City of Novi
Audit Presentation
For Year Ended June 30, 2004
City of Novi
General Fund Revenue Trends (With % Change)
Years Ended June 30, 2000 Through 2004

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$10,494,571</td>
<td>$11,895,453</td>
<td>$13,477,339</td>
<td>$14,458,229</td>
<td>$15,442,393</td>
</tr>
<tr>
<td>Police &amp; Fire Millage Transfer</td>
<td>$4,229,329</td>
<td>$4,720,450</td>
<td>$4,600,650</td>
<td>$4,204,949</td>
<td>$3,812,543</td>
</tr>
<tr>
<td>State Sources</td>
<td>$2,249,562</td>
<td>$2,472,503</td>
<td>$2,394,190</td>
<td>$2,710,259</td>
<td>$3,067,750</td>
</tr>
<tr>
<td>Building Permits &amp; Plan Reviews</td>
<td>$1,178,564</td>
<td>$1,676,226</td>
<td>$1,230,167</td>
<td>$1,174,257</td>
<td>$1,459,494</td>
</tr>
<tr>
<td>All Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
City of Novi
2003 Municipal Tax Rates Comparison
City of Novi
General Fund Expenditure Trends (With % Change)
Years Ended June 30, 2000 Through 2004

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>$6,941,713</td>
<td>$7,861,860</td>
<td>$7,846,717</td>
<td>$8,400,100</td>
</tr>
<tr>
<td>Fire</td>
<td>$2,427,116</td>
<td>$2,680,184</td>
<td>$3,190,241</td>
<td>$3,269,965</td>
</tr>
<tr>
<td>Building &amp; Planning</td>
<td>$1,903,287</td>
<td>$1,854,436</td>
<td>$2,356,774</td>
<td>$2,530,297</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$6,039,720</td>
<td>$5,887,275</td>
<td>$6,835,542</td>
<td>$6,352,109</td>
</tr>
</tbody>
</table>
City of Novi
General Fund
Fund Balance
Years Ended June 30, 2000 Through 2004
City of Novi
Undesignated Fund Balance as a Percentage of Budgeted Annual Expenditures
Years ended June 30, 2000 through 2004
City of Novi
Water and Sewer Fund Operations
Fiscal Years Ended June 30, 2000 Through 2004 (in thousands)

- Operating Revenues: $8,407, $7,546, $9,504, $11,379, $11,910
- Operating Expenses*: $8,120, $7,875, $8,457, $10,684, $11,582
- Working Capital: $17,765, $23,926, $32,565, $33,737, $38,485
City of Novi
Classification of Net Assets
Years Ended June 30, 2000 Through 2004

- Unrestricted: $4,332,865
- Streets & Highways: $4,732,377
- Drains: $8,285,898
- Other**: $4,727,860
- Invested in Capital Assets, Net of Related Debt*: $62,117,983
- Special Assessments: $17,664,554

* Primarily includes investment in land, roads, drains, and buildings and improvements
** Primarily includes property taxes levied for specific purposes such as debt service, police and fire, parks and recreation, and library services
City of Novi
Demand on General Revenue by Activity*
June 30, 2004

- Public Works 15.8%
- Community & Economic Development 0.8%
- Recreation & Culture 11.8%
- Interest on Long-Term Debt 12.1%
- General Government 16.0%
- Uninsured Expenditures and Legal 2.8%

*Excluded capital grants and contributions which are typically one time events which relate to the purchase of capital assets
Thank You!