

QUARTERLY REPORT:

MASTER BOND FUND

PREPARED PURSUANT TO

THE ILLINOIS UNEMPLOYMENT INSURANCE TRUST FUND FINANCING ACT (30 ILCS 440/3K)

September 2014

The Master Bond Fund (MBF) contains revenues from employers that are attributable to the fund building rate under Illinois law (see 820 ILCS 405/1506.3A). A portion of the MBF is irrevocably pledged to the timely payment of bond obligations and bond administrative expenses. The proceeds of any bonds issued pursuant to the Illinois Unemployment Insurance Trust Fund Financing Act are to be held in trust in the MBF for purposes including, but not limited to, the payment of principal and interest on outstanding federal advances and deposits into the State's account in the Unemployment Trust Fund (UTF).

Receipts: On July 31, 2012, \$1,621,150,788 in bond proceeds, net of premium and underwriters' discount, were deposited in the MBF upon closing of the Series 2012 bonds. As of May 31, 2014, \$16,204.26 in interest earnings has been credited to the account. As of May 31, 2014, \$538,651,241 in Fund Building Receipts and \$67,259,928 in Surplus Program Receipts have been deposited into the MBF.

Expenditures & Transfers: On July 31, 2012, the majority of available funds in the MBF were transferred out to repay all outstanding federal advances and deposited in the State's account in the UTF in the amount of \$1,183,101,679. The remainder of the transfer in the amount of \$361,901,000 was credited to the State's account in the UTF to fund a surplus. From the bond proceeds, \$981,025 was paid for the cost of issuing the bonds. Trustee fees to date are \$1,000. The annual payment of interest on federal advances was made in late September 2012 in the amount of \$48,391,282. The first interest payment on the bonds was paid on December 15, 2012, in the amount of \$24,678,169 from capitalized interest retained in the MBF from the bond proceeds.

Following are the scheduled and optional bond maturity principal amount redeemed and interest paid beginning June 17, 2013 through June 16, 2014:

Maturity <u>Date</u>	<u>Redemptions</u>			Interest <u>Payments</u>
	<u>Series A</u>	<u>Series B</u>	<u>Series C</u>	
6/17/13	\$ 93,055,000		\$110,000,000	\$32,904,225
12/16/13	\$ 43,455,000			\$31,148,675
6/16/14	\$117,335,000	\$54,690,000		\$30,162,300

Series C bonds are subject to mandatory early redemption when funds are available from Excess Pledged Revenue and Surplus Program Receipts. All of the Series C bonds were redeemed June 17, 2013 in the amount of \$110,000,000 from the proceeds of Excess Pledged Revenue in the amount of \$42,740,072 and from Surplus Program Receipts in the amount of \$67,259,928. The first option to early redeem Series B bonds was 6/16/14 in the amount of \$54,690,000. This was paid from the proceeds of Excess Pledged Revenue. Retained Pledged Revenue is \$25,000,000.

Current Bond Indebtedness: As of September 12, 2014, outstanding Series A 2012 revenue bonds is \$398,230,000 with scheduled maturity through December 15, 2016 and outstanding Series B bonds of \$653,175,000 with maturity dates through June 15, 2020 and optional redemptions through December 15, 2016 for a total outstanding amount of \$1,051,405,000 in bond indebtedness.

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Current Bond Indebtedness: As of September 12, 2014, outstanding Series A 2012 revenue bonds is \$398,230,000 with scheduled maturity through December 15, 2016 and outstanding Series B bonds of \$653,175,000 with maturity dates through June 15, 2020 and optional redemptions through December 15, 2016 for a total outstanding amount of \$1,051,405,000 in bond indebtedness.

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Current Bond Indebtedness: As of September 12, 2014, outstanding Series A 2012 revenue bonds is \$398,230,000 with scheduled maturity through December 15, 2016 and outstanding Series B bonds of \$653,175,000 with maturity dates through June 15, 2020 and optional redemptions through December 15, 2016 for a total outstanding amount of \$1,051,405,000 in bond indebtedness.

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