

CITY OF PEKIN, ILLINOIS  
FINANCIAL STATEMENTS  
APRIL 30, 1996

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NOTES TO THE FINANCIAL STATEMENTS

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**NOTE 13 - TRANSFER OF FUNDS FROM GENERAL FUND TO SEWERAGE FUND**

In June, 1993 the Sewerage Fund (an Enterprise Fund) loaned \$1,000,000 to the City's General Fund. On March 13, 1995 the City Council adopted a resolution to cancel the loan by a \$1,000,000 transfer to the General Fund. In June, 1995 the City Council reconsidered and rescinded the March 13, 1995 resolution and order repayment to the Sewerage Fund. The \$1,000,000 repayment is reflected as an operating transfer out in the General Fund's Statement of Revenues, Expenditures, and Changes in Fund Balance and as a nonoperating revenue in the Sewerage Fund's Statement of Revenues, Expenditures, and Changes in Retained Earnings.

**NOTE 14 - CONTINGENCIES**

The City is party to various legal proceedings which normally occur in government operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City and accordingly, no provision for losses has been recorded.