

Edgar Filing: CREDIT ACCEPTANCE CORPORATION - Form 11-K

CREDIT ACCEPTANCE CORPORATION  
Form 11-K  
July 14, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK  
REPURCHASE SAVINGS AND SIMILAR PLANS  
PURSUANT TO SECTION 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the fiscal year end December 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-20202

A. Full title of the plan and the address of the plan, if different  
from that of the issuer named below:

CREDIT ACCEPTANCE CORPORATION 401(k) PROFIT SHARING PLAN AND TRUST

B. Name of issuer of the securities held pursuant to the plan and the  
address of its principal executive office:

CREDIT ACCEPTANCE CORPORATION

25505 West Twelve Mile Road, Suite 3000  
Southfield, Michigan 48034-8339

CREDIT ACCEPTANCE CORPORATION  
401(k) PROFIT SHARING PLAN AND TRUST

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Notes to Financial Statements

### SUPPLEMENTAL SCHEDULES:

Form 5500, Schedule H, Part IV, Line 4i -- Schedule of Assets (Held at End of Year) as of December 31, 2004

Form 5500, Schedule H, Question 4a -- Delinquent Participant Contributions for the Year Ended December 31, 2004

NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator of  
Credit Acceptance Corporation  
401(k) Profit Sharing Plan and Trust:

We have audited the accompanying statements of assets available for benefits of Credit Acceptance Corporation 401(k) Profit Sharing Plan and Trust (the "Plan") as of December 31, 2004 and 2003, and the related statement of changes in assets available for benefits for the year ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the assets available for benefits of the Plan as of December 31, 2004 and 2003, and the changes in assets available for benefits for the year ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic

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financial statements taken as a whole. The accompanying supplemental schedules of (1) assets (held at end of year) as of December 31, 2004, and (2) delinquent participant contributions for the year ended December 31, 2004, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan's management. Such supplemental schedules have been subjected to the auditing procedures applied in our audits of the basic 2004 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

Detroit, Michigan  
July 12, 2005

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CREDIT ACCEPTANCE CORPORATION  
401(k) PROFIT SHARING PLAN AND TRUST  
  
STATEMENTS OF ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2004 AND 2003

|                               | 2004         | 2003        |
|-------------------------------|--------------|-------------|
| ASSETS:                       |              |             |
| Investments--at fair value:   |              |             |
| Investments                   | \$ 6,810,189 | \$5,527,944 |
| Participant loans             | 301,091      | 200,387     |
|                               | -----        | -----       |
| Total investments             | 7,111,280    | 5,728,331   |
|                               | -----        | -----       |
| Receivables:                  |              |             |
| Employer contributions        | 17,032       | 5,118       |
| Participants contributions    | 133,319      | 84,202      |
| Other                         | 131          | (265)       |
|                               | -----        | -----       |
| Total receivables             | 150,482      | 89,055      |
|                               | -----        | -----       |
| ASSETS AVAILABLE FOR BENEFITS | \$ 7,261,762 | \$5,817,386 |
|                               | =====        | =====       |

See notes to financial statements.

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CREDIT ACCEPTANCE CORPORATION  
401(k) PROFIT SHARING PLAN AND TRUST

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STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS  
YEAR ENDED DECEMBER 31, 2004

|   |              |
|---|--------------|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO:    |              |
| Interest and dividends                    | \$ 115,620   |
| Net appreciation of investments           | 803,572      |
|   | -----        |
| Net investment income                     | 919,192      |
|   | -----        |
| Contributions:                            |              |
| Employer                                  | 299,537      |
| Participants                              | 1,427,616    |
| Rollovers                                 | 29,774       |
|   | -----        |
| Total contributions                       | 1,756,927    |
|   | -----        |
| Total additions                           | 2,676,119    |
|   | -----        |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO: |              |
| Loan fees                                 | 6,450        |
| Benefits paid to participants             | 1,216,478    |
| Other fees                                | 8,815        |
|   | -----        |
| Total deductions                          | 1,231,743    |
|   | -----        |
| Net increase                              | 1,444,376    |
| ASSETS AVAILABLE FOR BENEFITS:            |              |
| Beginning of year                         | 5,817,386    |
|   | -----        |
| End of year                               | \$ 7,261,762 |
|   | =====        |

See notes to financial statements.

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CREDIT ACCEPTANCE CORPORATION  
401(k) PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following brief description of the Credit Acceptance Corporation (the "Company") 401(k) Profit Sharing Plan and Trust (the "Plan"), provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

GENERAL -- The Plan is a defined contribution plan available to all salaried and hourly-rated employees of the Company who have 90 days of

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service and are age 21 or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

CONTRIBUTIONS -- Participants may contribute up to 20% of their annual compensation, subject to current Internal Revenue Service ("IRS") limitations of \$13,000 and \$12,000 in 2004 and 2003, respectively, and other limitations based upon the participants' compensation level. Contributions withheld from an employee's pay on a pretax basis are not taxable until withdrawn from the Plan by the participant. The Company makes matching contributions equal to \$0.50 for every \$1.00 of elective deferred contributions made by each active participant, not to exceed \$1,250 annually. Prior to January 1, 2004, the Company made matching contributions equal to \$0.25 for every \$1.00 of elective deferred contributions made by each active participant, not to exceed \$625 annually. Other contributions made by the Company are at its discretion.

PARTICIPANT ACCOUNTS -- Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and Plan earnings. Allocations are based on participant earnings or account balances, as defined by the Plan.

VESTING -- Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company contributions portion of their accounts plus earnings thereon is based on years of continuous service. A participant is 100% vested after six years of credited service.

FORFEITURES -- In the event a participant's employment at the Company is terminated and the participant is not vested in the Company's matching contributions and resulting earnings, that portion is forfeited upon distribution of the vested portion. Forfeited amounts are used to reduce future employer contributions. Forfeitures amounted to \$14,403 during the year ended December 31, 2004.

LOANS -- Subject to predefined conditions and terms, a participant may borrow from their fund accounts up to 50% of the participant's vested fund balance, not to exceed \$50,000.

PAYMENT OF BENEFITS -- On termination of service due to death, disability, or retirement, a participant may elect to receive the value of the participant's vested fund balance in either a lump-sum amount or in installment payments.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION -- The accompanying financial statements have been prepared on the accrual basis of accounting.

USE OF ESTIMATES -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets available for benefits and the reported amounts of additions and deductions from assets available for benefits during the reported period. Actual results could differ from those estimates. The Plan invests in various securities including U.S. Government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably

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possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of assets available for plan benefits.

VALUATION OF INVESTMENTS AND INCOME RECOGNITION -- Investments are recorded at fair value as determined by the trustee of the Plan using quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

PAYMENTS OF BENEFITS -- Benefits are recorded when paid.

EXPENSES -- Certain Plan expenses are paid by the Company.

### 3. INVESTMENTS

ABN AMRO Trust Services Company ("ABN") is the Plan trustee. As of December 31, investments representing 5% or more of the Plan's assets available for benefits are as follows:

|                               | 2004         | 2003         |
|-------------------------------|--------------|--------------|
| ABN AMRO S&P 500 Index        | \$ 900,548   | \$ 951,783   |
| Euro-Pacific Growth Fund      | 865,249      | 756,168      |
| Veredus Aggregate Growth Fund | 832,636      | 646,804      |
| ABN AMRO Income Plus Fund     | 808,275      | 740,520      |
| Franklin Balance Sheet        | 796,307      | 523,174      |
| ABN AMRO Balanced Fund        | 485,014      | 685,361      |
| Credit Acceptance Stock Trust | 575,575      | 204,929      |
| ABN AMRO Growth Fund          | 429,264      | 306,100      |
| ABN AMRO Mid Cap Fund         | 429,182      | 234,177      |
| Washington Mutual             | 365,207      | 202,953      |
| ABN AMRO Bond Fund            | 322,739      | 275,881      |
| Other                         | 193          | 94           |
|                               | -----        | -----        |
| Total investments             | \$ 6,810,189 | \$ 5,527,944 |
|                               | =====        | =====        |

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During the year ended December 31, 2004, the Plan's mutual fund investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

|                               |           |
|-------------------------------|-----------|
| ABN AMRO S&P 500 Index        | \$ 86,502 |
| Veredus Aggregate Growth Fund | 138,006   |
| Euro-Pacific Growth Fund      | 120,374   |
| Franklin Balance Sheet        | 134,321   |
| Credit Acceptance Stock Fund  | 217,654   |
| ABN AMRO Balanced Fund        | (11,534)  |
| ABN AMRO Growth Fund          | 23,017    |
| ABN AMRO Mid Cap Fund         | 46,313    |
| ABN AMRO Income Plus Fund     | 28,343    |
| Washington Mutual             | 21,305    |
| ABN AMRO Bond Fund            | (729)     |



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| (a) | (b)   | (c)                       | (e)           |
|-----|---|---------------------------|---------------|
|     | IDENTITY OF ISSUE   | DESCRIPTION OF INVESTMENT | CURRENT VALUE |
| *   | ABN AMRO Trust Services Company:  |                           |               |
| *   | ABN AMRO Income Plus Fund   | Mutual Fund               | \$ 808,275    |
| *   | ABN AMRO Bond Fund  | Mutual Fund               | 322,739       |
| *   | ABN AMRO Balance Fund   | Mutual Fund               | 485,014       |
| *   | ABN AMRO S&P 500 Index  | Mutual Fund               | 900,548       |
|     | Franklin Balance Sheet  | Mutual Fund               | 796,307       |
| *   | ABN AMRO Growth Fund  | Mutual Fund               | 429,264       |
|     | Veredus Aggregate Growth Fund   | Mutual Fund               | 832,636       |
|     | Euro-Pacific Growth Fund  | Mutual Fund               | 865,249       |
|     | Washington Mutual   | Mutual Fund               | 365,207       |
| *   | ABN AMRO Mid Cap Fund   | Mutual Fund               | 429,182       |
|     | Liquidity Fund  | Mutual Fund               | 193           |
| *   | Credit Acceptance Stock Trust   | Stock Trust               | 575,575       |
|     |   |                           | -----         |
|     | Total investments   |                           | 6,810,189     |
| *   | Loans to participants, 6.00% to 11.50% maturing at various dates not exceeding five years |                           | 301,091       |
|     |   |                           | -----         |
|     | TOTAL INVESTMENTS   |                           | \$ 7,111,280  |
|     |   |                           | =====         |

\* Party-in-interest

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CREDIT ACCEPTANCE CORPORATION  
401(k) PROFIT SHARING PLAN AND TRUST

FORM 5500, SCHEDULE H, QUESTION 4a --  
DELINQUENT PARTICIPANT CONTRIBUTIONS  
YEAR ENDED DECEMBER 31, 2004

QUESTION 4a, "DID THE EMPLOYER FAIL TO TRANSMIT TO THE PLAN ANY PARTICIPANT CONTRIBUTIONS WITHIN THE TIME PERIOD DESCRIBED IN 29 CFR 2510.3-102," WAS ANSWERED "YES."

| IDENTITY OF PARTY INVOLVED    | RELATIONSHIP TO PLAN, EMPLOYER, OR OTHER PARTY-IN-INTEREST | DESCRIPTION OF TRANSACTION   | AMOUNT |
|-------------------------------|--|--|--------|
| Credit Acceptance Corporation | Employer/Plan Sponsor                                      | Participant contributions for employees were not funded within the time period prescribed by DOL Regulation 2510.3-102. A small portion of participant contributions from multiple periods in 2004 were deposited on March 11, 2005. | \$7    |

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees of the Credit Acceptance Corporation 401(k) Profit Sharing Plan and Trust (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

CREDIT ACCEPTANCE CORPORATION  
401(k) PROFIT SHARING PLAN AND TRUST

Date: July 14, 2005

By: /s/ Douglas W. Busk

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Douglas W. Busk  
Treasurer

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EXHIBIT INDEX

| EXHIBIT<br>NUMBER | DESCRIPTION                      |
|-------------------|----------------------------------|
| -----             | -----                            |
| 23.1              | Consent of Deloitte & Touche LLP |

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