the end of 2020. As of July 31, 2020, CRDs taken by participants total \$102.7 million, and CRD loans taken by participants total \$6.55 million.

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**NOTES TO THE FINANCIAL STATEMENTS****Component Units***University of North Carolina System – North Carolina State University – General Revenue Bonds 2020A and 2020B*

On July 7, 2020, the Board of Governors of the University of North Carolina, on behalf of North Carolina State University at Raleigh (NCSU), issued \$82.34 million of General Revenue Bonds, Series 2020A, and \$184.45 million of taxable General Revenue Bonds, Series 2020B. The bonds are dated July 7, 2020 and bear interest from that date. Interest on the bonds will be paid semiannually on each April 1 and October 1, commencing October 1, 2020. The Series 2020A bonds consist of serial bonds that will mature from October 1, 2022 to October 1, 2035, with interest rates of 5%. This series also consists of term bonds that will mature on October 1, 2044, with an interest rate of 2.38%. The Series 2020B bonds consist of serial bonds that will mature from October 1, 2020 to October 1, 2042, with interest rates ranging from 0.6% to 3.02%. This series also consists of term bonds that will mature on October 1, 2039, with an interest rate of 2.62%. The bonds were issued to provide funds for campus construction projects, refund certain bonds of the University, and to pay certain costs in connection with the issuance of the bonds.

*University of North Carolina System – Western Carolina University – General Revenue Series 2020B and 2020C*

On September 30, 2020, the Board of Governors of the University of North Carolina, on behalf of Western Carolina University, issued \$75.82 million of General Revenue Bonds, Series 2020B, and \$14.18 million of taxable General Revenue Refunding Bonds, Series 2020C. The bonds are dated September 30, 2020 and bear interest from that date. Interest on the bonds will be payable semiannually on each October 1 and April 1, commencing April 1, 2021. The Series 2020B bonds consist of serial bonds that will mature from April 1, 2029 to April 1, 2041, with interest rates ranging from 2.25% to 5%. This series also consist of term bonds that will mature on April 1, 2045 and April 1, 2050, with interest rates of 2.3% and 2.35%, respectively. The Series 2020C bonds consist of serial bonds that will mature on April 1, 2023 to April 1, 2028, with interest rates ranging from .91% to 2.01%. The bonds were issued to provide funds for a campus residence hall construction project, refund certain bonds of the University, and to pay certain costs in connection with the issuance of the bonds.

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