

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2024

NEW ISSUE

RATING (1) S&P Global Ratings Services: "AA-" (See "RATING INFORMATION" herein)

BOOK-ENTRY-ONLY

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the Library, (i) the interest on the Bonds is excludable from gross income for federal income tax purposes, and (ii) the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" and "APPENDIX E - FORM OF APPROVING OPINION" herein for a description of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the tax treatment of interest on the Bonds for certain Bondholders.

The Bonds have been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

\$9,000,000 *

CLINTON-MACOMB PUBLIC LIBRARY
COUNTY OF MACOMB, STATE OF MICHIGAN
2024 LIBRARY BUILDING AND SITE BONDS
(LIMITED TAX GENERAL OBLIGATION)

OFFICIAL STATEMENT

The 2024 Library Building and Site Bonds (Limited Tax General Obligation) (the "Bonds") are being issued pursuant to the provisions of Act 265, Public Acts of Michigan, 1988, as amended ("Act 265") and pursuant to a resolution adopted by the Board of Trustees of the Clinton-Macomb Public Library, County of Macomb, State of Michigan (the "Library") on May 15, 2024, for the purposes of paying all or part of (i) the cost of acquiring and constructing improvements and renovations to the Main Library, including site work (the "Project"), and (ii) the costs associated with the issuance of the Bonds.

The Bonds are limited tax general obligations of the Library payable from ad valorem taxes levied on all taxable property in the Library. The limited tax full faith and credit of the Library have been pledged from the prompt payment of the principal of and interest on the Bonds as the same shall become due. Each year the Library is obligated to include in its budget the amount of debt service coming due in the next fiscal year and shall advance as a first budget obligation from its general funds available therefor, or if necessary, levy taxes upon all taxable property in the Library District. SUCH TAXES ARE SUBJECT TO APPLICABLE CONSTITUTIONAL AND STATUTORY TAX RATE LIMITATIONS.

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, as described herein.

Interest on the Bonds will be payable semi-annually on the first day of April and October of each year, commencing October 1, 2024. Principal and interest will be paid by the Library to UMB Bank, N.A., Grand Rapids, Michigan, the paying agent for the Bonds, or its successor, which will in turn remit such principal and interest to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described in the Bonds and as referenced in certain proceedings of the Library referred to therein.

The record date of the Bonds will be the fifteenth day of the month preceding each interest payment date.

Certain of the Bonds are subject to redemption prior to maturity. See "REDEMPTION PROVISIONS" herein.

BIDS RECEIVED UNTIL: 11:00 A.M., E.T., June 11, 2024

Bids will be received as indicated in the Official Notice of Sale provided in Appendix H of this Official Statement. Bids may also be submitted electronically via PARITY or email (info@bendzinski.com) pursuant to the Official Notice of Sale. To the extent any instructions or directions set forth in PARITY conflict with the Official Notice of Sale for the Bonds, the terms of the Official Notice of Sale shall control.

Award will be based on a calculation of the True Interest Cost on the Bonds.

MATURITY SCHEDULE *

Dated: Date of Delivery

Principal Due: April 1 of each year as shown below

Table with 14 columns: CUSIP (2), Year, Amount *, Interest Rate, Reoffering Rate, CUSIP (2), Year, Amount *, Interest Rate, Reoffering Rate, CUSIP (2), Year, Amount *, Interest Rate, Reoffering Rate. Rows include years 2025-2030 and 2031-2044.

The information regarding the reoffering rates was provided to the Library by the initial purchasers of the Bonds.

The Date of this Official Statement is , 2024.

* Preliminary, subject to change.

(1) As of Date of Delivery.

(2) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriter or its agents or counsel assume responsibility for the accuracy of such numbers.

(THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED DECISION.)

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. As of its date, this Preliminary Official Statement has been "deemed final" by the Library for purposes of SEC Rule 15c2-12(b)(1) except for the information permitted to be omitted from SEC Rule 15c2-12(b)(1).

The Bonds have not been registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, or registered in any state and will not be listed on any stock or other securities exchange. Neither the SEC nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale, except as disclosed herein.

No dealer, salesperson or any other person has been authorized to give any information or to make any representation, other than the information and representations contained herein, in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to whom it is unlawful to make such offer or solicitation. The information set forth herein has been provided by the Library and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness.

All summaries contained in this Official Statement are subject in all respects to the complete statute, regulation, rule, court decision or report. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor the sale made hereunder shall under any circumstance create any implication that there has been no change in the affairs of the Library since the date hereof.

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THE BONDS

\$9,000,000 *

**CLINTON-MACOMB PUBLIC LIBRARY
COUNTY OF MACOMB, STATE OF MICHIGAN
2024 LIBRARY BUILDING AND SITE BONDS
(LIMITED TAX GENERAL OBLIGATION)
INFORMATION FOR BIDDERS**

Date of Sale:	June 11, 2024		
Time of Sale:	11:00 a.m. Eastern Time		
Method of Sale:	Electronically via PARITY or Email info@bendzinski.com		
Dated:	Date of Delivery	Maximum Interest Rate:	6.00% (2.00% Spread)
Principal Due:	April 1, Serially	Maximum Discount Allowed:	1.00%
Denominations:	\$5,000 or multiples thereof up to the amount of a single maturity	Multiples:	Any
Registration:	Book-Entry-Only	Qualified Tax-Exempt Obligations:	Yes

ADJUSTMENT TO MATURITY

The Library reserves the right to increase or decrease the amount of any principal maturity of the Bonds after receipt of the bids and prior to the final award. Such adjustment, if necessary, will be made in increments of \$5,000.

MATURITIES *

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$ 295,000	2031	\$ 380,000	2038	\$ 505,000
2026	305,000	2032	395,000	2039	525,000
2027	320,000	2033	410,000	2040	550,000
2028	335,000	2034	430,000	2041	575,000
2029	350,000	2035	445,000	2042	595,000
2030	365,000	2036	465,000	2043	620,000
		2037	485,000	2044	650,000

DESCRIPTION AND FORM OF THE BONDS

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated as of the Date of Delivery and will bear interest from that date. Interest on the Bonds shall be payable on October 1, 2024 and semiannually each April 1 and October 1 thereafter to maturity or early redemption. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

* Preliminary, subject to change.

UMB Bank, N.A., Grand Rapids, Michigan, or its successor will serve as transfer agent (the "Transfer Agent") and also as bond registrar and paying agent if the Bonds cease to be held in book-entry-only form. For a description of payment of principal and interest, transfers and exchanges and notice of redemption on the Bonds which are held in the book-entry-only system, see "*Book-Entry-Only System*" below. In the event the Bonds cease to be held in the book-entry-only system, then interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date, the registered owner of record, at the owner's registered address. See "*Transfer Outside Book-Entry-Only System*" herein.

REDEMPTION PROVISIONS

TERM BOND OPTION

Bidders shall have the option of designating the Bonds maturing in the years 2025 through 2044, inclusive, as serial bonds, or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 2025 through 2044, inclusive, represents a serial maturity or a mandatory redemption requirement for a term bond maturity. In any event, the above principal amount schedule for the years 2025 through 2044, inclusive, shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

MANDATORY REDEMPTION

The Bonds designated as term bonds (the "Term Bonds") shall be subject to mandatory redemption at par and accrued interest on the dates and in the amounts corresponding to the annual principal maturities hereinbefore set forth. The Term Bonds or portions of Term Bonds to be redeemed shall be selected by lot.

OPTIONAL REDEMPTION

Bonds maturing in years 2025 to 2033, inclusive, shall not be subject to redemption prior to maturity.

Bonds or portions thereof in multiples of \$5,000, maturing on or after April 1, 2034, shall be subject to redemption prior to maturity, at the option of the Library, in such order as the Library shall determine, and within any maturity by lot, on any date on or after April 1, 2033, at par and accrued interest to the date fixed for redemption.

NOTICE AND EFFECT OF REDEMPTION

If any Bonds are called for redemption, the Transfer Agent, on behalf of the Library, shall give notice of such redemption at least 30 days prior to the date fixed for redemption. As described herein under "*Book-Entry-Only System*", as long as the Bonds are registered in the name of DTC or its nominee, redemption notices will be given to DTC only. Conveyance of notices by DTC to DTC Participants and Indirect Participants and, in turn, by the DTC Participants and Indirect Participants to Beneficial Owners (as defined in "*Book-Entry-Only System*") will be governed by arrangements among them. No further interest on Bonds called for redemption shall accrue after the date fixed for redemption, whether the Bonds are presented for redemption or not, provided the Library has money available for such redemption.

BOOK-ENTRY-ONLY SYSTEM

The information in this section has been furnished by The Depository Trust Company, New York, New York ("DTC"). No representation is made by the Library or the Transfer Agent as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the Library or the Transfer Agent to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the Library nor the Transfer Agent will have any responsibility or obligation to Direct Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct

Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Library as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Library or the Transfer Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Transfer Agent, or the Library, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Library or the Transfer Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Library or the Transfer Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Library may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

TRANSFER OUTSIDE BOOK-ENTRY-ONLY SYSTEM

In the event the Book-Entry-Only System is discontinued, the following provisions would apply to the Bonds. The Transfer Agent shall keep the registration books for the Bonds (the "Bond Register") at its designated corporate trust office. Subject to the further conditions contained in the Resolution (hereinafter defined), the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof at the principal corporate trust office of the Transfer Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Transfer Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations, the Transfer Agent shall not be required to effect or register any transfer or exchange of any Bond which has been selected for redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; the Library and the Transfer Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owner of such Bonds for all purposes under the Resolution. No transfer or exchange made other than as described above and, in the Resolution, shall be valid or effective for any purposes under the Resolution.

THE PROJECT

DESCRIPTION

The Bonds are being issued to finance the cost to acquire and construct improvements and renovations to the Main Library, including site work, and to pay costs incidental to the issuance of the Bonds.

USE OF BOND PROCEEDS

Estimated project costs are as follows:

Construction, Engineering Fees and Contingencies	\$ 14,136,300.00
Bond Discount (1.0%)	90,000.00
Cost of Issuance	<u>98,700.00</u>
Total Project Cost	\$ 14,325,000.00
Less: Funds on hand	<u>(5,325,000.00)</u>
Amount of Bond Issue	<u><u>\$ 9,000,000.00</u></u>

SECURITY

The Bonds are limited tax general obligations of the Library payable from ad valorem taxes levied on all taxable property in the Library. The limited tax full faith and credit of the Library have been pledged from the prompt payment of the principal of and interest on the Bonds as the same shall become due. Each year the Library is obligated to include in its budget the amount of debt service coming due in the next fiscal year and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the Library subject to applicable constitutional and statutory tax limitations, an amount sufficient to pay such principal and interest as the same shall become due.

The rights or remedies of Bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditor’s rights generally, now existing or hereafter enacted, and by the application of general principles of equity including those relating to equitable subordination.

AUTHORITY

The Bonds are being issued pursuant to Act 265, Public Acts of Michigan, 1988, as amended, and the resolution duly adopted by the Board of Trustees of the Library on May 15, 2024 (the “Resolution”).

MUNICIPAL FINANCE QUALIFYING STATEMENT

The Library has filed a Qualifying Statement for the fiscal year ended November 30, 2023. The Michigan Department of Treasury has determined that the Library is in material compliance with the criteria identified in Section 303 (3) of Act 34. The Library may therefore proceed to issue the Bonds without further approval from the Michigan Department of Treasury.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds have been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

TAX MATTERS

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, the interest on the Bonds is excludable from gross income for federal income tax purposes. Bond Counsel is also of the opinion that, under existing law, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The opinions on federal and State of Michigan tax matters are based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Library contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excludable from gross income for federal and State of Michigan income tax purposes. The Library has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excludable from gross income for federal and State of Michigan income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinions assume the accuracy of the Library's certifications and representations and the continuing compliance with the Library's covenants. Noncompliance with these covenants by the Library may cause the interest on the Bonds to be included in gross income for federal and State of Michigan income tax purposes retroactively to the date of issuance of the Bonds. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal and State of Michigan income tax purposes of interest on the Bonds or the market prices of the Bonds.

The opinions of Bond Counsel are based on current legal authority and cover certain matters not directly addressed by such authority. They represent Bond Counsel's legal judgment as to the excludability of interest on the Bonds from gross income for federal and State of Michigan income tax purposes but are not a guarantee of that conclusion. The Federal income tax opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion regarding any such consequences.

TAX TREATMENT OF ACCRUALS ON ORIGINAL ISSUE DISCOUNT BONDS

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Bond is less than the stated redemption price of such Bonds at maturity, then such Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

AMORTIZABLE BOND PREMIUM

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

MARKET DISCOUNT

The "market discount rules" of the Code apply to the Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

FUTURE DEVELOPMENTS

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the Library in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Library as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON THE BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. BOND COUNSEL EXPRESSES NO OPINION REGARDING ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan ("Bond Counsel"). The opinion of Bond Counsel will be substantially in the form as set forth in Appendix E.

ISSUE PRICE

The winning bidder shall assist the Library in establishing the issue price of the Bonds, in accordance with the requirements set forth in the Notice of Sale attached in Appendix H hereto, and shall deliver to the Library at closing an "issue price" or similar certificate setting forth the reasonably expected issue price to the public or the sales prices of the Bonds, substantially in the form attached as either Appendix I-1 or I-2 of the Preliminary Official Statement, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Library and Bond Counsel.

REGISTERED MUNICIPAL ADVISOR TO THE LIBRARY

Bendzinski & Co., Municipal Finance Advisors, Grosse Pointe, Michigan, (the "Municipal Advisor") is a Registered Municipal Advisor in accordance with the Municipal Securities Rule Making Board ("MSRB"). The Municipal Advisor has been retained by the Library to provide certain financial advisory services including, among other things, preparation of the deemed "final" Preliminary Official Statement and the final Official Statement (the "Official Statements"). The information contained in the Official Statement was prepared in form by the Municipal Advisor and is based on information supplied by various officials from records, statements and reports required by various local, county or state agencies of the State of Michigan in accordance with constitutional or statutory requirements.

To the best of the Municipal Advisor's knowledge, all of the information contained in the Official Statements, which it assisted in preparing, while it may be summarized is (i) complete and accurate; (ii) does not contain any untrue statement of a material fact and; (iii) does not omit any material fact, or make any statement which would be misleading in light of the circumstances under which these statements are being made. However, the Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisors duties, responsibilities and fees arise solely as Municipal Advisor to the Library, and they have no secondary obligation or other responsibility. The Municipal Advisors fees are expected to be paid from the Bond proceeds.

RATING INFORMATION

Standard & Poor's Ratings Services has assigned its municipal bond rating as stated on the front cover of this Official Statement, to the Bonds.

The assigned rating reflects the independent judgment of the rating agency and there is no assurance that said rating will continue for any period of time or that it will not be revised or withdrawn by the rating agency. A revision or withdrawal of said rating may have an effect on the market price of the Bonds.

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the Library will execute a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the Beneficial Owners (as defined in the Undertaking) of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") electronically through MSRB's Electronic Municipal Market Access System ("EMMA"), pursuant to the requirements of section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, are set forth in Appendix F - "FORM OF CONTINUING DISCLOSURE UNDERTAKING" to this Official Statement.

A failure by the Library to comply with the Undertaking will not constitute an event of default under the Resolution and Beneficial Owners of the Bonds are limited to the remedies described in the Undertaking.

A failure by the Library to comply with the Undertaking must be reported by the Library in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Library has not failed to comply, in any material respect, with the requirements as described in section (b)(5) of the Rule of any undertaking by the Library in the last five years.

PRINTING AND DELIVERY

The Library will furnish Bonds at its expense for delivery to the purchaser to DTC at New York, New York. Delivery of the Bonds shall be within 45 days from the date of sale of the Bonds. Payment for the Bonds shall be made in Federal Reserve Funds.

ABSENCE OF CERTAIN LITIGATION

According to Library Attorney, Michael J. Nickerson, of Michael J. Nickerson & Associates, P.C., to his knowledge, there is no litigation pending or threatened, in any court (either state or federal) which seeks to restrain or enjoin the issuance or delivery of the Bonds, which questions (i) the proceedings under which the Bonds are to be issued, (ii) the validity of the Bonds, (iii) the legal existence of the Library or the title to the office of the present officials of the Library, or (iv) the ability of the Library to operate or any other matter which may materially affect the financial condition of the Library.

OTHER MATTERS

The Library certifies that to its best knowledge and belief, this Official Statement, insofar as it pertains to the Library and its economic and financial condition, is true and correct as of its date, and does not contain, nor omit, any material facts or information which would make the statements contained herein misleading. All information contained in this Official Statement, other than that provided by the Library, is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of such information. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

The date of the Preliminary Official Statement is June 3, 2024. The information contained herein is subject to revision, amendment and completion. As of that date, the Preliminary Official Statement was deemed "final" by the Library for purposes of paragraph (b)(1) of the Rule.

This Official Statement has been duly approved, executed and delivered by the Library on the date as set forth on the front cover of this Official Statement.

CLINTON-MACOMB PUBLIC LIBRARY

By: /s/ _____
LARRYNEAL, Director

**CLINTON-MACOMB PUBLIC LIBRARY
GENERAL DESCRIPTION
AND
STATISTICAL INFORMATION**

CLINTON-MACOMB PUBLIC LIBRARY

LOCATION AND DESCRIPTION

The Clinton-Macomb Public Library (the "Library"), formed in 1992, covers an area of approximately 62.1 square miles contained within the Township of Macomb and all of the Charter Township of Clinton, excluding a portion of the Charter Township of Clinton (together the "Townships") which is served by the Mount Clemens Public Library in Macomb County.

FORM OF GOVERNMENT

The Library Board consists of 8 members who serve 4-year overlapping terms. Clinton Township appoints 4 members, and Macomb Township appoints 4 members.

POPULATION

	District Library	Charter Township of Clinton	Township of Macomb
2020 U.S. Census	192,176	100,513	91,663
2010 U.S. Census	176,376	96,796	79,580
2000 U.S. Census	146,126	95,648	50,478
1990 U.S. Census	108,580	85,866	22,714

FISCAL YEAR

December 1 to November 30

PROPERTY VALUATIONS

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Since 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year minus any losses, multiplied by the lesser of 1.05 or the inflation rate plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

REAL PROPERTY TAX ASSESSMENTS

Responsibility for assessing taxable real property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, the local Board of Review and ultimately to the Michigan Tax Tribunal.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the County's Department of Equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Real property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in the Official Statement. Property granted tax abatements under Act 198, Public Acts of Michigan, 1974, as amended ("Act 198") is recorded on a separate tax roll while subject to tax abatement. The valuation of tax abated property is based upon SEV but is not included in either the SEV or Taxable Value data in the Official Statement except as noted.

APPEAL OF PROPERTY ASSESSMENTS

Property taxpayers may appeal their assessments to the local Board of Review and then to the Michigan Tax Tribunal. Unless otherwise ordered by the Tax Tribunal, before the Tax Tribunal renders a decision on an assessment appeal, the taxpayer must have paid the tax bill. The Library has several tax appeals pending before the Tax Tribunal (including personal property appeals). None of the tax appeals pending are expected to have a significant impact on the Library's State Equalized Valuation, Taxable Value or the resulting taxes.

INDUSTRIAL FACILITIES TAX

The Michigan Plant Rehabilitation and Industrial Development District Act (Act 198, Public Acts of Michigan, 1974, as amended) ("Act 198") provides significant property tax incentives to industry to renovate and expand aging industrial facilities and to build new industrial facilities in Michigan. Under the provisions of Act 198, qualifying cities, villages and townships may establish districts in which industrial firms are offered certain property tax incentives to encourage restoration or replacement of obsolete industrial facilities and to attract new industrial facilities.

Property owners situated in such districts pay an Industrial Facilities Tax ("IFT") in lieu of ad valorem property taxes on plant and equipment for a period of up to 12 years. For rehabilitated plant and equipment, the IFT is determined by calculating the product of the taxable value of the replacement facility in the year before the effective date of the abatement certificate multiplied by the total mills levied by all taxing units in the current year. For abatements granted prior to January 1, 1994, new plant and equipment is taxed at one-half the total mills levied by all taxing units, except for mills levied for local school district operating purposes or under the State Education Tax Act, plus one-half of the number of mills levied for local school district operating purposes in 1993. For new facility abatements granted after 1993, new plant and equipment is taxed at one-half of the total mills levied as ad valorem taxes by all taxing units, except mills levied under the State Education Tax Act, plus the number of mills levied under the State Education Tax Act. For new facility abatements granted after 1993, the State Treasurer may permit abatement of all, none or one-half of the mills levied under the State Education Tax Act. It must be emphasized, however, that ad valorem property taxes on land and inventory are not reduced in any way since both land and inventory are specifically excluded under Act 198.

The **Charter Township of Clinton** has twenty-five (25) IFT exemption certificates currently outstanding, aggregating \$7,321,307 in 2023 Equivalent Taxable Value *.

The **Township of Macomb** has ten (10) IFT exemption certificates currently outstanding, aggregating \$9,515,285 in 2023 Equivalent Taxable Value *.

HISTORY OF PROPERTY VALUATIONS **

Year	STATE EQUALIZED VALUATION	TAXABLE VALUE
2024	\$11,669,786,482	\$8,676,917,040
2023	10,403,532,930	8,019,042,649
2022	9,400,285,068	7,470,612,762
2021	8,793,057,826	7,042,045,010
2020	8,434,516,404	6,840,091,445
2019	7,889,373,440	6,484,725,595
2018	7,447,169,120	6,202,977,224
2017	7,209,049,360	5,925,781,817
2016	6,782,430,795	5,708,001,283
2015	6,304,016,878	5,607,389,883

* The 2024 State Equalized Valuation and Taxable Value of the outstanding IFT Certificates is not available at time of publication of the Preliminary Official Statement

** These values include properties from the Renaissance Zone, which is tax exempted and is not used for the calculation of Library Taxes. The 2024 State Equalized Valuation and Taxable Value of the Renaissance Zone is \$281,454,800 and \$146,826,700, respectively.

MICHIGAN PROPERTY TAX REFORM

The enactment of Michigan Public Acts 153 and 154 of 2013, together with subsequent enactment of Michigan Public Acts 80 and 86 through 93 of 2014, significantly reformed personal property tax in Michigan. The voters of the State approved a referendum on August 4, 2014, to which all of these acts were tied, and therefore these acts will continue in effect.

Under these acts, owners of industrial and commercial personal property with a total true cash value of \$80,000 or less were able to annually file an affidavit claiming a personal property tax exemption. This threshold increased to \$180,000 beginning in 2023. To be eligible for the exemption, all of the commercial or industrial personal property within a city or township that is owned by, leased to, or controlled by the claimant has to have accumulated true cash value of \$180,000 or less. Beginning in 2016, owners of certain eligible manufacturing personal property that was either purchased after December 31, 2012, or that is a least 10 years old have been able to claim an exemption from personal property tax by filing an affidavit claiming the exemption. By 2022, all eligible manufacturing personal property will be at least 10 years old or purchased after December 31, 2012, so that it could be exempted from personal property tax.

To replace revenues lost by local governments, due to these exemptions, a portion of the current State use tax is set aside as a “local community stabilization share” that will not be subject to the annual appropriations process, and is automatically provided to a “local community stabilization authority” for distribution pursuant to a statutory formula anticipated to provide 100% reimbursement to local governments for losses due to the new personal property tax exemptions. The Library received \$79,213.40 from the Local Community Stabilization Authority to replace personal property tax revenues during the fiscal year ended November 30, 2023.

An analysis of the **State Equalized Valuation** is as follows:

	BY CLASS		
	2024	2023	2022
Real Property	\$ 11,400,929,400	\$ 10,148,000,440	\$ 9,131,579,002
Personal Property	268,857,082	255,532,490	268,706,066
TOTAL	\$ 11,669,786,482	\$ 10,403,532,930	\$ 9,400,285,068

	BY USE		
	2024	2023	2022
Residential	\$ 9,665,634,450	\$ 8,557,280,400	\$ 7,635,386,069
Commercial	1,306,732,950	1,208,303,940	1,131,545,933
Agricultural	13,188,200	12,604,600	12,463,100
Industrial	415,373,800	369,811,500	352,183,900
Personal Property	268,857,082	255,532,490	268,706,066
TOTAL	\$ 11,669,786,482	\$ 10,403,532,930	\$ 9,400,285,068

An analysis of the **Taxable Value** is as follows:

	BY CLASS		
	2024	2023	2022
Real Property	\$ 8,408,109,658	\$ 7,763,567,159	\$ 7,201,966,896
Personal Property	268,807,382	255,475,490	268,645,866
TOTAL	\$ 8,676,917,040	\$ 8,019,042,649	\$ 7,470,612,762

	BY USE		
	2024	2023	2022
Residential	\$ 7,093,197,415	\$ 6,539,083,135	\$ 6,070,448,688
Commercial	1,027,649,627	955,606,410	877,697,453
Agricultural	6,118,787	5,636,583	5,401,762
Industrial	281,143,829	263,241,031	248,418,993
Personal Property	268,807,382	255,475,490	268,645,866
TOTAL	\$ 8,676,917,040	\$ 8,019,042,649	\$ 7,470,612,762

Source: Macomb County Equalization and Clinton–Macomb Public Library

MAJOR TAXPAYERS

According to the Townships' officials, the 2023 Taxable Value of each of the Library's major taxpayers are as follows:

<u>Name of Taxpayer</u>	<u>Municipality</u>	2023 * <u>Taxable Value</u>
DTE Energy	Clinton Charter Township & Macomb Township	\$ 81,519,349
Consumers Energy	Clinton Charter Township & Macomb Township	53,404,541
Harbor Apartments	Clinton Charter Township	42,459,310
Montclair at Partridge Creek	Clinton Charter Township	29,315,709
Manors at Knollwood Apartments	Clinton Charter Township	24,118,700
The Mall at Partridge Creek	Clinton Charter Township	22,701,225
FSI Westbridge Prop., LLC	Macomb Township	16,676,266
Westwood Macomb Real Estate	Macomb Township	11,296,140
Rose Senior Living - Clinton Township	Clinton Charter Township	12,599,790
Occidental Development	Macomb Township	10,362,458

* The 2024 Taxable Value of the Major Taxpayers is not available at time of publication of the Preliminary Official Statement

Sources: Charter Township of Clinton and Township of Macomb

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TAX RATES ⁽¹⁾
(Per \$1,000 of Taxable Value)

	2023		2022		2021	
	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence
Clinton-Macomb Public Library	\$1.2164	\$1.2164	\$1.2164	\$1.2164	\$1.2233	\$1.2233
Charter Township of Clinton						
Operating	0.7952	0.7952	0.7952	0.7952	0.8016	0.8016
Police ⁽²⁾	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000
Fire ⁽²⁾	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Fire ⁽³⁾	2.1495	2.1495	2.1495	2.1495	4.3334	4.3334
Police ⁽⁴⁾	2.4117	2.4117	2.4117	2.4117	2.4310	2.4310
Township of Macomb						
Operating	0.6258	0.6258	0.6258	0.6258	0.6314	0.6314
Fire ^{(2), (5)}	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
Fire Pension ⁽⁶⁾	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Police Protection ⁽⁷⁾	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Parks & Rec. ⁽⁸⁾	0.7625	0.7625	0.7625	0.7625	0.7693	0.7693
County of Macomb	4.3852	4.3852	4.3852	4.3852	4.3721	4.3721
Chippewa Valley School District						
Local	0.0000	18.0000	0.0000	18.0000	0.0000	18.0000
Debt	8.6400	8.6400	8.6400	8.6400	8.6400	8.6400
State Education Tax (SET)	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
Macomb County I.S.D.	4.6845	4.6845	4.6845	4.6845	4.6845	4.6845
Macomb County Community College	1.4247	1.4247	1.4247	1.4247	1.4247	1.4247
Huron County Metropolitan Authority	0.2070	0.2070	0.2070	0.2070	0.2089	0.2089
Zoo Authority	0.0945	0.0945	0.0945	0.0945	0.0957	0.0957
Art Authority	0.1956	0.1956	0.1956	0.1956	0.1911	0.1911
S.M.A.R.T.	0.9500	0.9500	0.9500	0.9500	0.9731	0.9731
Total Clinton Cht. Twp. Jurisdictions	<u>\$42.1543</u>	<u>\$60.1543</u>	<u>\$42.1543</u>	<u>\$60.1543</u>	<u>\$44.3794</u>	<u>\$62.3794</u>
Total Macomb Township Jurisdictions	<u>\$32.6762</u>	<u>\$50.6762</u>	<u>\$32.6762</u>	<u>\$50.6762</u>	<u>\$32.7041</u>	<u>\$50.7041</u>

⁽¹⁾ Principal residence includes qualified agricultural property, qualified forest property and industrial personal property, which is excluded from taxes levied for school operating purposes. Moreover, commercial personal property is exempt from a portion of taxes levied for school operating purposes. Non-Principal Residence is property not included in the above definition.

⁽²⁾ Levied on real property only.

⁽³⁾ Voted millage expires in 2029.

⁽⁴⁾ Voted millage expires in 2026.

⁽⁵⁾ Voted millage in, 2025.

⁽⁶⁾ Voted millage, in perpetuity

⁽⁷⁾ Voted millage, expires in 2030

⁽⁸⁾ Voted millage, expires in 2043

Source: Charter Township of Clinton, Township of Macomb and County of Macomb Department of Equalization

TAX RATE LIMITATIONS

The Library may request voter authorization for up to 4.00 mills to be levied on all taxable property in the district for library purposes. Not more than 2.00 mills of such authorization may be requested and authorized to be levied in perpetuity. Currently, the Library is authorized to levy the following tax rates.

	Maximum Millage <u>Authorized</u>	Maximum Permitted <u>Rate ⁽¹⁾</u>	<u>Expiration</u>	<u>Millage Authorized</u>
Voted Operating	\$ 1.0000	\$ 0.8525	In perpetuity	August 4, 1998
Voted Operating	0.3775	0.3708	December 31, 2029	August 4, 2020

⁽¹⁾ See " CONSTITUTIONAL MILLAGE ROLL-BACK" herein.

CONSTITUTIONAL MILLAGE ROLL-BACK

Article IX, Section 31, of the Michigan Constitution requires that if the total value of existing taxable property in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be permanently reduced through a Millage Reduction Fraction unless an increase is approved by a majority of the qualified electors of the local taxing unit voting thereon.

TAX LEVIES AND COLLECTIONS

<u>Year</u>	<u>Tax Levy</u>	<u>Collections to March 31 of Following Year</u>	
2023	\$ 9,743,132	\$9,434,327	96.83%
2022	9,073,768	8,756,739	96.51%
2021	8,606,800	8,104,507	94.16%
2020	8,372,210	8,110,400	96.87%
2019	8,062,078	7,694,254	95.44%
2018	7,749,363	7,506,206	96.86%
2017	7,446,142	7,297,327	98.00%
2016	7,064,525	7,030,230	99.51%
2015	7,216,315	6,935,527	96.11%
2014	7,211,664	6,851,081	95.00%

Source: Clinton-Macomb Public Library.

The Library's taxes are due and payable, and a lien created upon the assessed property on December 1, each year. Taxes remaining unpaid on the following February 14 of the following year are turned over to the County Treasurer for collection.

The delinquent real property taxes are subject to additional penalties and interest by the county. Unless the delinquent real property taxes are paid within approximately 25 months from the date of delinquency the underlying property is foreclosed upon and sold at public auction.

Macomb County has established a Delinquent Tax Revolving Fund which pays all real property taxes returned delinquent to the County Treasurer as of March 1st of each year. If feasible, it is anticipated that the County will continue to reimburse the Library for any uncollected taxes, but there is no assurance that this will be the case since the County is not obligated to continue this fund in future years.

LABOR AGREEMENTS

The Library does not have any employees represented by bargaining units.

Source: Clinton-Macomb Public Library

RETIREMENT PLAN *

The Library provides pension benefits through a money purchase plan, created in accordance with IRC Section (401)(a), to eligible employees. Equitable administers the plan, and the Library's Board of Trustees has authority over the plan provisions and contribution requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the plan, the Library contributes 5% of annual compensation, which resulted in contributions of \$128,843 in 2023. Employees are fully vested in the plan after becoming eligible to join the plan after one year of service. No amounts were forfeited during year.

* For further information see Note 6 in the Library's audited Financial Report, fiscal year ended November 30, 2023
Sources: Clinton-Macomb Public Library Financial Report for the fiscal year ended November 30, 2023

OTHER POST-EMPLOYMENT BENEFITS

The Library does not currently offer its employees other post - employment benefits.

GENERAL FUND-FUND BALANCE

The Library's General Fund fund balance for the last five years has been as follows:

Fiscal Year Ended <u>November 30</u>	Fund <u>Balance</u>
2023	\$9,444,084
2022	7,589,217 *
2021	6,238,066
2020	6,217,238
2019	5,399,994

* As restated

Source: Clinton-Macomb Public Library audited financial statements

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DEBT STATEMENT *

(As of June 27, 2024, including the Bonds described herein)

DIRECT DEBT

General Obligation Bonds

05/29/2013	Series 2013A, LTGO	\$ 3,100,000	
05/29/2013	Series 2013B, LTGO (Taxable)	1,050,000	
02/29/2016	2016 Refunding Bonds (LT)	2,885,000	
07/11/2019	2019 Bldg & Site	18,215,000	
Date of Delivery	2024 Bldg & Site	9,000,000 *	\$ 34,250,000 *

DIRECT DEBT

\$ 34,250,000

OVERLAPPING DEBT

	Total Debt	Overlapping Debt Portion
94.68% Clinton Township	\$ 62,866,708	\$ 59,522,199
100.00% Macomb Township	44,494,210	44,494,210
100.00% Chippewa Valley School District	420,855,211	420,855,211
100.00% Clintondale School District	36,422,591	36,422,591
38.81% Fraser School District	96,020,724	37,265,643
28.42% L'Anse Cruese School District	214,402,920	60,933,310
54.97% New Haven School District	67,009,817	36,835,296
13.13% Utica School District	135,620,000	17,806,906
22.73% Macomb County @ Large	216,557,490	49,223,517
22.25% Macomb Intermediate School District	92,145,000	20,502,263
22.73% Macomb Community College	-	-

TOTAL OVERLAPPING DEBT

\$ 783,861,146

DIRECT AND OVERLAPPING DEBT

\$ 818,111,146

Source: Municipal Advisory Council of Michigan

DEBT RATIOS: *

Per Capita 2024 State Equalized Valuation	\$ 60,724
Per Capita 2024 True Cash Value	\$ 121,449
Per Capita Net Direct Debt	\$ 178
Per Capita Combined Net Direct and Overlapping Debt	\$ 4,257
Percent of Net Direct Debt of 2024 State Equalized Valuation	0.29%
Percent of Net Direct and Overlapping Debt of 2024 State Equalized Valuation	7.01%
Percent of Net Direct Debt of 2024 True Cash Value	0.15%
Percent of Net Direct and Overlapping Debt of 2024 True Cash Value	3.51%

* Preliminary, subject to change.

SCHEDULE OF BOND MATURITIES *

(As of June 27, 2024, including the Bonds described herein)

<u>Year</u>	<u>General Obligation Bonds</u>
2024	\$ -
2025	1,730,000
2026	1,865,000
2027	1,865,000
2028	950,000
2029	985,000
2030	1,025,000
2031	1,065,000
2032	1,110,000
2033	1,150,000
2034	1,200,000
2035	1,245,000
2036	1,295,000
2037	1,350,000
2038	1,395,000
2039	1,450,000
2040	1,515,000
2041	1,575,000
2042	1,640,000
2043	1,705,000
2044	1,780,000
2045	1,175,000
2046	1,220,000
2047	1,270,000
2048	1,320,000
2049	1,370,000
	<u>\$ 34,250,000</u>

DEBT HISTORY: There is no record of default.

FUTURE BONDING: The Library does not anticipate the issuance of any additional bonds or notes within the remaining calendar year.

* Preliminary, subject to change.

STATEMENT OF LEGAL DEBT MARGIN *

(As of June 27, 2024, including the Bonds described herein)

2024 State Equalized Valuation	\$ 11,669,786,482
Debt Limit (1)	\$ 583,489,324
Less: Amount of Outstanding Debt	<u>34,250,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 549,239,324</u></u>

(1) Act 265, Public Acts of Michigan, 1988, as amended, provides that a district library shall not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the district library, exceeds 5% of the state equalized valuation of the taxable property.

* Preliminary, subject to change.

MAJOR EMPLOYERS

Major employers in the **Library District** are as follows:

Charter Township of Clinton

<u>Firm Name</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Henry Ford Hospital	Health services	1,700
Chippewa Valley School District	Public education	1,438
L'Anse Creuse Public Schools	Public education	1,161
Macomb Intermediate School District	Public education	1,060
Tower Automotive	Automotive stamping	425
Tweddle Group, Inc	Operator & owner guides	350
Senior Sava Care	Home Health Care Services	215
Warren Industries, Inc.	Automotive parts	160
Sanders Candy	Candy & confectionery products	160
ARC Services of Macomb, Inc.	Contract part assembly & packaging	150
Medio, Inc.	Plastic injection molding	135
LTC Roll & Engineering Co.	Roll formed tooling & production	125
Tenibac-Graphon, Inc.	Steel	117
Omega Plastics, Inc.	Plastic injection molding	105
Bell Fork Lift, Inc.	HQ, Material handling equipment	100
Drake Enterprises, Inc.	Specialty machined parts	100

Sources: Clinton Charter Township Continuing Disclosure filing fiscal year ended March 31, 2023, and Michigan Manufacturers Directory, 2024 Edition

Township of Macomb

Firm Name	Product/Service	Number of Employees Approximate
PTI Engineered Plastics, Inc.	Plastic Injection Molds	350
Ray Wiegand Nursery	Garden Center & Farm Supply Stores	250
Triumph Gear Systems Macomb	Gearboxes & Aircraft Transmission	300
Kroger	Supermarkets	191
Target	Department Store	150
Home Depot	Retail	125
Russ Milne Ford	Auto Dealership	150
Land Rover Lakeside	Auto Dealership	100
Mollertech LLC	Production of Plastic Parts for Automotive	150
Ascent Aerospace	High Precision Aerospace & assembly line Tooling and CNC Machining	201

Source: Southeastern Michigan Council of Governments, April 2024

LABOR CHARACTERISTICS

The U.S. Census 2022 American Community Survey 5 – Year Estimates lists the labor force characteristics for the **Charter Township of Clinton** and the **Township of Macomb**, for employed persons 16 years and over, as follows:

	Charter Township of Clinton Number of Employees	Township of Macomb Number of Employees
By Occupation		
Management, business, science and arts occupations	16,656	21,601
Service occupations	9,007	7,096
Sales and office occupations	12,169	9,521
Natural resources, construction and maintenance occupations	3,150	3,058
Production, transportation, and material moving occupations	9,403	6,087
Total	50,385	47,363
By Industry		
Agriculture, forestry, fishing and hunting and mining	38	108
Construction	2,680	2,967
Manufacturing	10,521	10,476
Wholesale trade	1,552	672
Retail trade	6,149	4,763
Transportation and warehousing, and utilities	2,116	1,484
Information	404	514
Finance, insurance, real estate, and rental and leasing	3,471	3,231
Professional, scientific, management, administrative, and waste management serv	4,467	4,868
Educational, health care and social assistance	10,409	10,934
Arts, entertainment, recreation, accomodation and food services	4,825	4,196
Other services (except professional administration)	1,930	1,379
Public administration	1,823	1,771
Total	50,385	47,363

UNEMPLOYMENT DATA

According to the Michigan Department of Career Development, Employment Security Agency, Office of Labor Market Information, the unemployment statistics for the **Charter Township of Clinton** and the **Township of Macomb** during the last three calendar years, and the most recent for the current calendar year, are as follows:

Charter Township of Clinton

	2024	2023	2022	2021
January	4.4%	4.7%	5.4%	8.3%
February	4.5%	4.3%	5.3%	7.8%
March	4.2%	3.7%	4.9%	7.7%
April		2.8%	4.1%	7.0% *
May		3.8%	4.3%	7.3% *
June		4.3%	4.3%	7.9% *
July		4.6%	4.1%	8.3% *
August		4.6%	4.2%	7.2% *
September		4.4%	4.4%	6.1% *
October		4.6%	3.9%	5.4% *
November		3.9%	3.6%	4.6% *
December		3.8%	3.8%	4.6% *
Annual Average	<u>4.4%</u>	<u>4.1%</u>	<u>4.4%</u>	<u>6.9%</u>

Township of Macomb

	2024	2023	2022	2021
January	2.4%	2.6%	3.0%	4.7%
February	2.5%	2.4%	2.9%	4.4%
March	2.3%	2.1%	2.7%	4.3%
April		1.5%	2.3%	3.9% *
May		2.1%	2.4%	4.1% *
June		2.4%	2.4%	4.4% *
July		2.5%	2.3%	4.7% *
August		2.6%	2.3%	4.0% *
September		2.4%	2.4%	3.4% *
October		2.6%	2.2%	3.0% *
November		2.2%	2.0%	2.6% *
December		2.1%	2.1%	2.5% *
Annual Average	<u>2.4%</u>	<u>2.3%</u>	<u>2.4%</u>	<u>3.8%</u>

* Increase is due to the pandemic following the outbreak of COVID 19.

RESIDENTIAL CHARACTERISTICS

Charter Township of Clinton

There are 46,640 housing units located within the Township according to the 2022 U.S. Census of American Community Survey 5 Year Estimates, of which 95.7 are occupied homes; 64.5% are owner-occupied. A breakdown of the dwelling units according to the US Census 2022 American Community Survey 5 – Year Estimates is as follows:

<u>Charter Township of Clinton</u>	
Single Family	65.5%
Multi Family	30.9%
Mobile Home & Other	3.6%

According to the U.S. Census 2022 American Community Survey 5 – Year Estimate, the median value of an owner-occupied residence in the Township is \$198,800.

Township of Macomb

There are 31,806 housing units located within the Township according to the U.S. Census 2022 American Community Survey 5 Year Estimates, of which 97.8 % are occupied; 92.1% are owner-occupied. A breakdown of the dwelling units according to the U.S. Census 2022 American Community Survey are as follows:

<u>Township of Macomb</u>	
Single Family	88.9%
Multi Family	4.6%
Mobile Home & Other	6.5%

According to the U.S. Census 2022 American Community Survey 5 – Year Estimates, the median value of an owner-occupied residence in the Township is \$337,900.

INCOME CHARACTERISTICS

There were 44,613 households in the **Charter Township of Clinton** and 31,103 in the **Township of Macomb** according to the U.S. Census 2022 American Community Survey 5 – Year Estimates, a median household income of \$68,987 for the **Charter Township of Clinton** and \$112,110 for the **Township of Macomb**. A breakdown of the income for the Townships' households are as follows:

<u>Income of Household</u>	<u>Charter Township of Clinton Number of Households</u>	<u>Township of Macomb Number of Households</u>
Less than \$10,000	2,312	607
\$10,000 to \$14,999	1,284	318
\$15,000 to \$24,999	3,458	960
\$25,000 to \$34,999	3,243	1,360
\$35,000 to \$49,999	5,527	2,439
\$50,000 to \$74,999	8,422	4,383
\$75,000 to \$99,999	7,196	3,760
\$100,000 to \$149,999	7,335	7,304
\$150,000 or more	5,836	9,972

The per capita income for the **Charter Township of Clinton** was \$38,959 and the **Township of Macomb** was \$43,343 according to the U.S. Census 2022 American Community Survey 5 – Year Estimates.

AGE STATISTICS

Age groups for the Townships' residents, according to the U.S. Census, are as follows:

	<u>Charter Township of Clinton</u>			<u>Township of Macomb</u>		
	2000	2010	2022	2000	2010	2022
	US Census <u>Percentage</u>	US Census <u>Percentage</u>	ACS <u>Percentage</u> *	US Census <u>Percentage</u>	US Census <u>Percentage</u>	ACS <u>Estimate</u> *
Under 5 Years	6.1%	5.7%	4.8%	9.0%	6.6%	5.3%
5 to 19 Years	18.7%	17.6%	16.4%	23.4%	24.9%	23.0%
20 to 24 Years	6.7%	6.7%	6.8%	4.7%	4.8%	6.6%
25 to 44 Years	30.9%	25.6%	25.3%	35.2%	27.6%	22.3%
45 to 64 Years	23.5%	28.3%	26.6%	20.3%	26.9%	29.0%
Over 65 Years	14.3%	16.1%	20.1%	7.4%	9.2%	13.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Source: US Census 2022 American Community Survey 5 – Year Estimates

EDUCATIONAL CHARACTERISTICS

The primary and secondary educational needs of the residents are provided by the six (6) public school districts which serve both Townships.

Higher educational opportunities are available to Library's residents at the **Macomb Community College Center Campus**, which is located in the Township of Macomb. The College offers Associate Degrees in Arts, Applied Science and General Studies, and Certificates in several occupational programs. The College's Advanced Education Center, located adjunct to the Center Campus, is the home of the Bachelors Degree Partnership Program. This program, in conjunction with Central Michigan University, Ferris State University, Oakland University, University of Detroit Mercy, Walsh College and Wayne State University, offers fifteen different bachelor degree programs.

Other institutions which are located within reasonable traveling distance for Library residents include:

- Baker College
- College for Creative Studies
- Lawrence Technological University
- Madonna University
- Oakland University
- Rochester University
- University of Detroit Mercy
- University of Michigan-Dearborn
- Walsh College
- Wayne State University

According to the U.S. Census 2022 American Community Survey 5 – Year Estimates, the educational characteristics for the Townships are as follows:

<u>Years of School Completed</u>	<u>Charter Township of Clinton Persons 25 and Over</u>	<u>Township of Macomb Persons 25 and Over</u>
Less than 9th grade	2.3%	2.4%
9th to 12th grade no diploma	5.2%	3.7%
High School graduate	32.3%	24.5%
Some college, no degree	25.7%	21.2%
Associate degree	10.7%	12.1%
Bachelor degree	15.2%	22.6%
Graduate or professional degree	8.6%	13.5%

UTILITIES

Water and wastewater systems are provided for the Library's residents through the Great Lakes Water Authority. Natural gas is provided by Consumers Energy and electricity is provided by DTE Energy.

TRANSPORTATION

The Library district is easily accessible via Interstate 94, which connects with M-59. Air transportation is available on all major airlines at Detroit Metropolitan Airport which is approximately 40 miles southwest of the Charter Township of Clinton. Bus transportation is available through the Suburban Mobility Authority for Regional Transportation ("SMART") for transit in the Detroit Metropolitan Area.

BANKING

The banking needs of the Library's residents can be adequately served by the following, all of which have branches located in the Library:

Bank of America	Citizens Bank	Comerica Bank
Fifth Third Bank	First State Bank	Flagstar Bank
The Huntington National Bank	JPMorgan Chase Bank, N.A.	PNC Bank

**CLINTON-MACOMB PUBLIC LIBRARY
GENERAL FUND BUDGET SUMMARY
FOR THE FISCAL YEAR ENDING
NOVEMBER 30, 2024**

REVENUE SUMMARY

	ACTUAL FY 2021-22	APPROVED FY 2022-23	APPROVED FY 2023-24	% OF BUDGET	<i>PROJECTED</i> <i>FY 2024-25</i>	<i>PROJECTED</i> <i>FY 2025-26</i>
Property Taxes	\$8,601,791	\$9,079,900	\$9,769,000	90.9%	<i>\$9,964,000</i>	<i>\$10,163,000</i>
State Aid	181,704	180,400	186,100	1.7%	<i>186,000</i>	<i>186,000</i>
Penal Fines	117,826	120,000	120,000	1.1%	<i>120,000</i>	<i>120,000</i>
Fines and Fees	68,104	50,000	70,000	0.7%	<i>70,000</i>	<i>70,000</i>
Rent Income	13,756	0	0	0.0%	<i>0</i>	<i>0</i>
Contract Income	179,494	171,500	175,400	1.6%	<i>180,000</i>	<i>185,000</i>
Interest	60,029	20,000	185,000	1.7%	<i>185,000</i>	<i>185,000</i>
Contributions and Donations	49,498	77,500	84,100	0.8%	<i>84,000</i>	<i>84,000</i>
SLC Centralized Purchasing	54,044	42,000	45,000	0.4%	<i>47,000</i>	<i>47,000</i>
Miscellaneous	1,981,102	110,000	115,000	1.1%	<i>109,250</i>	<i>103,788</i>
TOTAL SOURCES OF REVENUE	\$11,307,348	\$9,851,300	\$10,749,600		<i>\$10,945,250</i>	<i>\$11,143,788</i>
Transfer (to)/from Fund Balance	(1,351,151)	0	0		<i>21,000</i>	<i>140,000</i>
TOTAL OPERATING REVENUE	\$9,956,197	\$9,851,300	\$10,749,600		<i>\$10,966,200</i>	<i>\$11,283,700</i>

EXPENDITURE SUMMARY

ITEM	ACTUAL FY 2021-22	APPROVED FY 2022-23	APPROVED FY 2023-24	% OF BUDGET	% OF OPER.	PROJECTED FY 2024-25	PROJECTED FY 2025-26
Salaries and Wages	\$3,034,817	\$3,375,400	\$3,500,200	32.6%	44.6%	\$3,605,000	\$3,713,000
Employee Benefits	656,889	738,000	828,900	7.7%	10.6%	880,000	936,000
Professional Development	42,485	67,200	79,300	0.7%	1.0%	67,150	77,050
Operating Supplies	85,276	119,700	114,600	1.1%	1.5%	116,000	118,000
Professional Services	250,331	289,200	192,900	1.8%	2.5%	196,000	199,000
Voice and Data Services	95,673	85,600	70,200	0.7%	0.9%	70,000	70,000
Tax Refunds	6,667	10,000	10,000	0.1%	0.1%	10,000	10,000
Miscellaneous	27,294	26,800	35,000	0.3%	0.4%	35,000	36,000
Insurance	63,024	80,000	70,000	0.7%	0.9%	72,000	74,000
Service Contracts	86,217	143,200	177,100	1.6%	2.3%	182,000	187,000
Facilities Maintenance	553,573	630,900	566,500	5.3%	7.2%	583,000	600,000
Utilities	334,993	344,000	344,000	3.2%	4.4%	309,000	318,000
Property Taxes	5,350	0	0	0.0%	0.0%	0	0
Programs	72,810	85,800	79,200	0.7%	1.0%	80,000	81,000

EXPENDITURE SUMMARY

ITEM	ACTUAL FY 2021-22	APPROVED FY 2022-23	APPROVED FY 2023-24	% OF BUDGET	% OF OPER.	PROJECTED FY 2024-25	PROJECTED FY 2025-26
Publicity	119,420	133,400	125,000	1.2%	1.6%	128,000	131,000
Debt Service	2,013,550	1,962,500	2,906,600	27.0%		2,845,000	2,903,000
Capital Outlay	1,333,088	531,900	300,000	2.8%	3.8%	400,000	400,000
Materials	1,023,064	1,056,200	1,174,700	10.9%	15.0%	1,209,000	1,245,000
MLBPD @ CMPL Expenses	151,676	171,500	175,400	1.6%	2.2%	180,000	186,000
TOTAL EXPENDITURES	\$9,956,197	\$9,851,300	\$10,749,600			\$10,967,150	\$11,284,050

**CLINTON-MACOMB PUBLIC LIBRARY
AUDITED FINANCIAL STATEMENT
FISCAL YEAR ENDED NOVEMBER 30, 2023**

Audited Financial Statements

Clinton-Macomb Public Library

*Year Ended November 30, 2023
with Report of Independent Auditors*

Clinton-Macomb Public Library

Audited Financial Statements

Year Ended November 30, 2023

Contents

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Report of Independent Auditors

Board of Trustees
Clinton-Macomb Public Library
Clinton Township, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of the Clinton-Macomb Public Library (Library) as of and for the year ended November 30, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of Clinton-Macomb Public Library as of November 30, 2023, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information pages 4 through 8 and pages 29 and 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of

preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Andrews Hooper Pavlik PLC

Bloomfield Hills, Michigan
March 20, 2024

Clinton-Macomb Public Library

Management's Discussion and Analysis

November 30, 2023

Our discussion and analysis of the Clinton-Macomb Public Library's (Library) financial performance provides an overview of the Library's financial activities for the fiscal year ended November 30, 2023 and should be read in conjunction with the Library's basic financial statements.

Reporting Entity

The Clinton-Macomb Public Library was organized by the Charter Township of Clinton and Chippewa Valley Schools and began operations May 1, 1992. The District Library agreement was amended on May 12, 1997 to include Macomb Township as a participating municipality. Subsequent to Macomb Township joining Clinton Township as a participating municipality of the Clinton-Chippewa Valley District Library in May 1997, the name of the district library was changed to Clinton-Macomb Public Library. The Library operates under the authority of the Michigan District Library Establishment Act, Public Act 24 of 1989, as amended, and is governed by an eight-member appointed Board of Trustees (Library Board). It provides resources for the informational, educational, cultural, and recreational needs of its patrons.

Using this Annual Report

The annual report consists of financial statements presenting both a fund-based view and a government-wide view of the Library.

The general, debt service, and capital project fund columns present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. The general fund, debt service fund, and capital projects fund modified accrual basis financial statements provide detailed information about the Library's current financial resources. This information is important as it shows the stewardship of the Library's annual property tax and other revenue.

The government-wide columns provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. This longer-term view uses the accrual basis of accounting so that it can measure the true cost of providing services during the current year and whether the taxpayers have funded the full cost of providing Library services. The Library's full accrual basis financial statements present information about the Library's total economic resources, including long-lived assets and long-term obligations. This information is important as it recognizes the long-term ramifications of decisions made by the Library on an ongoing basis.

Clinton-Macomb Public Library

Management's Discussion and Analysis

November 30, 2023

Financial Highlights

The following table shows the current year's net position compared to the prior year:

Condensed Statements of Net Position

	November 30	
	2023	2022 (As restated)
Assets		
Cash and cash equivalents	\$ 9,528,402	\$ 8,842,987
Other assets	95,020	72,515
Capital assets	<u>29,106,001</u>	<u>30,075,070</u>
Total assets	<u>38,729,423</u>	<u>38,990,572</u>
Liabilities		
Accounts payable and other liabilities	330,390	373,679
Bonds payable	27,026,809	28,168,521
Subscription liability	155,856	107,071
Compensated absences	<u>290,519</u>	<u>288,531</u>
Total liabilities	<u>27,803,574</u>	<u>28,937,802</u>
Net position		
Invested in capital assets, net	1,923,336	1,693,655
Unrestricted	<u>9,002,513</u>	<u>8,359,115</u>
Total net position	<u>\$ 10,925,849</u>	<u>\$ 10,052,770</u>

Total assets decreased by approximately \$300,000 or approximately 0.7% resulting from an increase in cash and cash equivalents of approximately \$700,000 related to the transfer of funds from the North Branch Construction Fund to the General Fund for repayment of expenditures and a decrease in capital assets of approximately \$1 million related to depreciation outpacing fixed asset additions. Total liabilities decreased by approximately \$1.1 million or approximately 4% due primarily to continued bond payments on existing debt. In addition, there was a positive change in net position of approximately \$900,000.

Clinton-Macomb Public Library

Management's Discussion and Analysis

November 30, 2023

Financial Highlights (continued)

The following table shows the current year's changes in net position compared to the prior year:

Condensed Statements of Activities

	Year Ended November 30	
	2023	2022 <i>(As restated)</i>
Revenues		
Property taxes	\$ 9,060,077	\$ 8,601,791
Other revenues	1,272,057	915,725
Total revenues	<u>10,332,134</u>	<u>9,517,516</u>
Expenses		
Salaries and employee benefits	3,908,333	3,680,905
Other expenditures	2,368,639	2,290,768
Depreciation (gains)/losses on disposal of assets	2,362,370	1,702,721
Interest	819,713	855,387
Total expenses	<u>9,459,055</u>	<u>8,529,781</u>
Change in net position	873,079	987,735
Net position		
Net position at beginning of year	10,052,770	9,065,035
Net position at end of year	<u>\$ 10,925,849</u>	<u>\$ 10,052,770</u>

The Library's total revenue increased by approximately \$800,000 or 9% during the current year. The increase related to an increase in property tax revenue of approximately \$450,000 resulting from increases in assessed property tax values in Clinton and Macomb Township. There was also an increase within other revenues of approximately \$350,000 stemming primarily from an increase in interest earned on cash and cash equivalents account balances held during the year. Total expenses increased by approximately \$900,000 or 11% during the current year. The increase is related primarily to an increase in salaries and employee benefits of approximately \$200,000 resulting from wage rate increases given to employees and from an increase in depreciation and (gains)/losses on disposal of assets of approximately \$700,000 resulting from depreciation being recognized on fixed assets held with no offset of gains from sale of assets in the current year.

Clinton-Macomb Public Library

Management's Discussion and Analysis

November 30, 2023

Fund Financial Statements

The Library has three funds: the general fund, which accounts for all of the day to day operations and any capital and maintenance activities; the debt service fund, which accumulates resources to pay the Library's debt; and the North Branch construction fund, which is a capital projects fund that accounts for the North Branch building project.

Operations of the general fund and debt service fund are financed by revenue from local property taxes, fines and fees, state aid, and other resources. The North Branch construction fund was financed by the proceeds of the bond that was issued in 2019 to fund the construction project.

The most significant expenditures of the general fund are personnel and related expenditures, library materials and programs, capital outlay for equipment, professional fees, and maintenance expenditures. The most significant expenditures of the debt service fund are the payment of principal and interest on the Library's bond debt. The North Branch construction fund did not have any expenditures during the year under audit.

A portion of the general fund's fund balance has been assigned by the Library Board for future use. A total of approximately \$6.3 million has been assigned for various uses.

Budgetary Highlights

Property tax revenue favorably exceeded the final amended budget by approximately \$1,000. Total general fund revenue from all sources was favorably over the final amended budget by approximately \$57,000.

Total general fund expenditures were favorably under the final amended budget by approximately \$147,000. The overall change in fund balance was better than the final amended budget amount by approximately \$1.3 million.

The original budget was amended throughout the year.

Capital Asset and Debt Administration

During fiscal year 2023, the Library accumulated additions to capital assets in the amount of approximately \$1.4 million for Buildings and Improvements, Furniture and Fixtures, Equipment, Library Materials and subscription-based information technology arrangements (SBITAs). Significant disposals of capital assets in the amount of approximately \$700,000 for Buildings and Improvements, Leasehold Improvements, Land Improvements, Furniture and Fixtures, Equipment, and Library Materials occurred during fiscal year 2023. A majority of disposals stemmed from the disposal of fully depreciated Library Materials.

No new bond debt was incurred and no existing bond debt was refunded in fiscal year 2023.

Clinton-Macomb Public Library

Management's Discussion and Analysis

November 30, 2023

Economic Factors and Next Year's Budget

In August 2020, residents of the Library's legal service area approved a renewal .3775 mills to supplement and sustain the Library's operations for eight years ending with the 2029 tax levy. This is continuing to allow the Library to:

- Sustain the Library's level of service.
- Maintain staffing levels to meet the community's needs.
- Appropriate the budget for materials to a per capita funding rate in line with similar-sized libraries in the state.
- Ensure the proper capital replacements for technology and facilities maintenance are made.
- Build the fund balance to ensure sufficient funding for future capital replacements.

While the additional funding has significantly strengthened the Library's financial position, the Library's Board of Trustees remains very mindful of maintaining a sustainable operation free of legacy costs and properly protecting and maintaining the public's investment in technology and facilities.

Contacting the Library's Management

This financial report is intended to provide our citizens, taxpayers, patrons, and donors with a general overview of the Library's finances and to show the Library's accountability for the public's resources. If there are questions about this report or additional information is needed, please contact the Library Director at 40900 Romeo Plank Road, Clinton Township, Michigan 48038, or visit the Library's website at www.cmpl.org.

Clinton-Macomb Public Library

Balance Sheet/Statement of Net Position

November 30, 2023

Governmental Funds – Modified Accrual Basis							
	General Fund	Debt Service Fund	North Branch Construction Fund	Total	Adjustments	Statement of Net Position	
Assets							
Cash and cash equivalents	\$ 9,528,402	\$ -	\$ -	\$ 9,528,402	\$ -	\$ 9,528,402	
Prepaid expenses	95,020	-	-	95,020	-	95,020	
Capital assets, net of accumulated depreciation	-	-	-	-	29,106,001	29,106,001	
Total assets	<u>\$ 9,623,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,623,422</u>	<u>29,106,001</u>	<u>38,729,423</u>	
Liabilities							
Accounts payable	\$ 105,159	\$ -	\$ -	\$ 105,159	-	105,159	
Accrued wages	48,842	-	-	48,842	-	48,842	
Accrued payroll taxes	13,016	-	-	13,016	-	13,016	
Pension contribution payable	4,917	-	-	4,917	-	4,917	
Other liabilities	7,404	-	-	7,404	-	7,404	
Accrued interest payable	-	-	-	-	151,052	151,052	
Subscription-based IT arrangements liability, due within one year	-	-	-	-	58,078	58,078	
Bonds payable, due within one year	-	-	-	-	1,430,000	1,430,000	
Subscription-based IT arrangements liability, due after one year	-	-	-	-	97,778	97,778	
Bonds payable, due after one year	-	-	-	-	25,596,809	25,596,809	
Compensated absences	-	-	-	-	290,519	290,519	
Total liabilities	<u>179,338</u>	<u>-</u>	<u>-</u>	<u>179,338</u>	<u>27,624,236</u>	<u>27,803,574</u>	
Fund balances and net position							
Fund balances:							
Nonspendable	95,020	-	-	95,020	(95,020)	-	
Assigned – Note 10	6,335,994	-	-	6,335,994	(6,335,994)	-	
Unassigned	3,013,070	-	-	3,013,070	(3,013,070)	-	
Total fund balances	<u>9,444,084</u>	<u>-</u>	<u>-</u>	<u>9,444,084</u>	<u>(9,444,084)</u>	<u>-</u>	
Total liabilities and fund balances	<u>\$ 9,623,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,623,422</u>			
Net position:							
Invested in capital assets, net of related debt					1,923,336	1,923,336	
Unrestricted					9,002,513	9,002,513	
Total net position					<u>\$ 10,925,849</u>	<u>\$ 10,925,849</u>	

See accompanying notes to the basic financial statements.

Clinton-Macomb Public Library

Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities

Year Ended November 30, 2023

	Governmental Funds – Modified Accrual Basis					
	North Branch			Total	Adjustments	Statement of Activities
	General Fund	Debt Service Fund	Construction Fund			
Revenues						
Property taxes	\$ 9,060,077	\$ -	\$ -	\$ 9,060,077	\$ -	\$ 9,060,077
Intergovernmental – State aid	187,481	-	-	187,481	-	187,481
Intergovernmental – County	173,551	-	-	173,551	-	173,551
Penal fines	121,027	-	-	121,027	-	121,027
Library fines and fees	70,616	-	-	70,616	-	70,616
Interest	376,077	-	-	376,077	-	376,077
Contributions and donations	96,037	-	-	96,037	-	96,037
Miscellaneous	247,268	-	-	247,268	-	247,268
Total revenues	10,332,134	-	-	10,332,134	-	10,332,134
Expenditures						
General government:						
Salaries and wages	3,228,514	-	-	3,228,514	1,988	3,230,502
Employee benefits	677,831	-	-	677,831	-	677,831
Operating supplies	102,904	-	-	102,904	-	102,904
Voice and data services	66,545	-	-	66,545	-	66,545
Services for the blind	176,108	-	-	176,108	(4,478)	171,630
Miscellaneous	31,993	-	-	31,993	-	31,993
Property tax refunds	1,341	-	-	1,341	-	1,341
Insurance	67,623	-	-	67,623	-	67,623
Contract maintenance	136,927	-	-	136,927	(31,735)	105,192
Facilities maintenance	503,455	-	-	503,455	-	503,455
Utilities	353,392	-	-	353,392	-	353,392
Programs	95,262	-	-	95,262	-	95,262
Periodicals	29,683	-	-	29,683	-	29,683
Electronic subscriptions	413,430	-	-	413,430	(26,950)	386,480
Conferences, workshops, and travel	56,206	-	-	56,206	-	56,206
Professional fees	647,374	-	-	647,374	(561,900)	85,474
Publicity	113,163	-	-	113,163	-	113,163
Capital outlay:						
Library books and materials	634,162	-	-	634,162	(634,162)	-
Equipment	291,016	-	-	291,016	(92,720)	198,296
Depreciation and loss on disposal of assets	-	-	-	-	2,362,370	2,362,370
Debt service:						
Principal	-	1,035,000	-	1,035,000	(1,035,000)	-
Interest and fiscal charges	-	925,338	-	925,338	(105,625)	819,713
Total expenditures	7,626,929	1,960,338	-	9,587,267	(128,212)	9,459,055
Excess (deficiency) of revenues over expenditures / change in net position	2,705,205	(1,960,338)	-	744,867	128,212	873,079
Other financing sources (uses):						
Transfers in	1,110,000	1,960,338	-	3,070,338	(3,070,338)	-
Transfers out	(1,960,338)	-	(1,110,000)	(3,070,338)	3,070,338	-
Total other financing sources (uses)	(850,338)	1,960,338	(1,110,000)	-	-	-
Change in fund balance/change in net position	1,854,867	-	(1,110,000)	744,867	128,212	873,079
Fund balance/net position at beginning of year (as restated)	7,589,217	-	1,110,000	8,699,217	1,353,553	10,052,770
Fund balance/net position at end of year	\$ 9,444,084	\$ -	\$ -	\$ 9,444,084	\$ 1,481,765	\$ 10,925,849

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

1. Summary of Significant Accounting Policies

Introduction

The Clinton-Macomb Public Library (Library) complies with accounting principles generally accepted in the United States of America as applicable to governmental units.

The Library's significant accounting policies are described below.

Financial Reporting Entity

The Clinton-Macomb Public Library was organized by the Charter Township of Clinton and Chippewa Valley Schools and began operations May 1, 1992. The District Library agreement was amended on May 12, 1997 to include Macomb Township as a participating municipality. Subsequent to Macomb Township joining Clinton Township as a participating municipality of the Clinton-Chippewa Valley District Library in May 1997, the name of the district library was changed to Clinton-Macomb Public Library. The Library operates under the authority of the Michigan District Library Establishment Act, Public Act 24 of 1989, as amended, and is governed by an eight-member appointed Board of Trustees (Library Board). It provides resources for the informational, educational, cultural, and recreational needs of its patrons.

In evaluating how to define the Library for financial reporting purposes, management has considered all potential component units. The decision to include or not include a potential component unit in the reporting entity was made by applying the criteria set forth in the accounting principles generally accepted in the United States of America, currently GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and 34*.

Based upon the application of those criteria, the government-wide financial statements of the Library contain all the funds controlled by the Library Board, as no other entity meets the criteria to be considered a blended component unit or a discretely presented component unit of the Library.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured, and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

1. Summary of Significant Accounting Policies (continued)

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library's major funds).

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net position includes and recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Library's net position is reported in three components – invested in capital assets, net of related debt; restricted; and unrestricted net position.

Fund Financial Statements

Governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. Governmental funds are used to account for all or most of the Library's general activities, including the collection and disbursement of earmarked resources and the servicing of long-term debt.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are both "measurable and available"). Revenue is considered available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, interest, intergovernmental – state aid, and penal fines are susceptible to accrual. Other revenues become measurable and available when cash is received by the Library and are recognized as revenue at that time. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Library reports the following major governmental funds:

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

1. Summary of Significant Accounting Policies (continued)

General Fund

This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Library. Revenues are derived primarily from property taxes, state distributions, penal fines, and other fines and fees.

Debt Service Fund

This fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from taxes levied by the Library. The fund balance of the Debt Service Fund is restricted to signify amounts that are restricted exclusively for debt service expenditures.

North Branch Construction Fund

This Capital Projects Fund accounts for financial resources earmarked or segregated for the construction of the Library's new North Branch, including the proceeds from issuance of bonds and capital outlay expenditures.

Cash and Cash Equivalents

The Library's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to the next fiscal year and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets are defined by the Library as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated property and equipment are valued at their estimated fair value on the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

1. Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Land improvements	15-30 years
Buildings	30 years
Building components	10-30 years
Building and leasehold improvements	7-30 years
Furniture and equipment	5-15 years
Library materials	5-7 years

Deferred Inflow of Resources

In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that time. The Library did not have deferred inflows of resources as of November 30, 2023.

Deferred Outflow of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Library did not have deferred outflows of resources as of November 30, 2023.

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, if applicable, as well as issuance costs, are deferred and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount. Long-term debt is shown net of the related bond reacquisition costs, which are also deferred and amortized over the life of the outstanding bonds.

In the fund financial statements, governmental funds recognize bond premiums and discounts in the current period. The face amount of debt issued is reported as other financing sources in the statement of governmental fund revenues, expenditures, and changes in fund balance.

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

1. Summary of Significant Accounting Policies (continued)

Employee Vacation and Sick Leave (Compensated Absences)

Library employees have a vested right to receive payment for unused vacation and sick leave under conditions specified in the personnel policy manual. Accruals for these liabilities are recorded as earned by employees and reported in the government-wide financial statements.

Subscription-Based IT Arrangements

The Library utilizes subscription-based IT arrangements (SBITAs) for various licenses and remote hosting arrangements. Right-to-use assets and liabilities are recorded based on the present value of expected payments over the term of the respective licenses or hosting arrangements. The expected payments are discounted using the interest rate charged in the contract, if available, or are otherwise discounted using the Library's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. Right-to-use assets are amortized over the shorter of the contract term or the underlying useful life of the asset.

Fund Equity

In the fund financial statements, fund balance is presented in five possible categories:

Nonspendable – amounts which cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted – amounts constrained to specific purposes by their providers (such as creditors, grantors, and higher levels of government) through constitutional provisions or by enabling legislations.

Committed – amounts which are subject to limitations the Library imposes upon itself through official actions made by the Library Board and that remain binding unless removed in the same manner.

Assigned – amounts neither restricted nor committed for which the Library has a stated intended use as established by the Library Board or an official to which the Library Board has delegated the authority to assign amounts for specific purposes. The Library Board has delegated this authority to the Library Director.

Unassigned – amounts that are available for any purpose.

The Library would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

1. Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Standard

The Library adopted GASB Statement 96, *Subscription-Based Information Technology Arrangements*, (GASB 96) effective for the fiscal year ended November 30, 2023. The statement establishes new requirements for calculating and reporting the Library's subscription-based information technology arrangements (SBITAs).

Balances were restated as follows for the effects of the Library's adoption of GASB 96:

	November 30, 2022 As Originally Reported	GASB 96 Impact	November 30, 2022 As Restated
Current assets	\$ 8,915,502	\$ -	\$ 8,915,502
Noncurrent assets	29,969,247	105,823	30,075,070
Total assets	38,884,749	105,823	38,990,572
Current liabilities	373,679	27,873	401,552
Noncurrent liabilities	28,457,052	79,198	28,536,250
Total liabilities	28,830,731	107,071	28,937,802
Net position	\$ 10,054,018	\$ (1,248)	\$ 10,052,770

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

2. Deposits and Investments

State statutes authorize the Library to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury, certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank or credit union which is a member of the Federal Deposit Insurance Corporation or National Credit Union Administration, respectively. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Library's cash and investments are subject to several types of risk, which are examined in more detail below:

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

2. Deposits and Investments (continued)

Custodial Credit Risk of Bank Deposits

Cash deposits and cash equivalents (i.e., certificates of deposit with maturities less than 90 days and money market funds) are carried at cost. Cash deposits and certificates of deposit of the Library are in the name of the Library at various banks.

Custodial credit risk is the risk that, in the event of a bank failure, the Library's deposits may not be recovered. The Library believes that due to the dollar amounts of cash deposits and the limits of FDIC and NCUA insurance, it is impractical to insure all deposits. As a result, the Library evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

As of November 30, 2023, the Library had 10 depository accounts at four financial institutions in the State of Michigan. The book value of the Library's bank deposits, consisting of two non-interest-bearing checking accounts, two interest-bearing negotiable order of withdrawal accounts, one savings account, one certificate of deposit, two insured cash sweep accounts, and two interest-bearing money market accounts, was \$9,515,900. The custodial credit risk related to these depository accounts as of November 30, 2023 is summarized in the following table:

<u>Depository Accounts</u>	<u>Bank Balance</u>
Insured	\$ 8,866,239
Uninsured and uncollateralized	<u>936,758</u>
Total	<u>\$ 9,802,997</u>

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Library's investment policy minimizes interest rate risk by designing the portfolio with the objective of attaining a rate of return throughout the budgetary and economic cycles commensurate with the Library's investment risk constraints and the cash flow characteristics of the portfolio.

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

2. Deposits and Investments (continued)

Credit Risk

Credit risk is the risk that an issuer of or counterparty to an investment will not fulfill its obligations. The Library's investments are limited by those authorized under Public Act 20 of 1943 (as amended) for credit risk. The Library also has the following investment policies further limiting its investment choices:

- Bonds, securities, and other obligations of the United States or any agency or instrumentality of the United States.
- Repurchase agreements consisting of instruments listed above.
- Certificates of deposit and deposit accounts from financial institutions that maintain a principal office or branch office within the State of Michigan.
- Commercial paper rated A1P1 at the time of purchase maturing not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Mutual funds registered under the Investment Company Act of 1940, maintaining a \$1.00 per share net asset value, and with authority to purchase only investment vehicles that are legal for direct investment by municipal entities under Public Act 20 of 1943 (as amended).
- Investment pools organized under the Surplus Funds Investment Pool Act, Public Act 367 of 1982.
- Investment pools organized through an interlocal agreement under the Urban Cooperation Act of 1967.

Certificates of deposit are not rated; however, the Library evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library does not have a policy for custodial credit risk of investments. The Library minimizes its risks by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which it does business using the criteria established in the Investment Policy.

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

2. Deposits and Investments (continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The Library's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. To limit its exposure to concentration of credit risk, the Library's investment policy limits its investment choices by maturity dates, individual financial institutions, or specific class of securities in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. State law and the Library's policy prohibit investment or deposit in foreign currency.

3. Capital Assets

A summary of capital asset activity of the Library is as follows:

	Balance 12/1/2022	Additions	Disposals	Balance 11/30/2023
Capital assets not being depreciated:				
Land	\$ 1,271,318	\$ -	\$ -	\$ 1,271,318
Total assets not being depreciated	1,271,318	-	-	1,271,318
Capital assets being depreciated:				
Land improvements	3,139,581	-	-	3,139,581
Buildings and improvements	34,712,247	529,600	-	35,241,847
Leasehold improvements	134,516	-	-	134,516
Furniture and fixtures	3,275,006	35,350	(17,521)	3,292,835
Equipment	4,382,170	86,070	(33,158)	4,435,082
Library books and materials	3,046,768	638,640	(668,877)	3,016,531
SBITAs	132,981	103,641	-	236,622
Total capital assets being depreciated	48,823,269	1,393,301	(719,556)	49,497,014
Accumulated depreciation	(20,019,517)	(2,358,715)	715,901	(21,662,331)
Net capital assets being depreciated	28,803,752	(965,414)	(3,655)	27,834,683
Total net capital assets	\$ 30,075,070	\$ (965,414)	\$ (3,655)	\$ 29,106,001

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

3. Capital Assets (continued)

During 2019, the Library received a donation of land from the Township of Macomb to be used exclusively for the Library's new North Branch. The terms of the donation require that the land be used as a public library. In the event the land is not used as a public library, the land shall revert back to the Township of Macomb.

4. Interfund Receivables, Payables, and Transfers

The transfers between funds may be summarized as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Debt Service Fund	General Fund	\$ 1,960,338
General Fund	North Branch Const. Fund	\$ 1,110,000

Interfund transfers between the Debt Service Fund and the General Fund are used to transfer receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due. Interfund transfers between the General Fund and the North Branch Construction Fund are to reimburse the General Fund for expenditures related to construction of the new North Branch.

5. Long-Term Debt

The Library issues bonds to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the Library. Other long-term obligations include compensated absences, which is the liability to employees under the Library's vacation and sick pay policy. Under the Library's policy, employees earn vacation based on length and amount of service with the Library.

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

5. Long-Term Debt (continued)

Bonds payable as of November 30, 2023 are comprised of the following issues:

2019 Library Building and Site Bonds (Limited Tax General Obligation) dated July 11, 2019, due in annual installments of principal (beginning April 1, 2024) ranging from \$285,000 to \$1,370,000 plus accrued interest ranging from 3.00% to 5.00% through April 1, 2049. \$ 18,500,000

2016 Refunding Bonds (Limited Tax General Obligation) dated February 29, 2016, due in annual installments of principal (beginning April 1, 2018) ranging from \$675,000 to \$1,000,000 plus accrued interest ranging from 4.00% to 5.00% through April 1, 2027. The amount includes the unamortized premium of \$453,521. 4,151,809

2013 Building and Site Bonds, Series 2013A (Limited Tax General Obligation) dated May 29, 2013, due in annual installments of principal ranging from \$75,000 to \$325,000 plus accrued interest ranging from 3.00% to 3.65% through April 1, 2037. 3,275,000

2013 Building and Site Bonds, Series 2013B taxable (Limited Tax General Obligation) dated May 29, 2013, due in annual installments of principal ranging from \$25,000 to \$100,000 plus accrued interest ranging from 3.00% to 4.75% through April 1, 2037. 1,100,000

Total bonds payable \$ 27,026,809

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

5. Long-Term Debt (continued)

The annual requirements to service the outstanding bond debt to maturity are as follows:

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 1,430,000	\$ 877,864	\$ 2,307,864
2025	1,435,000	820,701	2,255,701
2026	1,560,000	760,332	2,320,332
2027	1,545,000	697,051	2,242,051
2028	615,000	652,332	1,267,332
2029 – 2033	3,435,000	2,875,454	6,310,454
2034 – 2038	4,155,000	2,225,580	6,380,580
2039 – 2043	5,020,000	1,511,250	6,531,250
2044 – 2048	6,115,000	678,375	6,793,375
2049	1,370,000	20,550	1,390,550
Total requirements	26,680,000	11,119,489	37,799,489
Unamortized premium	346,809	-	346,809
Total	\$ 27,026,809	\$ 11,119,489	\$ 38,146,298

The Library has SBITAs that are used for various software licenses and remote hosting arrangements, which meet the capitalization criteria specified by U.S. generally accepted accounting principles. Therefore, the SBITAs have been recorded at the present value of the future minimum payments as of the inception date using an internal borrowing rate of 5.00%. The asset cost, accumulated amortization, and payable under the SBITAs totaled approximately \$237,000, \$84,000, and \$156,000, respectively, as of November 30, 2023.

Payments on the SBITAs for the years succeeding November 30, 2023 are summarized as follows:

2024	\$ 63,200
2025	55,297
2026	41,337
2027	3,585
Total minimum payments	<u>163,419</u>
Less amount representing interest	<u>(7,563)</u>
Present value as of November 30, 2023	<u>\$ 155,856</u>

Interest expense for all long-term debt for the year ended November 30, 2023 totaled \$819,713.

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

5. Long-Term Debt (continued)

The following is a summary of governmental long-term obligations of the Library for the year ended November 30, 2023:

	Compensated			
	Absences	Bonds	SBITAs	Total
Balance – December 1, 2022	\$ 288,531	\$ 28,168,521	\$ 107,071	\$ 28,564,123
Additions	1,988	-	103,641	105,629
Retirements	-	(1,035,000)	-	(1,035,000)
Amortization on bond premium	-	(106,712)	(54,856)	(161,568)
Balance – November 30, 2023	290,519	27,026,809	155,856	27,473,184
Less: current portion	-	(1,430,000)	(58,078)	(1,488,078)
Total due after one year	\$ 290,519	\$ 25,596,809	\$ 97,778	\$ 25,985,106

6. Retirement Programs

Defined Contribution Plan

The Library provides pension benefits through a money purchase plan, created in accordance with IRC Section 401(a), to eligible employees. Equitable administers the plan, and the Library’s Board of Trustees has authority over the plan provisions and contribution requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the plan, the Library contributes 5% of annual compensation, which resulted in contributions of \$128,843 in 2023. Employees are immediately fully vested in the plan.

Deferred Compensation Plan

The Library offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Library employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. There are no employer contributions required by the plan. The assets of the plan are insulated from the unit of government’s general creditors. The Library’s plan administrator, Equitable, created the trust and placed the assets of the plan within the trust. As a result, the plan assets are not reported in the Library’s financial statements.

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

7. Property Taxes

Property taxes are levied every December 1 on the taxable valuation of property as of the preceding May 1. Taxes are due by February 14 of the following year.

The Library's 2022 ad valorem tax is levied and collectible on December 1, 2022 and is recognized as revenue in the year ended November 30, 2023, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2022 taxable valuation of the Library District totaled \$7.460 billion, on which ad valorem taxes levied consisted of 1.2164 mills for operating purposes. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received, except for those received within 60 days of year-end, which are recognized as revenue as of November 30.

8. Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is adopted for the General Fund and the Debt Service Fund. All annual appropriations lapse at the fiscal year-end. The appropriated budgets of the General Fund and Debt Service Fund are prepared on a detailed line-item basis. The Library does not maintain a formalized encumbrance accounting system. Budget appropriations are considered to be spent once goods are delivered or services are rendered.

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the September meeting, the Library Director submits a proposed operating budget for the fiscal year, commencing the following December 1, to the Library Board. The budget is legally adopted by a Library Board resolution prior to October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at the Library's annual board meeting to obtain taxpayer comments.

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

8. Stewardship, Compliance, and Accountability (continued)

Budgetary Information (continued)

3. Prior to December 1, the budget is legally adopted by a Library Board resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires the budget to be amended prior to the end of the fiscal year, when necessary to adjust appropriations, if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, or in excess of the amount appropriated. Any expenditures in violation of the budgeting act are disclosed as unfavorable variances on the budgetary comparison schedule (accounting principles generally accepted in the United States of America) – General Fund and Debt Service Fund.
4. The Library Director is authorized to transfer budgeted amounts between line-items within an activity; however, the Library Board must approve any revisions that alter the total expenditures for any activity.
5. The budget, as presented, has been amended. Supplemental appropriations were made during the year with the last one approved prior to November 30.

Excess Expenditures over Appropriations in Budgeted Funds

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

During the year ended November 30, 2023, the Library incurred expenditures in excess of the amounts appropriated as follows:

Budget Item	Budget Appropriation	Actual Expenditure	Variance
General Government			
Services for the blind	\$ 171,500	\$ 176,108	\$ 4,608
Contract maintenance	135,109	136,927	1,818
Programs	78,651	95,262	16,611
Professional fees	596,404	647,374	50,970
Publicity	113,126	113,163	37
Capital Outlay			
Equipment	285,962	291,016	5,054

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

9. Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Library carries commercial insurance for claims related to these losses. The Library also carries commercial insurance for other risks of loss, including employee health and accident insurance.

10. Assigned Fund Balance

The Library Board has the authority to assign a portion of the unassigned fund balance for specified purposes. The following is a summary of those assignments that the Library Board has adopted as of November 30, 2023:

<u>Purpose</u>	<u>Amount</u>
Main Library capital replacement and upgrades	\$ 4,325,000
Technology future capital replacement	1,000,000
Branch libraries future capital replacement	500,000
Compensated absences	290,519
Short-term disability	25,000
Unemployment compensation	100,000
Laura Luce Bequest	86,835
Donald W. and Ludomira Green Local History Room Endowment	8,640
Total assigned fund balance	<u>\$ 6,335,994</u>

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

11. Reconciliation of Fund Financial Statements to Government-Wide Financial Statements

Total fund balance and the net change in fund balance of the Library’s governmental funds differs from net position and changes in net position of the governmental activities reported in the statement of net position and statement of activities. This difference primarily results from the long-term economic focus of the statement of net position and statement of activities versus the current financial resources focus of the governmental fund balance sheet and statement of revenue, expenditures, and changes in fund balance. The following are reconciliations of fund balance to net position and the net change in fund balance to the net change in net position:

Total Fund Balance – Modified Accrual Basis	\$ 9,444,084
Amounts reported in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the Funds	29,106,001
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(27,182,665)
Accrued interest on long-term liabilities is not due and payable in the current period and is not reported in the funds	(151,052)
Compensated absences are not due and payable in the current period and are not reported in the funds	(290,519)
Net Position – Full Accrual Basis	<u>\$ 10,925,849</u>
Net Change in Fund Balance – Modified Accrual Basis	\$ 744,867
Amounts reported in the statement of activities are different because:	
Capital and subscription outlays are reported as expenditures in the statement of revenues, expenditures, and changes in fund balance; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	1,351,945
Depreciation and loss on disposals of capital assets	(2,362,370)
Change in the accrual for long-term compensated absences reported in the statement of activities but not in the governmental funds	(1,988)
Change in accrued interest is reported in the statement of activities but not in the governmental funds	(1,087)
Amortization of the net premium on 2016 refunding is reported as a reduction of interest expense in the statement of activities but not in the governmental funds	106,712
Repayments of bond principal are reported as an expenditure in the fund statements but not in the statement of activities (where it reduces long-term debt)	1,035,000
Net Change in Net Position – Full Accrual Basis	<u>\$ 873,079</u>

Clinton-Macomb Public Library

Notes to the Basic Financial Statements

November 30, 2023

12. Tax Abatements

The Library is subject to tax abatements granted by Macomb Township and Clinton Township through the Industrial Facilities Tax (IFT), Michigan Renaissance Zone, and Payment in Lieu of Taxes (PILOT) programs.

Under the Industrial Facilities Tax exemption program, eligible manufacturers can apply for an Industrial Facilities Exemption (IFE) certificate under Public Act 198 of 1974 to enable renovation and expansion of aging facilities, to assist in the building of new facilities, and to promote the establishment of high-tech facilities. An IFE certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government, in this case Clinton Township or Macomb Township. Applications are filed, reviewed, and approved by the local unit of government but are also subject to review at the State level by the Property Services Division and the Michigan Economic Development Corporation. The State Tax Commission is ultimately responsible for final approval and issuance of certificates.

Under the Michigan Renaissance Zone program, an individual who is a resident of a designated renaissance zone or a business that is located and conducts business activity within a designated renaissance zone shall receive a tax exemption, deduction, or credit under the Michigan Renaissance Zone Act 376 of 1996.

Under the Payment in Lieu of Taxes program, eligible senior citizen or disabled living facilities with at least eight or more residential units may apply for property tax exemption under Michigan Compiled Laws Section 211.7d. Under this program, the State of Michigan reimburses the local municipality for a portion of the abated taxes under the PILOT program. Applications are filed, reviewed, and approved by Clinton Township, but are also subject to review at the State level by the Department of Treasury, Office of Accounting Services.

Information relevant to these abatements for the year ended November 30, 2023 is as follows:

Tax Abatement Program	Amount Abated
Industrial Facilities Tax (Macomb)	\$ 5,785
Industrial Facilities Tax (Clinton)	4,413
Michigan Renaissance Zone (Clinton)	1,249
Payment in Lieu of Taxes (Clinton)	3,261
Total amount abated	<u>\$ 14,708</u>

The amount received by the Library from Clinton Township under the PILOT program in lieu of property taxes from the State of Michigan was immaterial.

Required Supplementary Information

Clinton-Macomb Public Library

Budgetary Comparison Schedule – General Fund

Year Ended November 30, 2023

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 9,079,900	\$ 9,058,999	\$ 9,060,077	\$ 1,078
Intergovernmental – State aid	180,400	187,481	187,481	-
Intergovernmental – County	171,500	173,551	173,551	-
Penal fines	120,000	121,027	121,027	-
Library fines and fees	50,000	67,302	70,616	3,314
Interest	20,000	384,192	376,077	(8,115)
Contributions and donations	77,500	77,725	96,037	18,312
Miscellaneous	152,000	204,955	247,268	42,313
Total revenues	9,851,300	10,275,232	10,332,134	56,902
Expenditures				
General government:				
Salaries and wages	3,375,400	3,375,400	3,228,514	146,886
Employee benefits	738,000	724,230	677,831	46,399
Operating supplies	119,700	103,447	102,904	543
Voice and data services	85,600	69,270	66,545	2,725
Services for the blind	171,500	171,500	176,108	(4,608)
Miscellaneous	26,800	32,553	31,993	560
Property tax refunds	10,000	2,022	1,341	681
Insurance	80,000	67,623	67,623	-
Contract maintenance	143,200	135,109	136,927	(1,818)
Facilities maintenance	630,900	513,342	503,455	9,887
Utilities	344,000	360,144	353,392	6,752
Programs	85,800	78,651	95,262	(16,611)
Periodicals	28,500	29,683	29,683	-
Electronic subscriptions	345,200	413,430	413,430	-
Conferences, workshops, and travel	67,200	58,373	56,206	2,167
Professional fees	289,200	596,404	647,374	(50,970)
Publicity	133,400	113,126	113,163	(37)
Total general government	6,674,400	6,844,307	6,701,751	142,556
Capital outlay:				
Library books and materials	682,500	643,673	634,162	9,511
Equipment	531,900	285,962	291,016	(5,054)
Total capital outlay	1,214,400	929,635	925,178	4,457
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	7,888,800	7,773,942	7,626,929	147,013
Excess (deficiency) of revenues over expenditures	1,962,500	2,501,290	2,705,205	203,915
Other financing sources (uses):				
Transfers in	-	-	1,110,000	1,110,000
Transfers out	(1,962,500)	(1,960,338)	(1,960,338)	-
Total other financing sources (uses)	(1,962,500)	(1,960,338)	(850,338)	1,110,000
Change in fund balance	-	540,952	1,854,867	1,313,915
Fund balance at beginning of year	7,589,217	7,589,217	7,589,217	-
Fund balance at end of year	\$ 7,589,217	\$ 8,130,169	\$ 9,444,084	\$ 1,313,915

Clinton-Macomb Public Library

Budgetary Comparison Schedule – Debt Service Fund

Year Ended November 30, 2023

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental – State aid	-	-	-	-
Intergovernmental – County	-	-	-	-
Penal fines	-	-	-	-
Library fines and fees	-	-	-	-
Interest	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
General government:				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Operating supplies	-	-	-	-
Voice and data services	-	-	-	-
Services for the blind	-	-	-	-
Miscellaneous	-	-	-	-
Property tax refunds	-	-	-	-
Insurance	-	-	-	-
Contract maintenance	-	-	-	-
Facilities maintenance	-	-	-	-
Utilities	-	-	-	-
Programs	-	-	-	-
Periodicals	-	-	-	-
Electronic subscriptions	-	-	-	-
Conferences, workshops, and travel	-	-	-	-
Professional fees	-	-	-	-
Publicity	-	-	-	-
Total general government	-	-	-	-
Capital outlay:				
Library books and materials	-	-	-	-
Equipment	-	-	-	-
Total capital outlay	-	-	-	-
Debt service:				
Principal	1,035,000	1,035,000	1,035,000	-
Interest and fiscal charges	927,500	925,338	925,338	-
Total debt service	1,962,500	1,960,338	1,960,338	-
Total expenditures	1,962,500	1,960,338	1,960,338	-
Excess (deficiency) of revenues over expenditures	(1,962,500)	(1,960,338)	(1,960,338)	-
Other financing sources (uses):				
Transfers in	1,962,500	1,960,338	1,960,338	-
Transfers out	-	-	-	-
Total other financing sources (uses)	1,962,500	1,960,338	1,960,338	-
Change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

**GENERAL FUND STATEMENTS
OF THE CLINTON-MACOMB PUBLIC LIBRARY
FOR FISCAL YEARS ENDED NOVEMBER 30, 2023, 2022 AND 2021**

FINANCIAL INFORMATION

The following financial information has been compiled from information provided in the Clinton–Macomb Public Library audited Financial Statements for the fiscal years ended November 30, 2023, 2022 and 2021. These audited Financial Statements were prepared in accordance with the Generally Accepted Accounting Principles. The Library’s auditors have not been asked to consent to the use of information from such audited Financial Statements in the Preliminary Official Statement nor the final Official Statement and have not conducted any subsequent review of such audited Financial Statements or of the information presented in this Appendix.

Copies of audited Financial Statements of the Library may be obtained from the State of Michigan - Department of Treasury.

Michigan Department of Treasury
Local Audit and Finance Division
Lansing, MI 48922
Telephone: (517) 373-3227
Website: www.michigan.gov/treasury

**CLINTON-MACOMB PUBLIC LIBRARY
GENERAL FUND - BALANCE SHEET
FOR YEARS ENDED NOVEMBER 30**

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 9,528,402	\$ 7,732,987	\$ 6,429,787
Accounts receivable	-	4,892	2,403
Prepaid expenses	<u>95,020</u>	<u>67,623</u>	<u>5,415</u>
TOTAL ASSETS	<u><u>\$ 9,623,422</u></u>	<u><u>\$ 7,805,502</u></u>	<u><u>\$ 6,437,605</u></u>
<u>LIABILITIES</u>			
Liabilities			
Accounts payable	\$ 105,159	\$ 32,794	\$ 27,604
Accrued wages	48,842	156,658	136,981
Accrued payroll taxes	13,016	12,450	12,551
Pension contribution payable	4,917	4,917	4,378
Other liabilities	<u>7,404</u>	<u>9,466</u>	<u>18,025</u>
TOTAL LIABILITIES	<u><u>179,338</u></u>	<u><u>216,285</u></u>	<u><u>199,539</u></u>
<u>FUND BALANCES AND NET POSITION</u>			
Fund balance			
Nonspendable	95,020	67,623	5,415
Assigned	6,335,994	5,006,321	4,424,332
Unassigned	<u>3,013,070</u>	<u>2,515,273</u>	<u>1,808,319</u>
TOTAL FUND BALANCES	<u><u>9,444,084</u></u>	<u><u>7,589,217</u></u>	<u><u>6,238,066</u></u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 9,623,422</u></u>	 <u><u>\$ 7,805,502</u></u>	 <u><u>\$ 6,437,605</u></u>

Source: Financial Reports of the Clinton-Macomb Public Library

CLINTON-MACOMB PUBLIC LIBRARY
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
AS OF NOVEMBER 30

	2023	2022	2021
REVENUES:			
Property taxes	\$ 9,060,077	\$ 8,601,791	\$ 8,394,721
Intergovernmental - State Aid	187,481	181,704	147,296
Intergovernmental - County	173,551	179,494	164,378
Penal fines	121,027	117,826	118,794
Library fines and fees	70,616	68,104	42,214
Rental income	-	13,756	97,914
Interest	376,077	60,029	22,055
Contributions and donations	96,037	49,498	226,608
Miscellaneous	247,268	245,044	218,672
TOTAL REVENUES	10,332,134	9,517,246	9,432,652
EXPENDITURES:			
General government			
Salaries and wages	3,228,514	3,034,817	2,916,663
Employee benefits	677,831	656,889	571,401
Operating supplies	102,904	85,276	79,897
Voice and data services	66,545	95,673	82,401
Services for the blind	176,108	151,676	159,128
Miscellaneous	31,993	27,294	20,075
Property tax refunds	1,341	6,667	17,817
Insurance	67,623	63,024	62,121
Contract maintenance	136,927	86,217	123,338
Facilities maintenance	503,455	553,573	436,336
Utilities	353,392	334,993	319,639
Property taxes - North Branch	-	5,350	13,361
Programs	95,262	72,810	54,178
Periodicals	29,683	29,233	23,282
Electronic subscriptions	413,430	392,889	412,104
Conferences, workshops and travel	56,206	42,485	21,253
Professional fees	647,374	250,331	221,667
Publicity	113,163	119,420	98,846
Capital outlay			
Library books and materials	634,162	600,942	571,743
Equipment	291,016	1,333,088	913,327
TOTAL EXPENDITURES	7,626,929	7,942,647	7,118,577
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/ CHANGE IN NET POSITION	2,705,205	1,574,599	2,314,075
OTHER FINANCING SOURCES (USES)			
Sale of general assets	-	1,790,102	-
Transfers in	1,110,000		
Transfers out	(1,960,338)	(2,013,550)	(2,293,247)
Total other financing sources (uses)	(850,338)	(223,448)	(2,293,247)
CHANGE IN FUND BALANCE/CHANGE IN NET POSITION	1,854,867	1,351,151	20,828
FUND BALANCES/NET ASSETS AT BEGINNING OF YEAR	7,589,217	6,238,066	6,217,238
FUND BALANCES/NET POSITION AT END OF YEAR	\$9,444,084	\$7,589,217	\$6,238,066

Source: Financial Reports of the Clinton-Macomb Public Library

FORM OF APPROVING OPINION



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Form of Approving Opinion

Clinton-Macomb Public Library
County of Macomb
State of Michigan

We have acted as bond counsel to the Clinton-Macomb Public Library, County of Macomb, State of Michigan (the "Issuer") in connection with the issuance by the Issuer of bonds in the aggregate principal sum of \$_____, designated 2024 Library Building and Site Bonds (Limited Tax General Obligation) (the "Bonds"). In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of \$5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of _____, 2024, payable as to principal and interest as provided in the Bonds, with the option of redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds. The Bonds have been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding obligations of the Issuer.
2. The Issuer has pledged its limited tax full faith and credit for the payment of the Bonds and, in order to make such payment, the Issuer is obligated to provide, as a first budget obligation, sufficient general fund moneys in its annual budget and, if necessary, to levy sufficient ad valorem taxes upon all taxable property within its boundaries, subject to applicable constitutional and statutory tax rate limitations.
3. The interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. Further, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal and Michigan income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds.

Except as stated in paragraph 3 above, we express no opinion regarding other federal or State tax consequences arising with respect to the Bonds and the interest thereon.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Clinton-Macomb Public Library

Form of Approving Opinion

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

42155196.1/111222.00012

**FORM OF
CONTINUING DISCLOSURE UNDERTAKING**

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Clinton-Macomb Public Library, County of Macomb, State of Michigan (the “Library”), in connection with the issuance of its 2024 Library Building and Site Bonds (Limited Tax General Obligation) (the “Bonds”). The Library covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

(a) *Definitions.* The following terms used herein shall have the following meanings:

“Audited Financial Statements” means the annual audited financial statement pertaining to the Library prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

“Bondholders” shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access System, or such other system, Internet Web site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

“Financial Obligation” means “financial obligation” as such term is defined in the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended, as in effect on the date of this Undertaking, including any official interpretation issued either before or after the date of this Undertaking which are applicable to this Undertaking.

“SEC” means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The Library hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA, on or before the last day of the 6th month after the end of the fiscal year of the Library, the following annual financial information and operating data, commencing with the fiscal year ended November 30, 2024, in an electronic format as prescribed by the MSRB:

(1) Updates of the numerical financial information and operating data included in the official statement of the Library relating to the Bonds (the “Official Statement”) appearing in the Tables in the Official Statement as described below:

- (a) History of Property Valuations;
- (b) Major Taxpayers;
- (c) Tax Rates;
- (d) Tax Levies and Collections;
- (e) Retirement Plan;
- (f) Other Post-Employment Benefits;
- (g) General Fund – Fund Balance;
- (h) Debt Statement - Direct Debt; and

(2) The Audited Financial Statements. Provided, however, that if the Audited Financial Statements are not available by the date specified above, they shall be provided when available and unaudited financial statements will be filed by such date and the Audited Financial Statements will be filed as soon as available.

(3) Such additional financial information or operating data as may be determined by the Library and its advisors as desirable or necessary to comply with the Rule.

Such annual financial information and operating data described above are expected to be provided directly by the Library or by specific reference to documents available to the public through EMMA or filed with the SEC.

If the fiscal year of the Library is changed, the Library shall send a notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose.* The Library agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the Library to provide the annual financial information with respect to the Library described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The Library agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of holders of the Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Library, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Library in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Library, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Library;
- (13) the consummation of a merger, consolidation, or acquisition involving the Library or the sale of all or substantially all of the assets of the Library, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) incurrence of a Financial Obligation of the Library, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Library, any of which affect security holders, if material; or

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Library, any of which reflect financial difficulties.

(e) *Materiality Determined Under Federal Securities Laws.* The Library agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(g) *Termination of Reporting Obligation.* The obligation of the Library to provide annual financial information and notices of material events, as set forth above, shall be terminated if and when the Library no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(h) *Benefit of Bondholders.* The Library agrees that its undertaking pursuant to the Rule set forth in this Undertaking is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the Library’s obligations hereunder and any failure by the Library to comply with the provisions of this Undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking.* Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the Library, provided that the Library agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Library or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the Library (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the Library in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the Library to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

IN WITNESS WHEREOF, the Library has caused this Undertaking to be executed by its authorized officer.

Clinton-Macomb Public Library

County of Macomb

State of Michigan

By _____

Its Library Director

Date: June __, 2024

38962330.1/111222.00011

TABLE OF BOND YEARS

\$9,000,000
 CLINTON-MACOMB PUBLIC LIBRARY
 COUNTY OF MACOMB, STATE OF MICHIGAN
 2024 LIBRARY BUILDING AND SITE BONDS
 (LIMITED TAX GENERAL OBLIGATION)

TABLE OF BOND YEARS

Principal Maturing <u>1-Apr</u>	<u>Amount</u>	Years From <u>June 7, 2024</u>	Bond Years	Cumulative Bond Years
2025	\$295,000	0.8167	240.9167	240.9167
2026	305,000	1.8167	554.0833	795.0000
2027	320,000	2.8167	901.3333	1,696.3333
2028	335,000	3.8167	1,278.5833	2,974.9166
2029	350,000	4.8167	1,685.8333	4,660.7499
2030	365,000	5.8167	2,123.0833	6,783.8332
2031	380,000	6.8167	2,590.3333	9,374.1665
2032	395,000	7.8167	3,087.5833	12,461.7498
2033	410,000	8.8167	3,614.8333	16,076.5831
2034	430,000	9.8167	4,221.1667	20,297.7498
2035	445,000	10.8167	4,813.4167	25,111.1665
2036	465,000	11.8167	5,494.7500	30,605.9165
2037	485,000	12.8167	6,216.0833	36,821.9998
2038	505,000	13.8167	6,977.4167	43,799.4165
2039	525,000	14.8167	7,778.7500	51,578.1665
2040	550,000	15.8167	8,699.1667	60,277.3332
2041	575,000	16.8167	9,669.5833	69,946.9165
2042	595,000	17.8167	10,600.9167	80,547.8332
2043	620,000	18.8167	11,666.3333	92,214.1665
2044	650,000	19.8167	12,880.8333	105,094.9998
TOTALS	<u><u>\$9,000,000</u></u>			

Average Bond Years:

11.6772

OFFICIAL NOTICE OF SALE

OFFICIAL NOTICE OF SALE

\$9,000,000*

**CLINTON-MACOMB PUBLIC LIBRARY
COUNTY OF MACOMB, STATE OF MICHIGAN
2024 LIBRARY BUILDING AND SITE BONDS
(LIMITED TAX GENERAL OBLIGATION)**

**Subject to adjustment as set forth in this Notice of Sale*

BID OPENING: Bids for the purchase of the above bonds will be received in the manner described in this Official Notice of Sale on Tuesday, June 11, 2024 until 11:00 a.m., prevailing Eastern Time, at which time and place said bids will be read. The award or rejection of bids will occur on the same date.

ELECTRONIC BIDS: Bidders may submit bids for the purchase of the above bonds as follows:

Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10018, (212) 849-5021. IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH THE INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE SHALL CONTROL.

Electronic bids may be submitted to the office of Bendzinski & Co. Municipal Finance Advisors at info@bendzinski.com; provided that electronic bids must arrive before the time of sale and the bidder bears all risks of transmission failure.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means.

BOND DETAILS: Said bonds will be registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of initial delivery, and will bear interest from their date payable on October 1, 2024 and semiannually thereafter.

The bonds will mature on April 1 of each year as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$ 295,000	2032	\$ 395,000	2039	\$ 525,000
2026	305,000	2033	410,000	2040	550,000
2027	320,000	2034	430,000	2041	575,000
2028	335,000	2035	445,000	2042	595,000
2029	350,000	2036	465,000	2043	620,000
2030	365,000	2037	485,000	2044	650,000
2031	380,000	2038	505,000		

***ADJUSTMENT OF TOTAL PAR AMOUNT OF BONDS AND PRINCIPAL MATURITIES:** The Library reserves the right to adjust the aggregate principal amount of the bonds after receipt of the bids and prior to final award, if necessary, so that the purchase price of the bonds will provide an amount determined by the Library to be sufficient to construct the projects and to pay costs of issuance of the bonds. The adjustments, if necessary, will be in increments of \$5,000. The purchase price will be adjusted proportionately to the increase or decrease in issue size, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

***ADJUSTMENT TO PURCHASE PRICE:** Should any adjustment to the aggregate principal amount of the bonds be made by the Library, the purchase price of the bonds will be adjusted by the Library proportionally to the adjustment in principal amount of the bonds. The adjusted purchase price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per-bond underwriter's discount as calculated from the bid and initial reoffering prices.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 6% per annum, to be fixed by the bids therefor, expressed in any fraction of 1%. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rate

on the bonds shall not exceed 2% per annum. No proposal for the purchase of less than all of the bonds or at a price less than 99% of their par value will be considered.

PRIOR REDEMPTION: Bonds maturing in the years 2025 to 2033, inclusive, shall not subject to redemption prior to maturity.

Bonds or portions of bonds in multiples of \$5,000 of this issue maturing on or after April 1, 2034 shall be subject to redemption, at the option of the Library, in such order as the Library shall determine, and within any maturity by lot, on any date on or after April 1, 2033, at par and accrued interest to the date fixed for redemption.

Notice of redemption shall be given to the registered owners of bonds to be redeemed by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered owner at the address of the registered owner as shown on the registration books of the Library. No further interest on bonds or portions of bonds called for redemption shall accrue after the date fixed for redemption, whether the bonds have been presented for redemption or not, provided the Library has money available for such redemption.

TERM BOND OPTION: The initial purchaser of the bonds may designate any one or more maturities as term bonds and the consecutive maturities shall be aggregated in the term bonds. The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on April 1 of the years and in the amounts set forth in the above maturity schedule (as modified as permitted herein) at a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatorily redeemed shall be selected by lot. Any such designation must be made at the time bids are submitted.

BOOK ENTRY FORM: Unless otherwise requested by the purchaser, the bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. The book entry-entry-only system is described further in the preliminary Official Statement for the bonds. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds. In the alternative, the successful bidder may request bond certificates to be delivered to the purchaser as one fully registered bond per maturity.

TRANSFER AGENT AND REGISTRATION: Principal and interest shall be payable at the offices of UMB Bank, N.A., Grand Rapids, Michigan, or such other transfer agent as the Library may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. If the original purchaser of the bonds selects the option of the bonds being issued in book-entry only form, then as long as DTC or its nominee, Cede & Co., is the bondholder, payments will be made directly to DTC. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the bonds is the responsibility of the DTC Participants and Indirect Participants as described in the preliminary Official Statement for the bonds. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the Library as of the 15th day of the month preceding an interest payment date. The bonds will be transferred only upon the registration books of the Library kept by the transfer agent.

PURPOSE AND SECURITY: The bonds are being issued to finance the cost to (i) acquire and construct improvements and renovations to the Main Library, including site work, and (ii) pay the costs associated with the issuance of the bonds. The bonds will be a first budget obligation of the Library, payable from the general funds of the Library including the collection of ad valorem taxes on all taxable property in the Library subject to applicable constitutional and statutory tax rate limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors’ rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

AWARD OF BONDS – TRUE INTEREST COST: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on October 1, 2024 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to June 27, 2024, the anticipated closing date, in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the Library, computed in the manner specified above.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C., for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its unqualified approving opinion as to the validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in

connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials. In submitting a proposal for the bonds, the bidder agrees to the representation of the Library by Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

QUALIFIED TAX EXEMPT OBLIGATIONS: The Library has designated the bonds as “qualified tax exempt obligations” for purposes of the deduction of interest expense by financial institutions pursuant to the Code.

ISSUE PRICE: The winning bidder shall assist the Library in establishing the issue price of the bonds and shall execute and deliver to the Library at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached either as Appendix I-1 or Appendix I-2 of the preliminary Official Statement, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Library and bond counsel.

The Library intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the bonds) will apply to the initial sale of the bonds (the “Competitive Sale Requirements”) because:

- a. the Library is disseminating this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- b. all bidders shall have an equal opportunity to bid;
- c. the Library anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- d. the Library anticipates awarding the sale of the bonds to the bidder who submits a firm offer to purchase the bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the bonds, as specified in the bid.

In the event that all of the Competitive Sale Requirements are not satisfied, the Library shall so advise the winning bidder. The Library will not require bidders to comply with the “hold-the-offering price rule” (as described below), and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity, though the winning bidder, in consultation with the Library, may elect to apply the “hold-the-offering price rule” (as described below). Bids will not be subject to cancellation in the event the Competitive Sale Requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering price rule” (as described below), bidders should prepare their bids on the assumption that all of the maturities of the bonds will be subject to the 10% Test (as described below). The winning bidder must notify the Library of its intention to apply either the “hold-the-offering price rule” or the 10% Test at or prior to the time the bonds are awarded.

If the winning bidder does not request that the “hold-the-offering price rule” apply to determine the issue price of the bonds, then the following two paragraphs shall apply:

- a. The Library shall treat the first price at which 10% of a maturity of the bonds (the “10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the Library if any maturity of the bonds satisfies the 10% Test as of the date and time of the award of the bonds; and
- b. Until the 10% Test has been satisfied as to each maturity of the bonds, the winning bidder agrees to promptly report to the Library the prices at which the unsold bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the bonds of that maturity, provided that, the winning bidder’s reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Library or bond counsel.

If the winning bidder does request that the “hold-the-offering price rule” apply to determine the issue price of the bonds, then the following three paragraphs shall apply:

- a. The winning bidder, in consultation with the Library, may determine to treat (i) pursuant to the 10% Test, the first price at which 10% of a maturity of the bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity (the “hold-the-offering price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Library if any maturity of the bonds satisfies the 10% Test as of the date and time of the award of the bonds. The winning bidder shall promptly advise the Library, at or before the time of award of the bonds, which maturities of the bonds shall be subject to the 10% Test or shall be subject to the hold-the-offering price rule or both.
- b. By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the bonds to the public on or before the date of the award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) if the hold-the-offering-price rule applies, agree, on behalf of the underwriters participating in the purchase of the bonds, that the underwriters will neither offer nor sell unsold bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:
 - i. the close of the fifth (5th) business day after the sale date; or
 - ii. the date on which the underwriters have sold at least 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public;

The winning bidder shall promptly advise the Library when the underwriters have sold 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

- c. The Library acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Library further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds.

By submitting a bid, each bidder confirms that:

- a. any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A)(i) to report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the bonds to the public (each such

term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

- b. any agreement among underwriters or selling group agreement relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (i) report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (ii) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

Sales of any bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of establishing issue price. Further, for purposes of this Notice of Sale:

- a. “public” means any person other than an underwriter or a related party;
- b. “underwriter” means (A) any person that agrees pursuant to a written contract with the Library (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the bonds to the public);
- c. a purchaser of any of the bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
- d. “sale date” means the date that the bonds are awarded by the Library to the winning bidder.

DELIVERY OF BONDS: The Library will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC, New York, New York, or such other place to be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by Noon, prevailing Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned. Payment for the bonds shall be made in Federal Reserve Funds.

CUSIP NUMBERS: Upon the request of the successful bidder, CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds. Application for CUSIP identification numbers will be made by Bendzinski & Co. Municipal Finance Advisors, municipal advisor to the Library. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the Library; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the Library has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, on or prior to the last day of the sixth month after the end of each fiscal year, commencing with the fiscal year ended November 30, 2024, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the Library to provide the required annual financial information on or before the date specified above.

BOND INSURANCE AT PURCHASER’S OPTION: If the bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the

issuance of any such commitment shall be at the option and expense of the purchaser of the bonds. Any and all increased costs of issuance of the bonds resulting from such purchase of insurance shall be paid by the purchaser, except that if the Library has requested and received a rating on the bonds from a rating agency, the Library shall pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. **FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE LIBRARY.**

OFFICIAL STATEMENT: A Preliminary Official Statement that the Library deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, has been prepared and may be obtained from Bendzinski & Co. Municipal Finance Advisors, municipal advisor to the Library, at the address and telephone listed under MUNICIPAL ADVISOR below. The Library will provide the winning bidder with an electronic version of the final Official Statement within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Copies of the Official Statement will be supplied by Bendzinski & Co. Municipal Finance Advisors, upon request and agreement by the purchaser to pay the cost of the copies. Requests for copies should be made to Bendzinski & Co. Municipal Finance Advisors within 24 hours of the time of sale.

BIDDER CERTIFICATION – NOT “IRAN-LINKED BUSINESS”: By submitting a bid, the bidder shall be deemed to have certified that it is not an “Iran-Linked Business” as defined in Act 517, Public Acts of Michigan, 2012, as amended, being MCL 129.311 et. seq.

MUNICIPAL ADVISOR: Bendzinski & Co. Municipal Finance Advisors, Grosse Pointe, Michigan (the “Municipal Advisor”) is a Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board (“MSRB”). The Municipal Advisor has been retained by the Library to provide certain financial advisory services relating to the planning, structuring and issuance of the bonds. The Municipal Advisor is not engaged in the business of underwriting, trading, marketing or the distribution of securities or any other negotiable instruments. The Municipal Advisor’s duties, responsibilities and fees arise solely as a Registered Municipal Advisor to the Library and it has no secondary obligation or other responsibility.

FURTHER INFORMATION relating to the bonds may be obtained from Bendzinski & Co. Municipal Finance Advisors, 17000 Kercheval Ave., Suite 230, Grosse Pointe, MI 48230. Telephone (313) 961-8222.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

Elizabeth Pugh
Secretary
Clinton-Macomb Public Library
County of Macomb
State of Michigan

42171159.1/111222.00012

**FORM OF ISSUE PRICE CERTIFICATE
(COMPETITIVE SALE)**

APPENDIX I-1

FORM OF ISSUE PRICE CERTIFICATE

This Form will be used if the Competitive Sale Requirements are met.

\$[_____]

**CLINTON-MACOMB PUBLIC LIBRARY
COUNTY OF MACOMB, STATE OF MICHIGAN
2024 LIBRARY BUILDING AND SITE BONDS
(LIMITED TAX GENERAL OBLIGATION)**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. Reasonably Expected Initial Offering Price

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.¹

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Issuer* means Clinton-Macomb Public Library, County of Macomb, State of Michigan.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly, as defined in Treas. Reg. §1.150-1(b).

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

¹ Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage and Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miller, Canfield, Paddock and Stone, P.L.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

42155728.1/111222.00012

**FORM OF ISSUE PRICE CERTIFICATE
(10% TEST OR THE HOLD-THE-OFFERING-PRICE RULE)**

APPENDIX I-2

FORM OF ISSUE PRICE CERTIFICATE

This Form will be used if either the 10% Test or the Hold-the-Offering-Price Rule applies.

\$[_____]

**CLINTON-MACOMB PUBLIC LIBRARY
COUNTY OF MACOMB, STATE OF MICHIGAN
2024 LIBRARY BUILDING AND SITE BONDS
(LIMITED TAX GENERAL OBLIGATION)**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”]) [the “Representative”]) [, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER] [The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale, [SHORT NAME OF UNDERWRITER] [the members of the Underwriting Group] [has] [have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it] [they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF UNDERWRITER] [the Underwriters] [has] [have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at a price that is no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) ***Issuer*** means Clinton-Macomb Public Library, County of Macomb, State of Michigan.

(e) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly, as defined in Treas. Reg. §1.150-1(b).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM] [the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage and Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miller, Canfield, Paddock an Stone, P.L.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER] [REPRESENTATIVE]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

42155743.1/111222.00012

The following have participated in the planning and development of these Bond issues:

CLINTON-MACOMB PUBLIC LIBRARY



RUTH CUMMINS
President

LORI W. SCHARICH
Vice President

CHERYL CANNON
Treasurer

ELIZABETH PUGH
Secretary

LYNDA B. LOCKE
Trustee

CAMILLE A. SILDA
Trustee

JAMES L. VEAL, JR.
Trustee

AMY L. WILLE
Trustee

ADMINISTRATION

LARRY P. NEAL
Director

PROFESSIONAL SERVICES

REGISTRAR/TRANSFER AGENT

UMB BANK, N.A.
Grand Rapids, Michigan

LIBRARY ATTORNEY

MICHAEL J. NICKERSON & ASSOCIATES, P.C.
Macomb, Michigan

BOND COUNSEL

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
Detroit, Michigan

REGISTERED MUNICIPAL ADVISOR



Bendzinski & Co.
MUNICIPAL FINANCE ADVISORS

17000 Kercheval Ave. • Suite 230 • Grosse Pointe, Michigan 48230