Reserves and Accumulation of Funds Policy

This policy is established to provide financial stability, sufficient cash flow to meet operating and capital improvement needs, and to secure debt obligations.

The Aurora Public Library District shall strive to maintain reserves as described below.

A. Operating Reserves – Aurora Public Library District will maintain a minimum target general fund balance of 45%-50% of the previous fiscal year's budgeted operating expenditures to protect against financial instability, interruptions in revenues, economic downturns and any other unforeseen circumstances. Funds may be withdrawn to address the financial instability that would otherwise result in service impacts including, but not limited to: maintaining library hours and staffing levels, and supporting expenditures for materials, technology, and facilities.
B. Special Reserves – Aurora Public Library District will contribute to and maintain reserves in an amount believed to be sufficient to meet the library's capital needs when and as they arise. 100% of this balance shall be considered committed to capital projects and major building and system repairs. Balances held in the Special Reserves shall be supported by a Special Reserve Plan for the use of the funds.

Reserves shall be held in interest-bearing accounts and invested in accordance with the library's Investment Policy.

The Board will establish a replenishment plan if any of the reserves fall below acceptable levels. The plan shall strive to restore Operating Reserves within two years and Special Reserves within 5 years. Operating Reserve balances shall be restored prior to restoring Special Reserve balances.

Approved by the Aurora Public Library District Board of Library Trustees
October 28, 2026.