

# Through a Dealer's Eyes on What's Important on the Financial Statement

**TWO-DAY COURSE  
or THREE-DAY COURSE**

Master your financial statement to discover **key areas of opportunity** in the dealership. Come prepared to analyze and discuss your own dealership's performance.

**Note:** All NADA Academy courses are created with the understanding that participants have a strong knowledge of the dealership financial statement, so it is recommended that participants start with this class.



## INSTRUCTOR-LED LEARNING OBJECTIVES

- Locate key data on the financial statement and be familiar with its navigation in order to view the statement through the eyes of a dealer and confidently discuss the document.
- Illustrate the flow of accounting to determine where the numbers originate and how the financial statement is populated.
- Calculate a quick dealership analysis to determine the health of the dealership.
- Analyze a dealership cash flow scenario to distinguish the difference between cash and profit.
- Explain the importance of managing the four cash accounts in order to identify key financial statement components through the eyes of the dealer.
- Review the principles of LIFO to recognize the pros and cons of the tax-deferral method through the eyes of the dealer.
- Identify areas of accounting accuracy discrepancies and explain why dealers may account for things differently.
- Evaluate key financial performance indicators on the balance sheet.
- Calculate parts and accessories markup, gross profit and profitability, and evaluate the results against the profile.
- Calculate fixed absorption to determine if the service department is contributing proportionally to the dealership.
- Explain work-in-process inventory, how it's calculated and how to reconcile it on a monthly basis.