Mercedes-Benz

Dealer Accounting Manual

2017 Edition

- Introduction
- What's New for 2017
- M-B Financial Statement
- Balance Sheet
- Variable Operations
- Fixed Operations
- Expenses
- Adjustment to Income
- Accounting Memos
- How to Use This Software

DUE DATES

National Business Management
Mercedes-Benz USA, LLC

Statement Submission Dates 2017	
January	2/17
February	3/10
March	4/11
April	5/10
May	6/12
June	7/10
July	8/10
August	9/11
September	10/10
October	11/10
November	12/11
December	1/17

Statements must be received before 8:00 PM Eastern Time on the dates indicated above.

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ACCOUNTING MEMO 10-2 35
ACCOUNTING MEMO 10-3 36
ACCOUNTING MEMO 10-4 38
ACCOUNTING MEMO 10-5 41
ACCOUNTING MEMO 11-1 43
ACCOUNTING MEMO 12-1 44
ACCOUNTING MEMO 12-2 45
ACCOUNTING MEMO 13-1 48
ACCOUNTING MEMO 13-2 49
ACCOUNTING MEMO 13-3 51
ACCOUNTING MEMO 14-1 53
ACCOUNTING MEMO 15-1 56
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ACCOUNTING MEMO 16-2 59

GLOSSARY OF ACCOUNTING & FINANCIAL TERMS 1

A-A 1
A-C 2
C-D 3
D-F 4
F-L 5
L-O 6
O-R 7
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Financial Ratio Definitions 10

CHART OF ACCOUNTS 1

ASSETS 1
LIABILITIES & NET WORTH 2
SALES & COST OF SALES 3
SALES & COST OF SALES 5
PRE-OWNED VEHICLE SALES & COST OF SALES 6
SALES & COST OF SALES 7
SALES & COST OF SALES 9
EXPENSES & ADJUSTMENTS TO INCOME 10

BM CODE REFERENCE 1

Page 1 - Balance Sheet 1
Page 2 - Statement of Income and Expense 2
Page 3 - Statement of Income and Expense 3
Page 4 - Statement of Income and Expense Mercedes-Benz 4
Page 5 - Statement of Income and Expense – Commercial Vehicle 5
Page 6 - Statement of Income and Expense - smart 6
Page 7 - M-B Gross Profit Analysis - Variable Operations - New Vehicles - M-B 7
Page 8 - M-B & Other Gross Profit Analysis - Variable Operations - New Vehicles & Pre-Owned 8
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Page 11 - smart Vehicle Analysis 11
Page 12 - Summary of Operating Results 12

HOW TO USE THIS SOFTWARE - QUICK GUIDE

Organizational Highlights

- Each account - or group of similar accounts - has its own page in the accounting manual.
- The Mercedes-Benz financial statement can be viewed in full detail by clicking the M-B logo Mercedes-Benz at the top of each account page.
- The viewable statements and accounts are ***linked*** together (which means you can click an account name or number on the statement and jump to the account description).
- The manual begins with a complete **Table of Contents** which follows the **M-B Chart of Accounts**.
- Each line in the Table of Contents is also ***linked*** to its account description.
- The Acrobat Reader in which the manual is viewed also includes a powerful search engine to help you find accounts and topics.

This brief introduction will help you with the following basic tasks:

- Find an Account Name or Number
- Find a Keyword or Term
- Print Selected Pages, Chapters or Entire Manual
- Print Blank Financial Statement Page(s)
- Use Links to move to related accounts or topics
- Change View Characteristics

Find an Account Name or Number

1. View the M-B financial statement and click on the account name or number that interests you. The little hand indicates the cursor is above an item you can click on.
2. View the Table of Contents and click on the desired account name or number.
3. Use the *bookmarks* on the left-hand side of the screen. It acts like a table of contents.
4. Use the search menu item on the top page (use Home to get back there) or by clicking the little binoculars on the toolbar. You can then type in the account name or number in the box [[Find What:]]

Find a Keyword or Term

Use the search menu choice or click the little binoculars on the toolbar to start a search. Type in a keyword to start a search. To find the next instance of your keyword, use F3.

Print Selected Pages or Sections of the Manual

1. **Print the page you are viewing**: Use Alt-F or click File menu. Then select Print and Current page.

2. **Print a section**: Use Alt-F, Print and Print Pages from: __ to: __.

3. **Print Financial Statement**: Select File, Print and Pages 10 to 15.

Using Links to move to a related account or topic

On selected pages, there are *links* to related accounts and topics shown in italics. When your mouse passes over a *link*, the little hand will appear. Click on the highlighted word to jump to the related topic. Use the page back icon to return to the original page.

Change View Characteristics

1. Page size: Various zoom levels are available as Page Icons or under the View menu.

2. Bookmarks: The little index on the left hand side can be hidden using the "X" in its window. Use the "Bookmark" tab on the upper left to return to the bookmark view.

WHAT'S NEW FOR 2017?

Minimal changes were made to the 2017 Dealer Financial Statement. Detailed revisions by page are as follows:

Page 1
The following account name changes took place:
- Line 17 - Account 256 renamed to "Training Bonus"

Page 2
The following account name changes took place:
- Line 69 – Account 970 – Name changed to "Training Bonus"

Page 3
The following account name changes took place:
- Line 69 – Account 970 – Name changed to "Training Bonus"

Page 4
The following account name changes took place:
- Line 69 – Account 970 – Name changed to "Training Bonus"

Page 5
The following account name changes took place:
- Line 69 – Account 970 – Name changed to "Training Bonus"

Page 6
The following new account and/or account name changes took place:
- Line 18 – Account 31 – New account "Tier 3 Marking Compliance Bonus - smart"
- Line 19 – Account 34 – New account "Tier 3 Marketing Expenses - smart"
- Line 69 – Account 970 – Name changed to "Training Bonus"

Page 7
The following account name modifications took place:
- Line 1 – Account 1463R/L – M-B C300A
- Line 2 – Account 1464R/L – M-B C300A4
- Line 3 – Account 496R/L – M-B C300C
- Line 4 – Account 519R/L – M-B C300C4
- Line 9 – Account 1454R/L – AMG C43A4
- Line 10 – Account 1401R/L – AMG C43C4
- Line 11 – Account 1415R/L – AMG C43W4
- Line 12 – Account 1465R/L – AMG C63A
- Line 13 – Account 1403R/L – AMG C63AS
- Line 14 – Account 497R/L – AMG C63C
- Line 15 – Account 1418R/L – AMG C63CS
- Line 16 – Account 410R/L – AMG C63W
- Line 17 – Account 1417R/L – AMG C63WS
- Line 20 – Account 523R/L – AMG CLA45C4
- Line 21 – Account 411R/L – M-B E300W
- Line 22 – Account 405R/L – M-B E300W4
- Line 27 – Account 402R/L – M-B E400S4
- Line 30 – Account 432R/L – AMG E43W4

- Line 31 – Account 435R/L – AMG E63W4
- Line 32 – Account 1425R/L – AMG E63W4S
- Line 33 – Account 1426R/L – AMG E63S4S
- Line 38 – Account 1432R/L – AMG CLS63C4S
- Line 41 – Account 1433R/L – M-B S550A
- Line 47 – Account 1434R/L – AMG S63A4
- Line 48 – Account 1439R/L – AMG S63C4
- Line 49 – Account 1438R/L – AMG S63V4
- Line 50 – Account 1441R/L – AMG S65A
- Line 51 – Account 1440R/L – AMG S65C
- Line 52 – Account 572R/L – AMG S65V
- Line 54 – Account 1456R/L – MAYBACH S550X4
- Line 55 – Account 1436R/L – MAYBACH S600X
- Line 56 – Account 1471R/L – MAYBACH S650A
- Line 58 – Account 1457R/L – M-B SLC300R
- Line 59 – Account 1473R/L – AMG SLC43R
- Line 60 – Account 1442R/L – M-B SL450R
- Line 61 – Account 416R/L – M-B SL550R
- Line 62 – Account 495R/L – AMG SL63R
- Line 63 – Account 575R/L – AMG SL65R
- Line 67 – Account 1476R/L – AMG GT
- Line 68 – Account 1411R/L – AMG GTS
- Line 70 – Account 1427R/L – AMG GTR
- Line 71 – Account 1469R/L – AMG GTA
- Line 72 – Account 1470R/L – AMG GTCA

The following accounts have been added for 2017:

- Line 73 – Account 1480R/L – RESERVED
- Line 74 – Account 1481R/L – RESERVED
- Line 75 – Account 1482R/L – RESERVED
- Line 76 – Account 1483R/L – RESERVED
- Line 77 – Account 1484R/L – RESERVED
- Line 78 – Account 1485R/L – RESERVED

Line Reference Changes:

- Line Reference Change on Line 79:
    - Total New M-B P/C Retail/Lease (Ln 1 – 78)

<u>Page 8</u>

The following account name modifications took place:

- Line 3 – Account 1450R/L – AMG GLA45W4
- Line 4 – Account 1451R/L – M-B GLC300C4
- Line 5 – Account 1410R/L – M-B GLC300D4
- Line 9 – Account 1477R/L – AMG GLC43C4
- Line 10 – Account 1447R/L – AMG GLC43W4
- Line 17 – Account 1458R/L – M-B GLE550E4
- Line 18 – Account 1460R/L – AMG GLE43C4
- Line 19 – Account 1445R/L – AMG GLE43W4
- Line 20 – Account 509R/L – AMG GLE63C4S
- Line 21 – Account 491R/L – AMG GLE63W4

- Line 22 – Account 1459R/L – AMG GLE63W4S
- Line 26 – Account 1414R/L – AMG GLS63W4
- Line 27 – Account 599R/L – M-B G550W4
- Line 28 – Account 1478R/L – M-B G550W44
- Line 29 – Account 576R/L – AMG G63W4
- Line 30 – Account 1409R/L – AMG G65W4

The following accounts have been added for 2017:
- Line 6 – Account 1486R/L – RESERVED
- Line 11 – Account 1487R/L – RESERVED
- Line 12 – Account 1488R/L – RESERVED
- Line 13 – Account 1489R/L – RESERVED

Line Reference Changes:
- Line Reference Change on Line 33:
    - Total New M-B LT Retail/Lease (Ln 1 – 31)
    - Total New M-B Retail/Lease (Pg 7 Ln 79 + Pg 8 Ln 32)

Page 9
Line Reference Changes:
- Line Reference Change on Line 66
    - Total All Departments (Before LIFO) (Page 8 Line 84 & Page 9 Line 64)

Page 10
The following account name modifications took place:
- Line 6 - Account 2401R/L – Sprinter 2500 Cargo Van
- Line 7 - Account 2403R/L – Sprinter 2500 Passenger Van
- Line 8 - Account 2402R/L – Sprinter 3500 Cargo Van
- Line 9 - Account 2404R/L – Sprinter 3500 Cab Chassis

The following accounts have been added for 2017:
- Line 1 – Account 2415R/L – Metris Worker Cargo Van
- Line 2 – Account 2416R/L – Metris Worker Passenger Van
- Line 5 – Account 2417R/L – Sprinter Worker Cargo Van
- Line 10 – Account 2418R/L – RESERVED

Line Reference Changes:
- Line Reference Change on Line 23
    - Net New Vehicle Department - CV (Page 10 Lines 21 & 22)

Page 11
No changes.

Page 12
No changes.

REINFORCED ACCOUNTING GUIDANCE BY PAGE

Page 2-6

- Training Credit (Account 35) – This account is comprised of the Customer Ownership Training Credit

Pages 9-11

- Unapplied Labor (Account 657C, 2657E & 3657S) - These accounts include technician trainee salaries.

- 3rd Party Warranty Claim Labor - M-B (Accounts 850) - This account is comprised of service department labor sales covered by *3rd party* warranties.

- 3rd Party Warranty Claim P&A – MB (Account 852) – This account is comprised of parts department parts sales covered by 3rd Party warranties.

- Service Contract Income (Account 851) – This account is comprised of service department contract sales sold out of the service department

- Express Warranty Labor – MB, Commercial Vehicles, and smart (Accounts 493A, 493E, 493S) – These accounts are comprised of Express Warranty labor sales out of the service department.

- Express Warranty Parts – MB, Commercial Vehicles, and smart (Accounts 494A, 494E, 494S) – These accounts are comprised of Express Warranty parts sales out of the parts department.

- Customer Body Shop Labor - M-B, Commercial Vehicles, Maybach, smart & Other (Accounts 838, 838E 838S, 839 & 452B) - These accounts are comprised of body shop labor sales including customer, warranty and internal repair orders.

- Wholesales - Body Shop Certified (Account 842) - This account includes parts sales to certified M-B repair shops ONLY.

Page 12

- Total M-B, Commercial Vehicles, and smart Service Hours (Lines 36-52)

  Ensure Available, Actual and Operation hours are entered accurately **(e.g., 1,005 hours must be entered as "10050")** so as to provide valid Productivity and Efficiency measures. Productivity should *not* be > 100%, which means that Actual Hours *cannot* be greater than Available hours. *See Accounting Memo 99-3 for additional details on Service Hours reporting.*

- Labor Rates (Lines 22-34)

  These are posted differently according to each DMS vendor. With the exception of Reynolds & Reynolds, which can be entered two ways, all other vendors should be entered as follows (assuming a current month labor rate of $110.50):

ADP =	10050	R&R =	10050 or 100.50
UCS =	10050	ADAM =	10050
Arkona =	10050	Auto/Mate =	10050
Autosoft =	10050		

  Please verify accuracy to ensure proper recording.

Please refer to the following page for Financial Statement Checklist

FINANCIAL STATEMENT CHECKLIST

Top 25 Financial Statement Items To Review To Ensure Accurate Reporting			
	BALANCE SHEET – PAGE 1	**LINE**	**Y/N**
1	Is Cash Positive?	3	
2	Vehicle Accounts - is Past Due amount high?	4	
3	Are the accruals for the bonus components accounted for in Receivables?	17	
4	Is the Current Portion of Long Term Debt entered?	18	
5	Are the Unit counts entered (in parentheses) for the Inventory Accounts?	22-27 & 31-37	
6	Are Working Capital and Net Cash Position %'s over 100% of Requirements?	43 & 45	
7	Is Net Worth Positive?	79	
8	Assets = Liabilities + Net Worth?	80	
	INCOME STATEMENT – PAGE 2	**LINE**	
9	Are the Tier 3 Brand Compliance Bonus, Floor Plan Bonus, CVP Bonus, Training Credits and Facility Bonus recorded as credits?	18, 22, 25, 28, & 45	
	INCOME STATEMENT – PAGES 4-6	**LINE**	
10	Are the Customer Experience Sales Bonus, Customer Experience Service Bonus, New Vehicle Sales Bonus, Pre-Owned Vehicle Sales Bonus, Brand Standards Bonus, Training Bonus, Commercial Vehicles Bonus (if applicable), smart Performance Bonus (if applicable), & Leadership Bonus recorded under the New Vehicle Department?	44, 62-69	
11	Are the Pre-Owned Premier/CPO Bonuses recorded under the Pre-Owned Dept.?	70	
	VARIABLE OPERATIONS – PAGES 7-8, 10 & 11	**LINE**	
12	Are amounts incorrectly entered on blank/reserved lines that are not yet in use?	All	
13	If Sales are entered, are corresponding Gross Profits and Unit counts also recorded?	All	
	VARIABLE OPERATIONS – PAGE S 8,10 & 11	**LINE**	
14	Is F&L entered accurately by type?	Multiple Ranges	
15	Is Pre-Owned Reconditioning entered accurately by type (if applicable)?	Multiple Ranges	
	FIXED OPERATIONS – PAGES 9, 10 & 11	**LINE**	
16	Are service contract sales entered accurately by type (Prepaid Maintenance or Extended Limited Warranty)?	Multiple Ranges	
17	Are Wholesales - Body Shop Certified Sales entered?	Page 9 Line 32	
	FINANCIAL SUMMARY/MEMO ACCOUNTS – PAGE 12	**LINE**	
18	Is the Receivables Analysis Aging completed? Does the Total match Page 1 Receivables?	2-4	
19	Is the Inventory Analysis Aging completed? Do the Totals match Page 1 Inventories (Amount and Units)?	8-17	
20	Are Hourly Labor Rates entered correctly for all 3 categories - Customer, Warranty and Internal?	22-31	
21	Is the Effective Labor Rate calculated and entered correctly for all 3 categories - Customer, Warranty and Internal?	32-34	
22	Is the MTD RO Count correctly entered?	31-33	
23	Is the Total M-B Service Hours section populated? Are Available, Actual and Operation Hours accurate and reasonable?	36-40	
24	Are the entries for Total M-B, Commercial Vehicles & smart Labor Hours reasonable?	41, 48 & 53	
25	Are Personnel counts recorded by Department? Does the Total Personnel count appear reasonable?	79	

INTRODUCTION

TO: ALL MERCEDES-BENZ DEALERS, CONTROLLERS AND BUSINESS MANAGERS:

Accounting is an essential ingredient in the financial management of any business. The first goal of your accounting system is to properly and consistently record all business transactions. Only with accurate facts generated within your system and reported on your financial statements can you expect to analyze performance and identify the strengths and weaknesses of the dealership.

The Mercedes-Benz Dealer Financial Statement is designed to provide a detailed report on the operating performance and financial condition of each M-B dealership. Developed with input from your fellow dealers, its format can be readily analyzed and interpreted.

Consistent, accurate and timely statements will enable both you and MBUSA to easily and quickly interpret the financial status of the dealership. Finally, consistently prepared statements allow MBUSA to compile meaningful composite information and reports. This information can be used by you to further analyze and improve profitability, asset management and cash flow.

This manual explains the accounts and accounting procedures used to prepare the monthly Mercedes-Benz Dealer Financial Statement. It is organized by the sections of the Mercedes-Benz Chart of Accounts as listed at the end of the manual:

- Balance Sheet
- Sales and Cost of Sales
  - New Vehicles
  - Pre-Owned Vehicles
  - Service
  - Parts
  - Body Shop
- Expenses
- Adjustments to Income

Each account category includes a brief account description, a list of appropriate debit and credit items and explanatory comments. Accounts are in sequential order within each category. In addition, the following supplementary sections provide additional detail and information:

- Accounting Memos
- Financial Glossary
- Financial Ratios
- Financial Statement
- BM Code Reference

Each dealership can help ensure mutual benefits by routinely preparing and submitting a Mercedes-Benz Dealer Financial Statement. Therefore, it is imperative that all financial statements are:

Timely:	Submit by the specified submission date of the following month.
Accurate:	Represent a true summary of the condition of the dealership.
Comparable:	Prepared on a consistent basis by following the guidelines contained in this manual.

THE DEALERSHIP BUSINESS MANAGER

A dealership business manager understands the mechanics of bookkeeping and has the ability to supervise the collection of relevant information. Furthermore, he or she is capable of interpreting and analyzing the results disclosed by the financial statement and operating data.

Two important roles are to provide historical perspective and support forward planning. The dealership business manager thus should be cognizant of trends at the dealership and fluctuations in various accounts. Looking forward, he or she should be able to forecast the result of contemplated actions or policy changes and anticipate the cash position of the dealership.

A person with these skills is immensely valuable to the dealer and MBUSA.

The specific duties of a Mercedes-Benz dealership business manager include:

1. Maintain the Dealer's Standard Accounting System in accordance with the guidelines contained in this manual and supervise all methods used in the dealership to record transactions.

2. Prepare and submit a complete and accurate financial statement by the specified submission date of the following month.

3. Prepare sales and profit forecasts for future periods as a guide for the business and compare those forecasts with actual results.

4. Prepare relevant analyses of current business trends to identify out-of-line conditions in need of correction by dealership management.

5. Maintain a current daily operating control (DOC) for department managers.

Your efforts in fulfilling these specific duties and helping sustain a strong dealer network are greatly appreciated.

Please contact National Business Management if you require further guidance:

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Mercedes-Benz USA, LLC

2017
Dealer Financial Statement
Balance Sheet

DEALER NAME AND ADDRESS	STMT PERIOD
	FROM
	TO
DEALER CODE: File:	BY

Type

ASSETS		ACCT	AMOUNT
Cash		200-02	
Contracts in Transit		205	
TOTAL CASH AND CONTRACTS (LINES 1 - 2)			
Vehicle Accounts	PAST DUE	210	
Service - Body - Parts Accounts	PAST DUE	220	
TOTAL CUSTOMER RECEIVABLES (LINES 4 & 5)			
Finance & Lease Receivables - Current		264	
Prepaid Maintenance - M-B		221B	
Extended Limited Warranty - M-B		219A	
Service Contract Claims - Commercial Vehicles		221E	
Service Contract Claims - smart		221S	
Service Contract/Warranty Claims - Other		221D/263B	
Warranty Claims - M-B	PAST DUE	263A	
Warranty Claims - CV	PAST DUE	263E	
Warranty Claims - smart	PAST DUE	263S	
Dealer Reserve (CV & smart)/Floor Plan Assistance		221A/213A	
Combined Bonuses Receivable		227-230 / 252-56	
Other Receivables		221C	
TOTAL RECEIVABLES (LINES 6-18)			
Less: Allowance for Doubtful Accounts		340	
TOTAL NET RECEIVABLES (LINE 19 MINUS 20)			
Demonstrator Vehicles	UNITS	214	
New Vehicles - M-B	UNITS	231A/232	
New Vehicles - CV	UNITS	231E	
New Vehicles - smart	UNITS	231S	
New Vehicles - Other	UNITS	231B	
Courtesy Vehicle Program (CVP)	UNITS	233	
TOTAL NEW VEH./DEMO INVENTORY (LINES 22 - 27)			
LIFO Reserve - New Vehicles		235	( )
TOTAL NEW VEH. INVENTORY - NET (LINES 28 & 29)			
Pre-Owned M-B	P/O	251	
Pre-Owned Certified M-B	UNITS	234	
Pre-Owned Commercial Veh	OVER	251E	
Pre-Owned Certified CV	60	238E	
Pre-Owned - smart	DAYS	240S	
P-O Certified - smart		234S	
Pre-Owned Veh - Other		240B	
TOTAL PRE-OWNED VEH. INVENTORY (LINES 31-37)			
LIFO Reserve - Pre-Owned Vehicle		236	( )
TOTAL PRE-OWNED VEH. INVENTORY - NET (LINES 38 & 39)			
Parts and Accessories - M-B	$	242A	
P & A - Comm Veh	OVER	242E	
Parts and Accessories - smart	180	242S	
Parts and Accessories - Other	DAYS	242B	
TOTAL PARTS AND ACCESSORIES (LINES 41 - 44)			
Allowance, Parts Inventory Adjustment		332	( )
LIFO Reserve - Parts and Accessories		241	( )
TOTAL PARTS AND ACCESSORIES - NET (LINES 45 - 47)			
Tires, Gas, Oil and Grease		244/292	
Paint and Body Shop Materials		245	
Sublet Repairs		246	
Work in Process - Labor		247	
Other Inventory		248	
TOTAL OTHER INVENTORIES (LINES 49 - 53)			
TOTAL INVENTORIES (LINES 30, 40, 48 & 54)			
Securities		260	
Due From Finance Companies		262	
Prepaid Expenses		261	
Lease & Rental Vehicles - Net	UNITS	277	
TOTAL CURRENT ASSETS (LINES 3, 21, 55 - 59)			

FIXED ASSETS	ACCT	COST	ACCT	ACCUM DEPR	
Land & Improvements	280		350		
Bldngs & Improvements	281		351		
Mach & Shop Eqpt	282		352		
P & A Equipment	283		353		
Furn/Fixt/Signs	284		354		
Company Vehicles	285		355		
Leaseholds	286		356		
Other	287		357		
Commercial Veh Envir	289		359		
smart Envir	289S		359S		
TOTAL - NET FIXED ASSETS (LINES 62 - 71)					
Life Insurance - Cash Value				291	
Notes & Accounts Receivable - Officers/Owners/Other				293/295	
Notes & Accounts Receivable - Investments-Affiliated Co.				299	
Advances to Employees				294	
Deposits on Contracts				290	
Other Non-Franchise Assets				296	
TOTAL OTHER ASSETS (LINES 73 - 78)					
TOTAL ASSETS (LINES 60, 72 & 79)					

Ln	LIABILITIES	ACCT	AMOUNT
1	**ACCOUNTS PAYABLE**		
2	Accounts Payable - Trade Creditors	300	
3	Customer Deposits	305	
4	Accounts Payable - Other	309	
5	**TOTAL ACCOUNTS PAYABLE (LINES 2 - 4)**		
6	**CURRENT NOTES PAYABLE**		
7	N/P - New Vehicles/Demo - M-B	310A	
8	N/P - New Vehicles/Demo - Commercial Vehicles	310E	
9	N/P - New Vehicles/Demo - smart	310S	
10	N/P - New Vehicles/Demo - Other	310B	
11	N/P - Pre-Owned Vehicles/Demo - M-B	312A	
12	N/P - Pre-Owned Vehicles/Demo - Commercial Vehicles	312E	
13	N/P - Pre-Owned Vehicles/Demo - smart	312S	
14	N/P - Pre-Owned Vehicles/Demo - Other	312B	
15	N/P - Lease/Rental Vehicle	313	
16	N/P - Courtesy Vehicle Program (CVP)	316	
17	N/P - Other	314	
18	Current Portion - Long Term Debt	315	
19	**TOTAL CURRENT NOTES PAYABLE (LINES 7 - 18)**		
20	**ACCRUED LIABILITIES**		
21	Interest Payable	320	
22	Salaries/Wages/Commissions Payable	321	
23	Insurance Payable	322	
24	Payroll Taxes Payable	323	
25	Sales Taxes Payable	324	
26	Income Taxes Payable	327	
27	Deferred Income Taxes	326	
28	Other Taxes Payable	325	
29	Employee Bonuses Payable	328	
30	Owner Bonuses Payable	329	
31	Pension Fund/Profit Sharing Payable	330	
32	Other Payables	331	
33	**TOTAL ACCRUED LIABILITIES (LINES 21 - 32)**		
34	**TOTAL CURRENT LIABILITIES (LINES 5, 19 & 33)**		
35	Long Term Debt	334	
36	N/P - Owners/Officers	336	
37	N/P - Affiliated Companies	339	
38	Mortgages Payable - Real Estate	335	
39	**TOTAL LONG TERM LIABILITIES (LINES 35 - 38)**		
40	**TOTAL LIABILITIES (LINES 34 & 39)**		
41	**NET WORKING CAPITAL**		
42	ACTUAL / D.O.R.A. REQ.		Current Month =
43	$ / $		
44	ACTUAL / **NET CASH POSITION** / REQ.		Current Month =
45	$ / $		
46	**OWNER'S EQUITY: NET WORTH**		
47	**CORPORATIONS ONLY "C"**		
48	Capital Stock	360A	
49	Additional Paid in Capital	381A	
50	Retained Earnings	370A	
51	Treasury Stock	365	
52	Dividends	375	
53	**CORPORATIONS SUBCHAPTER "S"**		
54	Capital Stock	360B	
55	Additional Paid in Capital	381B	
56	Retained Earnings "C" Corp.	370B	
57	Previously Taxed Income	377	
58	Other Adjustments	378	
59	Accumulated Adjustment Account	379	
60	**PROPRIETORSHIPS OR PARTNERSHIPS**		
61	Investments	380	
62	Drawings	390	
63	**CURRENT EARNINGS After INCOME TAXES**		
64	NEW UNITS / PRE-OWNED / PROFIT (LOSS)		
65	MB R/L, CV R/L, smart R/L, OTH R/L, R/L, WHL		
66	JAN		
67	FEB		
68	MAR		
69	APR		
70	MAY		
71	JUN	399	
72	JUL		
73	AUG		
74	SEP		
75	OCT		
76	NOV		
77	DEC		
78	TOT		
79	**TOTAL NET WORTH (LINES 48 - 62 & 71)**		
80	**TOTAL LIABILITIES & NET WORTH (LINES 40 & 79)**		

Form M-B 630 09/16

Mercedes-Benz USA, LLC

Type:

STATEMENT OF INCOME AND EXPENSE

Ln No		Acct No.	TOTAL DEALERSHIP CURRENT MONTH	GP%Sales	YEAR-TO-DATE	GP%Sales
1	**SALES**					
2	**GROSS PROFIT**			PNVS		PNVS
3	Representative Comp./Incentives	10				
4	Finance & Lease Compensation	12				
5	Delivery Expense	13				
6	Policy Expense - New/Pre-Owned	15				
7	**TOTAL VARIABLE EXP. (Lines 3-6)**					
8	Compensation - Managers	20		Exp%GP		Exp%GP
9	Compensation - Advisors	21				
10	Compensation - Clerical	22				
11	Compensation - Other	23				
12	Leave - Vac., Sick & Hol.	24				
13	Taxes - Payroll	25				
14	Uniforms and Laundry	28				
15	Insurance - Employees	27				
16	Pension and Profit Sharing	26				
17	**TOTAL PERSONNEL EXP. (Lines 8-16)**					
18	Tier 3 Brand Compliance Bonus	31				
19	Tier 3 Marketing Expenses	34				
20	Other Advertising & Promotion	32				
21	Floor Plan Interest	62				
22	Floor Plan Assistance	95				
23	Policy Exp. - Serv/Parts/Body	67				
24	Training	77				
25	Training Credit	35				
26	Co. Vehicle/Demonstrator	51				
27	Courtesy Vehicle Program (CVP)	52				
28	Office Supplies & Stationery	60				
29	Small Tools/Other Supplies	61				
30	Bad Debts	33				
31	Data Processing	79				
32	Travel & Entertainment	70/69				
33	Memberships/Dues/Publications	75				
34	Postage	73				
35	Freight	86				
36	Contributions	66				
37	Legal/Accounting	72				
38	Telephone	74				
39	Outside Services	68				
40	Bank/Credit Co. Serv. Fees	78				
41	Miscellaneous	76				
42	**TOTAL SEMI-FIXED EXP. (Lines 18-41)**					
43	Rent	80				
44	Brand Standards Bonus - M-B	94				
45	Amort. - Leaseholds/Imprvmnts	81				
46	Repairs/Maint - Real Estate	82				
47	Deprec - Bldgs/Imprvmnts	83				
48	Taxes - Real Estate	84				
49	Insurance - Bldgs/Imprvmnts	85				
50	Interest - Mortgages	93				
51	Utilities	87				
52	Insurance - Other	88				
53	Taxes - Other	89				
54	Repairs/Maintenance - Equipment	90				
55	Depreciation - Equipment	91				
56	Rental - Equipment	92				
57	**TOTAL FIXED EXP. (Lines 43-56)**					
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**					
59	**TOTAL EXPENSES (Lines 7 & 58)**					
60	**OPERATING PROFIT OR LOSS**			Op%Sls		Op%Sls
61	Dealer Reserve (CV & smart)	639		PNVS		PNVS
62	Customer Experience Sales Bonus - M-B	971				
63	Customer Experience Service Bonus - M-B	964				
64	New Vehicle Sales Bonus - M-B	962				
65	Pre-Owned Veh. Sales Bonus -M-B	968				
66	Commercial Vehicles Bonus	966				
67	smart Performance Bonus	967				
68	Leadership Bonus	969				
69	Training Bonus	970				
70	Pre-Owned Premier/CPO Bonuses	965		Op%Sls		Op%Sls
71	**OP P/L AFT INCENTIVES/RESERVE**					
72				Exp%GP		Exp%GP
73	Compensation - Owners	19				
74	**NET ADJUSTMENTS TO INCOME**					
75	**NET P/L BEFORE BONUS/TAX**					
76	Bonuses - Employees	97				
77	Bonuses - Owners	98				
78	**NET PROFIT/LOSS (Before Tax)**					
79	Income Tax - Current Year	99				
80	**NET PROFIT/LOSS (After Tax)**					
81						

FRANCHISE AS A % TOTAL DEALERSHIP - YTD	M-B	COMMERCIAL VEHICLE	SMART	Ln No
SALES				1
GROSS PROFIT				2
EXPENSES				3
OPERATING PROFIT				4
INCNT & RESERVES				5
OP P/L AFT INCNT/RES				6
OP % SALES				7
				8
OPERATING PROFIT AFT INCENTIVES/RESERVE DEALERSHIP SUMMARY				9
		CURRENT MONTH	YEAR-TO-DATE	10
Total New Vehicle Department				11
Total Pre-Owned Vehicle Department				12
Total Variable Operations Departments				13
Total Service Department				14
Total Parts Department				15
Total Body Shop Department				16
Total Fixed Operations Departments				17
				18
				19
				20
				21
				22
CURRENT RATIO		LIQUIDITY RATIO		23
CURRENT MONTH		CURRENT MONTH		24
JAN		JAN		25
FEB		FEB		26
MAR		MAR		27
APR		APR		28
MAY		MAY		29
JUNE		JUNE		30
JULY		JULY		31
AUG		AUG		32
SEP		SEP		33
OCT		OCT		34
NOV		NOV		35
DEC		DEC		36
				37
				38
				39
				40
				41
NET DEBT:EQUITY		OP. PROFIT % SALES		42
CURRENT MONTH		CURRENT MONTH		43
JAN		JAN		44
FEB		FEB		45
MAR		MAR		46
APR		APR		47
MAY		MAY		48
JUNE		JUNE		49
JULY		JULY		50
AUG		AUG		51
SEP		SEP		52
OCT		OCT		53
NOV		NOV		54
DEC		DEC		55
		YTD		56
				57
				58
				59
				60
ADDITIONS TO INCOME	**Acct.**	**CURRENT MONTH**	**YEAR-TO-DATE**	61
Cash Discounts Earned	800			62
Interest Income	801			63
Other Franchise Income	804			64
Other Income	805			65
Lease/Rent/Oth Vehicle	809			66
DEDUCTIONS FROM INCOME	**Acct.**	**CURRENT MONTH**	**YEAR-TO-DATE**	67
Cash Discounts Allowed	802			68
Interest Expense	803			69
Amortization - Other Assets	806			70
Export Adjustments	810			71
Other Adjustments	855			72
NET ADJUSTMENTS TO INCOME				73
				74
				75
				76
				77
				78
				79
				80
				81

Mercedes-Benz USA, LLC

Type:

STATEMENT OF INCOME AND EXPENSE

Ln No		Acct No.	TOTAL MERCEDES-BENZ		TOTAL COMMERCIAL VEHICLE		TOTAL SMART		Ln No
			CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	
1	**SALES**								1
2	**GROSS PROFIT**								2
3	Representative Comp./Incentives	10							3
4	Finance & Lease Compensation	12							4
5	Delivery Expense	13							5
6	Policy Expense - New/Pre-Owned	15							6
7	**TOTAL VARIABLE EXP. (Lines 3-6)**								7
8	Compensation - Managers	20							8
9	Compensation - Advisors	21							9
10	Compensation - Clerical	22							10
11	Compensation - Other	23							11
12	Leave - Vac., Sick & Hol.	24							12
13	Taxes - Payroll	25							13
14	Uniforms and Laundry	28							14
15	Insurance - Employees	27							15
16	Pension and Profit Sharing	26							16
17	**TOTAL PERSONNEL EXP. (Lines 8-16)**								17
18	Tier 3 Brand Compliance Bonus	31							18
19	Tier 3 Marketing Expenses	34							19
20	Other Advertising & Promotion	32							20
21	Floor Plan Interest	62							21
22	Floor Plan Assistance	95							22
23	Policy Exp. - Serv/Parts/Body	67							23
24	Training	77							24
25	Training Credit	35							25
26	Co. Vehicle/Demonstrator	51							26
27	Courtesy Vehicle Program (CVP)	52							27
28	Office Supplies & Stationery	60							28
29	Small Tools/Other Supplies	61							29
30	Bad Debts	33							30
31	Data Processing	79							31
32	Travel & Entertainment	70/69							32
33	Memberships/Dues/Publications	75							33
34	Postage	73							34
35	Freight	86							35
36	Contributions	66							36
37	Legal/Accounting	72							37
38	Telephone	74							38
39	Outside Services	68							39
40	Bank/Credit Co. Serv. Fees	78							40
41	Miscellaneous	76							41
42	**TOTAL SEMI-FIXED EXP. (Lines 18-41)**								42
43	Rent	80							43
44	Brand Standards Bonus - M-B	94							44
45	Amort. - Leaseholds/Imprvmnts	81							45
46	Repairs/Maint - Real Estate	82							46
47	Deprec - Bldgs/Imprvmnts	83							47
48	Taxes - Real Estate	84							48
49	Insurance - Bldgs/Imprvmnts	85							49
50	Interest - Mortgages	93							50
51	Utilities	87							51
52	Insurance - Other	88							52
53	Taxes - Other	89							53
54	Repairs/Maintenance - Equipment	90							54
55	Depreciation - Equipment	91							55
56	Rental - Equipment	92							56
57	**TOTAL FIXED EXP. (Lines 43-56)**								57
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**								58
59	**TOTAL EXPENSES (Lines 7 & 58)**								59
60	**OPERATING PROFIT OR LOSS**								60
61	Dealer Reserve (CV & smart)	639							61
62	Customer Experience Sales Bonus - M-B	971							62
63	Customer Experience Service Bonus - M-B	964							63
64	New Vehicle Sales Bonus - M-B	962							64
65	Pre-Owned Veh. Sales Bonus -M-B	968							65
66	Commercial Vehicles Bonus	966							66
67	smart Performance Bonus	967							67
68	Leadership Bonus	969							68
69	Training Bonus	970							69
70	Pre-Owned Premier/CPO Bonuses	965							70
71	**OP P/L AFT INCENTIVES/RESERVE**								71
72									72

Mercedes-Benz USA, LLC

Form M-B 630 09/16

Type:

STATEMENT OF INCOME AND EXPENSE - MERCEDES-BENZ

Ln No.		Acct No.	1A-MERCEDES-BENZ NEW VEHICLE DEPT.		1B-MERCEDES-BENZ PRE-OWNED DEPT.		1C-MERCEDES-BENZ SERVICE DEPT.		1D-MERCEDES-BENZ PARTS DEPT.		1E-MERCEDES-BENZ BODY SHOP DEPT.		Ln No.
			CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	
1	**SALES**												1
2	**GROSS PROFIT**												2
3	Representative Comp./Incentives	10											3
4	Finance & Lease Compensation	12											4
5	Delivery Expense	13											5
6	Policy Expense - New/Pre-Owned	15											6
7	**TOTAL VARIABLE EXP. (Lines 3-6)**												7
8	Compensation - Managers	20											8
9	Compensation - Advisors	21											9
10	Compensation - Clerical	22											10
11	Compensation - Other	23											11
12	Leave - Vac., Sick & Hol.	24											12
13	Taxes - Payroll	25											13
14	Uniforms and Laundry	28											14
15	Insurance - Employees	27											15
16	Pension and Profit Sharing	26											16
17	**TOTAL PERSONNEL EXP. (Lines 8-16)**												17
18	Tier 3 Brand Compliance Bonus	31											18
19	Tier 3 Marketing Expenses	34											19
20	Other Advertising & Promotion	32											20
21	Floor Plan Interest	62											21
22	Floor Plan Assistance	95											22
23	Policy Exp. - Serv/Parts/Body	67											23
24	Training	77											24
25	Training Credit	35											25
26	Co. Vehicle/Demonstrator	51											26
27	Courtesy Vehicle Program (CVP)	52											27
28	Office Supplies & Stationery	60											28
29	Small Tools/Other Supplies	61											29
30	Bad Debts	33											30
31	Data Processing	79											31
32	Travel & Entertainment	70/69											32
33	Memberships/Dues/Publications	75											33
34	Postage	73											34
35	Freight	86											35
36	Contributions	66											36
37	Legal/Accounting	72											37
38	Telephone	74											38
39	Outside Services	68											39
40	Bank/Credit Co. Serv. Fees	78											40
41	Miscellaneous	76											41
42	**TOTAL SEMI-FIXED EXP. (Lines 18-41)**												42
43	Rent	80											43
44	Brand Standards Bonus - M-B	94											44
45	Amort. - Leaseholds/Imprvmnts	81											45
46	Repairs/Maint - Real Estate	82											46
47	Deprec - Bldgs/Imprvmnts	83											47
48	Taxes - Real Estate	84											48
49	Insurance - Bldgs/Imprvmnts	85											49
50	Interest - Mortgages	93											50
51	Utilities	87											51
52	Insurance - Other	88											52
53	Taxes - Other	89											53
54	Repairs/Maintenance - Equipment	90											54
55	Depreciation - Equipment	91											55
56	Rental - Equipment	92											56
57	**TOTAL FIXED EXP. (Lines 43-56)**												57
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**												58
59	**TOTAL EXPENSES (Lines 7 & 58)**												59
60	**OPERATING PROFIT OR LOSS**												60
61	Dealer Reserve (CV & smart)	639											61
62	Customer Experience Sales Bonus - M-B	971											62
63	Customer Experience Service Bonus - M-B	964											63
64	New Vehicle Sales Bonus - M-B	962											64
65	Pre-Owned Veh. Sales Bonus -M-B	968											65
66	Commercial Vehicles Bonus	966											66
67	smart Performance Bonus	967											67
68	Leadership Bonus	969											68
69	Training Bonus	970											69
70	Pre-Owned Premier/CPO Bonuses	965											70
71	**OP P/L AFT INCENTIVES/RESERVE**												71
72													72

Mercedes-Benz USA, LLC

Form M-B 630 09/16

Type:

STATEMENT OF INCOME AND EXPENSE - COMMERCIAL VEHICLE

Ln No.		Acct No.	2A-COMMERCIAL VEHICLES NEW VEHICLE DEPT.		2B-COMMERCIAL VEHICLES PRE-OWNED DEPT.		2C-COMMERCIAL VEHICLES SERVICE DEPT.		2D-COMMERCIAL VEHICLES PARTS DEPT.		2E-COMMERCIAL VEHICLES BODY SHOP DEPT.		Ln No
			CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	
1	**SALES**												1
2	**GROSS PROFIT**												2
3	Representative Comp./Incentives	10											3
4	Finance & Lease Compensation	12											4
5	Delivery Expense	13											5
6	Policy Expense - New/Pre-Owned	15											6
7	**TOTAL VARIABLE EXP. (Lines 3-6)**												7
8	Compensation - Managers	20											8
9	Compensation - Advisors	21											9
10	Compensation - Clerical	22											10
11	Compensation - Other	23											11
12	Leave - Vac., Sick & Hol.	24											12
13	Taxes - Payroll	25											13
14	Uniforms and Laundry	28											14
15	Insurance - Employees	27											15
16	Pension and Profit Sharing	26											16
17	**TOTAL PERSONNEL EXP. (Lines 8-16)**												17
18	Tier 3 Brand Compliance Bonus	31											18
19	Tier 3 Marketing Expenses	34											19
20	Other Advertising & Promotion	32											20
21	Floor Plan Interest	62											21
22	Floor Plan Assistance	95											22
23	Policy Exp. - Serv/Parts/Body	67											23
24	Training	77											24
25	Training Credit	35											25
26	Co. Vehicle/Demonstrator	51											26
27	Courtesy Vehicle Program (CVP)	52											27
28	Office Supplies & Stationery	60											28
29	Small Tools/Other Supplies	61											29
30	Bad Debts	33											30
31	Data Processing	79											31
32	Travel & Entertainment	70/69											32
33	Memberships/Dues/Publications	75											33
34	Postage	73											34
35	Freight	86											35
36	Contributions	66											36
37	Legal/Accounting	72											37
38	Telephone	74											38
39	Outside Services	68											39
40	Bank/Credit Co. Serv. Fees	78											40
41	Miscellaneous	76											41
42	**TOTAL SEMI-FIXED EXP. (Lines 18-41)**												42
43	Rent	80											43
44	Brand Standards Bonus - M-B	94											44
45	Amort. - Leaseholds/Imprvmnts	81											45
46	Repairs/Maint - Real Estate	82											46
47	Deprec - Bldgs/Imprvmnts	83											47
48	Taxes - Real Estate	84											48
49	Insurance - Bldgs/Imprvmnts	85											49
50	Interest - Mortgages	93											50
51	Utilities	87											51
52	Insurance - Other	88											52
53	Taxes - Other	89											53
54	Repairs/Maintenance - Equipment	90											54
55	Depreciation - Equipment	91											55
56	Rental - Equipment	92											56
57	**TOTAL FIXED EXP. (Lines 43-56)**												57
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**												58
59	**TOTAL EXPENSES (Lines 7 & 58)**												59
60	**OPERATING PROFIT OR LOSS**												60
61	Dealer Reserve (CV & smart)	639											61
62	Customer Experience Sales Bonus - M-B	971											62
63	Customer Experience Service Bonus - M-B	964											63
64	New Vehicle Sales Bonus - M-B	962											64
65	Pre-Owned Veh. Sales Bonus -M-B	968											65
66	Commercial Vehicles Bonus	966											66
67	smart Performance Bonus	967											67
68	Leadership Bonus	969											68
69	Training Bonus	970											69
70	Pre-Owned Premier/CPO Bonuses	965											70
71	**OP P/L AFT INCENTIVES/RESERVE**												71
72													72

Mercedes-Benz USA, LLC

Form M-B 630 09/16

Type:

STATEMENT OF INCOME AND EXPENSE - SMART

Ln No.		Acct No.	3A-SMART NEW VEHICLE DEPT.		3B-SMART PRE-OWNED DEPT.		3C-SMART SERVICE DEPT.		3D-SMART PARTS DEPT.		3E-SMART BODY SHOP DEPT.		Ln No
			CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	
1	**SALES**												1
2	**GROSS PROFIT**												2
3	Representative Comp./Incentives	10											3
4	Finance & Lease Compensation	12											4
5	Delivery Expense	13											5
6	Policy Expense - New/Pre-Owned	15											6
7	**TOTAL VARIABLE EXP. (Lines 3-6)**												7
8	Compensation - Managers	20											8
9	Compensation - Advisors	21											9
10	Compensation - Clerical	22											10
11	Compensation - Other	23											11
12	Leave - Vac., Sick & Hol.	24											12
13	Taxes - Payroll	25											13
14	Uniforms and Laundry	28											14
15	Insurance - Employees	27											15
16	Pension and Profit Sharing	26											16
17	**TOTAL PERSONNEL EXP. (Lines 8-16)**												17
18	Tier 3 Brand Compliance Bonus	31											18
19	Tier 3 Marketing Expenses	34											19
20	Other Advertising & Promotion	32											20
21	Floor Plan Interest	62											21
22	Floor Plan Assistance	95											22
23	Policy Exp. - Serv/Parts/Body	67											23
24	Training	77											24
25	Training Credit	35											25
26	Co. Vehicle/Demonstrator	51											26
27	Courtesy Vehicle Program (CVP)	52											27
28	Office Supplies & Stationery	60											28
29	Small Tools/Other Supplies	61											29
30	Bad Debts	33											30
31	Data Processing	79											31
32	Travel & Entertainment	70/69											32
33	Memberships/Dues/Publications	75											33
34	Postage	73											34
35	Freight	86											35
36	Contributions	66											36
37	Legal/Accounting	72											37
38	Telephone	74											38
39	Outside Services	68											39
40	Bank/Credit Co. Serv. Fees	78											40
41	Miscellaneous	76											41
42	**TOTAL SEMI-FIXED EXP. (Lines 18-41)**												42
43	Rent	80											43
44	Brand Standards Bonus - M-B	94											44
45	Amort. - Leaseholds/Imprvmnts	81											45
46	Repairs/Maint - Real Estate	82											46
47	Deprec - Bldgs/Imprvmnts	83											47
48	Taxes - Real Estate	84											48
49	Insurance - Bldgs/Imprvmnts	85											49
50	Interest - Mortgages	93											50
51	Utilities	87											51
52	Insurance - Other	88											52
53	Taxes - Other	89											53
54	Repairs/Maintenance - Equipment	90											54
55	Depreciation - Equipment	91											55
56	Rental - Equipment	92											56
57	**TOTAL FIXED EXP. (Lines 43-56)**												57
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**												58
59	**TOTAL EXPENSES (Lines 7 & 58)**												59
60	**OPERATING PROFIT OR LOSS**												60
61	Dealer Reserve (CV & smart)	639											61
62	Customer Experience Sales Bonus - M-B	971											62
63	Customer Experience Service Bonus - M-B	964											63
64	New Vehicle Sales Bonus - M-B	962											64
65	Pre-Owned Veh. Sales Bonus -M-B	968											65
66	Commercial Vehicles Bonus	966											66
67	smart Performance Bonus	967											67
68	Leadership Bonus	969											68
69	Training Bonus	970											69
70	Pre-Owned Premier/CPO Bonuses	965											70
71	**OP P/L AFT INCENTIVES/RESERVE**												71
72													72

Mercedes-Benz USA, LLC

Form M-B 630 09/16

Type:

M-B GROSS PROFIT ANALYSIS - VARIABLE OPERATIONS - NEW VEHICLES - M-B

Ln No	CURRENT MONTH SALES	CURRENT MONTH GROSS PROFIT	PER UNIT SOLD	ACCT NO.	UNITS	GROSS PROFIT - R/L	UNITS	YEAR-TO-DATE SALES	YEAR-TO-DATE GROSS PROFIT	PER UNIT SOLD	Ln No
						NEW VEHICLES					
1				1463R/L		M-B C300A					1
2				1464R/L		M-B C300A4					2
3				496R/L		M-B C300C					3
4				519R/L		M-B C300C4					4
5				1452R/L		M-B C300D4					5
6				424R/L		M-B C300W					6
7				413R/L		M-B C300W4					7
8				1453R/L		M-B C350WE					8
9				1454R/L		AMG C43A4					9
10				1401R/L		AMG C43C4					10
11				1415R/L		AMG C43W4					11
12				1465R/L		AMG C63A					12
13				1403R/L		AMG C63AS					13
14				497R/L		AMG C63C					14
15				1418R/L		AMG C63CS					15
16				410R/L		AMG C63W					16
17				1417R/L		AMG C63WS					17
18				1412R/L		M-B CLA250C					18
19				1413R/L		M-B CLA250C4					19
20				523R/L		AMG CLA45C4					20
21				411R/L		M-B E300W					21
22				405R/L		M-B E300W4					22
23				1421R/L		M-B E400A					23
24				1479R/L		RESERVED					24
25				1423R/L		M-B E400C					25
26				1424R/L		M-B E400C4					26
27				402R/L		M-B E400S4					27
28				499R/L		M-B E550A					28
29				529R/L		M-B E550C					29
30				432R/L		AMG E43W4					30
31				435R/L		AMG E63W4					31
32				1425R/L		AMG E63W4S					32
33				1426R/L		AMG E63S4S					33
34				1429R/L		M-B CLS400C					34
35				1430R/L		M-B CLS400C4					35
36				565R/L		M-B CLS550C					36
37				538R/L		M-B CLS550C4					37
38				1432R/L		AMG CLS63C4S					38
39				1466R/L		RESERVED					39
40				1467R/L		RESERVED					40
41				1433R/L		M-B S550A					41
42				1435R/L		M-B S550C4					42
43				407R/L		M-B S550V					43
44				442R/L		M-B S550V4					44
45				1455R/L		M-B S550VE					45
46				406R/L		M-B S600V					46
47				1434R/L		AMG S63A4					47
48				1439R/L		AMG S63C4					48
49				1438R/L		AMG S63V4					49
50				1441R/L		AMG S65A					50
51				1440R/L		AMG S65C					51
52				572R/L		AMG S65V					52
53				1428R/L		RESERVED					53
54				1456R/L		MAYBACH S550X4					54
55				1436R/L		MAYBACH S600X					55
56				1471R/L		MAYBACH S650A					56
57				1472R/L		RESERVED					57
58				1457R/L		M-B SLC300R					58
59				1473R/L		AMG SLC43R					59
60				1442R/L		M-B SL450R					60
61				416R/L		M-B SL550R					61
62				495R/L		AMG SL63R					62
63				575R/L		AMG SL65R					63
64				1474R/L		RESERVED					64
65				1475R/L		RESERVED					65
66				1443R/L		M-B B-Class Electric Drive					66
67				1476R/L		AMG GT					67
68				1411R/L		AMG GTS					68
69				1468R/L		RESERVED					69
70				1427R/L		AMG GTR					70
71				1469R/L		AMG GTA					71
72				1470R/L		AMG GTCA					72
73				1480R/L		RESERVED					73
74				1481R/L		RESERVED					74
75				1482R/L		RESERVED					75
76				1483R/L		RESERVED					76
77				1484R/L		RESERVED					77
78				1485R/L		RESERVED					78
79						**TOTAL NEW M-B PC RETAIL/LEASE (Lines 1-78)**					79

Mercedes-Benz USA, LLC

Type:

M-B & OTHER GROSS PROFIT ANALYSIS - VARIABLE OPERATIONS - NEW VEHICLES & PRE-OWNED

Ln No	CURRENT MONTH SALES	CURRENT MONTH GROSS PROFIT	PER UNIT SOLD	ACCT NO.	UNITS	GROSS PROFIT - R/L	UNITS	YEAR-TO-DATE SALES	YEAR-TO-DATE GROSS PROFIT	PER UNIT SOLD	Ln No
1				1448R/L		M-B GLA250W					1
2				1449R/L		M-B GLA250W4					2
3				1450R/L		AMG GLA45W4					3
4				1451R/L		M-B GLC300C4					4
5				1410R/L		M-B GLC300D4					5
6				1486R/L		RESERVED					6
7				1461R/L		M-B GLC300W					7
8				1462R/L		M-B GLC300W4					8
9				1477R/L		AMG GLC43C4					9
10				1447R/L		AMG GLC43W4					10
11				1487R/L		RESERVED					11
12				1488R/L		RESERVED					12
13				1489R/L		RESERVED					13
14				1444R/L		M-B GLE300D4					14
15				532R/L		M-B GLE350W					15
16				533R/L		M-B GLE350W4					16
17				1458R/L		M-B GLE550E4					17
18				1460R/L		AMG GLE43C4					18
19				1445R/L		AMG GLE43W4					19
20				509R/L		AMG GLE63C4S					20
21				491R/L		AMG GLE63W4					21
22				1459R/L		AMG GLE63W4S					22
23				584R/L		M-B GLS350D4					23
24				581R/L		M-B GLS450W4					24
25				521R/L		M-B GLS550W4					25
26				1414R/L		AMG GLS63W4					26
27				599R/L		M-B G550W4					27
28				1478R/L		M-B G550W44					28
29				576R/L		AMG G63W4					29
30				1409R/L		AMG G65W4					30
31				510R/L		RESERVED					31
32						**TOTAL NEW M-B LT RETAIL/LEASE (Lines 1-31)**					32
33						**TOTAL NEW M-B RETAIL/LEASE (Pg 7 Ln 79 + Pg 8 Ln 32)**					33
34				422		Affiliated Lease - M-B					34
35				428R/L		M-B Courtesy Vehicle Program (CVP)					35
36				645		Tourist Commissions					36
37				577R/L		Fleet/Corporate Sales Program					37
38				596/597		MVP/Dealer Employee Purchase Program					38
39						**TOTAL NEW M-B (Lines 33-38)**					39
40				423/429R/L		Total New Other R/L					40
41						**TOTAL NEW VEHICLES (Lines 39 & 40)**					41
42				500-01A/550-51		Fin. & Lease Income - New M-B					42
43				700-01A/750-51		F&L Income - New M-B - Chrgbcks/Refunds					43
44				586-87A/589-90		F&L Income - Aftermarket Prod - New M-B					44
45				502A/552		Prepaid Maintenance Income - New M-B					45
46				588A/591		Extended Limited Warranty Income - New M-B					46
47						**TOT F&L/SERV. CONTRACTS - NEW M-B (Lines 42-46)**					47
48				695A		New Vehicle Repossession Losses					48
49						**TOT F&L/SC NEW - M-B (Lines 47 & 48)**					49
50				500-2B/586-87B		F&L, Serv. Contr & Aftrmkt Prod Inc - Other New					50
51						**TOT F&L/SERV. CONTR NEW - M-B/Other (Lines 49 & 50)**					51
52						**TOT NEW VEHICLE DEPARTMENT (Lines 41 & 51)**					52
53				697		LIFO Adjustments - New Vehicles					53
54						**NET NEW VEHICLE DPRTMNT (Lines 52 & 53)**					54
55						**PRE-OWNED VEHICLES**					55
56				430/449 R/L		Pre-Owned Vehicles - M-B					56
57				447R/L		Pre-Owned Veh. Certified - M-B					57
58				708		Pre-Owned Veh. Reconditioning - M-B					58
59				669		Pre-Owned Veh. Cert. Recond. - M-B					59
60						**TOTAL PRE-OWNED M-B R/L (Lines 56-59)**					60
61				540R/L		Pre-Owned Maybach R/L					61
62				434R/L		Pre-Owned Other R/L					62
63						**TOTAL PRE-OWNED R/L (Lines 60-62)**					63
64				433A		Pre-Owned Veh Wholesales - M-B					64
65				433B		Pre-Owned Veh Wholesales - Other					65
66				634		Pre-Owned Veh Inventory Adjustments					66
67						**TOTAL PRE-OWNED VEHICLE SALES (Lines 63-66)**					67
68				503-04A/553-54		Fin. & Lease Income - Pre-Owned M-B					68
69				556		Fin. & Lease Income - P/O Certified - M-B					69
70				592-93A/594-95		Fin. & Lease Income - Aftrmkt Products - P/O - M-B					70
71				505A/555		Serv. Cont. Income - Pre-Owned M-B					71
72				557		Ext Limited Warr Income - Certified M-B P/O					72
73						**TOT F&L/SERV. CONTRACTS - P/O M-B (Lines 68-72)**					73
74				541/542/543		Fin. & Lease Income / Serv. Comm - P/O Maybach					74
75				3505-06		F&L Income - Aftrmkt Prod - P/O - Maybach					75
76						**TOT F&L/SERV. CONTRACTS - P/O MAYBACH (Lines 74 & 75)**					76
77				696		Pre-Owned Vehicle Repossession Losses					77
78						**TOT F&L/SC P/O - M-B/MAY (Lines 73, 76 & 77)**					78
79				503-5B/592-93B		F&L, Serv. Cont.& Aftrmkt Prod Inc - P/O Other					79
80						**TOT F&L/SERV. CONTR P-O (Lines 78 & 79)**					80
81						**TOTAL PRE-OWNED VEHICLE DEPT.**					81
82				698		LIFO Adjustments - Pre-Owned Vehicles					82
83						**NET PRE-OWNED VEHICLE DEPT.**					83
84						**TOTAL VARIABLE (Lines 54 & 83)**					84

Mercedes-Benz USA, LLC

Type:

M-B & OTHER GROSS PROFIT ANALYSIS - FIXED OPERATIONS

Ln No.	CURRENT MONTH						YEAR-TO-DATE				Ln No.
	FIXED OPERATIONS										
	SALES	GROSS PROFIT	GP%Sls	Acct	TRANS.		TRANS.	SALES	GROSS PROFIT	GP%Sls	
1				811		Customer Labor - Mechanical - M-B					1
2				814		Prepaid Maintenance Labor - M-B					2
3				844		Extended Limited Warranty Labor - M-B					3
4				813		Warranty Claim Labor - M-B					4
5				850		3rd Party Warranty Claim Labor - M-B					5
6				815		Internal Labor - M-B					6
7				401A		Express Labor - M-B					7
8				403A		Express PPM Labor - M-B					8
9				493A		Express Warranty Labor - M-B					9
10				657A		Unapplied Labor - M-B					10
11						**TOTAL LABOR - M-B (Lines 1-10)**					11
12				816/818-20		Total Labor - Maybach					12
13				450-1B		Customer & SC Labor - Mechanical - Other					13
14				454B		Warranty Claim Labor - Other					14
15				455B		Internal Labor - Other					15
16				657B		Unapplied Labor - Other					16
17						**TOTAL LABOR (Lines 11 & 12-16)**					17
18				851		Service Contract Income					18
19				456		Sublet Repairs					19
20				458		Gas, Oil & Grease					20
21						**TOTAL SERVICE DEPT. (Lines 17-20)**					21
22				821		R.O. - Mechanical - M-B					22
23				824		R.O. - Prepaid Maintenance - M-B					23
24				845		R.O. - Extended Limited Warranty - M-B					24
25				823		Warranty Claim - P&A - M-B					25
26				852		3rd Party Warranty Claim P&A - M-B					26
27				825		Internal - M-B					27
28				826		R.O. - Body Shop - M-B					28
29				827		Counter Retail - M-B					29
30				828		Wholesale - M-B					30
31				829		Accessories and Promotional Items - M-B					31
32				842		Wholesales - Body Shop Certified					32
33				843		Tires - M-B					33
34				404A		Express Parts - M-B					34
35				408A		Express PPM Parts - M-B					35
36				494A		Express Warranty Parts - M-B					36
37				675A		Inventory Adjustments - M-B					37
38						**TOTAL PARTS - M-B (Lines 22-37)**					38
39				830/832-37		Total Parts - Maybach					39
40				460-1B		R.O. - Mechanical & Service Contract - Other					40
41				464B		Warranty Claim - P&A - Other					41
42				465B		Internal - Other					42
43				462B		R.O. - Body Shop - Other					43
44				466B		Counter Retail - Other					44
45				467B		Wholesale - Other					45
46				668B		Stock Order Allowance - Other					46
47				675B		Inventory Adjustments - Other					47
48				480B		Accessories - Other					48
49				492		Assets Taken on Trade/Tires/Promo Gifts					49
50						**TOTAL PARTS DEPARTMENT - (Lines 38-49)**					50
51				699		LIFO Adjustment - Parts					51
52						**NET TOTAL PARTS DEPT. (Lines 50 & 51)**					52
53				838		Customer Body Shop Labor - M-B					53
54				840		Customer Body Shop Parts Transfer - M-B					54
55						**TOTAL BODY SHOP M-B (Lines 53 & 54)**					55
56				839/841		Total Body Shop - Maybach					56
57				452B		Customer Body Shop Labor - Other					57
58				453B		Customer Body Shop Parts Transfer - Other					58
59				455C		Internal Body Shop Labor					59
60				456C		Sublet Repairs - Body Shop					60
61				459		Paint & Body Shop Materials					61
62				657C		Unapplied Labor - Body Shop					62
63						**TOTAL BODY SHOP (Lines 55-62)**					63
64						**TOT SERV/PRTS/BODY (Lines 21, 52 & 63)**					64
65						**TOTAL M-B ALL DEPTS**					65
66						**TOTAL ALL DEPTS. (BEFORE LIFO) (Pg 8 Ln 84 + Pg 9 Ln 64)**					66
67						**TOTAL LIFO ADJUSTMENTS**					67
68						**NET ALL M-B & OTHER DEPT (Line 66 minus Line 67)**					68

Form M-B 630 09/16

Mercedes-Benz USA, LLC

Type:

COMMERCIAL VEHICLE ANALYSIS

Ln No	CURRENT MONTH SALES	CURRENT MONTH GROSS PROFIT	PER UNIT SOLD	ACCT NO.	UNITS	GROSS PROFIT - R/L	UNITS	YEAR-TO-DATE SALES	YEAR-TO-DATE GROSS PROFIT	PER UNIT SOLD	Ln No
						NEW VEHICLES					
1				2415R/L		Metris Worker Cargo Van					1
2				2416R/L		Metris Worker Passenger Van					2
3				2408R/L		Metris VS20 Cargo Van					3
4				2407R/L		Metris VS20 Passenger Van					4
5				2417R/L		Sprinter Worker Cargo Van					5
6				2401R/L		Sprinter 2500 Cargo Van					6
7				2403R/L		Sprinter 2500 Passenger Van					7
8				2402R/L		Sprinter 3500 Cargo Van					8
9				2404R/L		Sprinter 3500 Cab Chassis					9
10				2418R/L		RESERVED					10
11						**TOTAL NEW COMMERCIAL VEHICLES RETAIL/LEASE**					11
12				2411R/L		Courtesy Vehicle Program (CVP) - Comm. Veh.					12
13				2410R/L		Fleet - Commercial Vehicles					13
14						**TOTAL NEW COMMERCIAL VEHICLES (Lines 11 - 13)**					14
15				500-01E		Fin. & Lease Income - New Commercial Vehicles					15
16				586-87E		F&L Income - Aftrmkt Products - New CV					16
17				502E		Service Contract Income - New Commercial Vehicles					17
18						**TOT F&L/SC - NEW COMMERCIAL VEHICLES (Lines 15 - 17)**					18
19				695E		New Vehicle Repossession Losses - CV					19
20						**TOT F&L/SERV. CONTRACTS NEW - CV (Lines 18 & 19)**					20
21						**TOT NEW VEHICLE DEPARTMENT - CV (Lines 14 & 20)**					21
22				697E		LIFO Adjustments - New Commercial Vehicles					22
23						**NET NEW VEHICLE DEPARTMENT - CV (Lines 21 & 22)**					23
24						**PRE-OWNED VEHICLES**					24
25				2405R/L		Pre-Owned Commercial Vehicles R/L					25
26				2412R/L		Pre-Owned Certified R/L - CV					26
27				2613		Pre-Owned Reconditioning - CV					27
28				2614		Pre-Owned Certified Reconditioning - CV					28
29						**TOTAL PRE-OWNED CV R/L (Lines 25 - 28)**					29
30				433E		Pre-Owned Veh Wholesales - Commercial Vehicles					30
31				634E		Pre-Owned Veh Inventory Adjustments - CV					31
32						**TOTAL P-O VEHICLE SALES - CV (Lines 29 - 31)**					32
33				503-04E		Fin. & Lease Income - P/O Commercial Vehicles					33
34				592-93E		F&L Income - Aftrmkt Products - P/O CV					34
35				505E		Serv. Cont. Income - Pre-Owned Commercial Vehicles					35
36				557E		Extended Limited Warranties - Certified P/O - CV					36
37						**TOT F&L/SERV. CONTRACTS - P/O CV (Lines 33 - 36)**					37
38				696E		Pre-Owned Vehicle Repossession Losses - CV					38
39						**TOT F&L/SC P/O - CV (Lines 37 & 38)**					39
40						**TOTAL PRE-OWNED VEHICLE DEPT. - CV**					40
41				698E		LIFO Adjustments - Pre-Owned Commercial Vehicles					41
42						**NET PRE-OWNED VEHICLE DEPT. - CV**					42
43						**TOTAL VARIABLE CV (Lines 23 & 42)**					43
44						**FIXED OPERATIONS**					44
45	**SALES**	**GROSS PROFIT**	**GP%Sls**	**Acct**	**TRANS.**		**TRANS.**	**SALES**	**GROSS PROFIT**	**GP%Sls**	45
46				811E		Customer Labor - Mechanical - Commercial Vehicles					46
47				814E		Service Contract Labor - Commercial Vehicles					47
48				813E		Warranty Claim Labor - Commercial Vehicles					48
49				815E		Internal Labor - Commercial Vehicles					49
50				401E		Express Labor - CV					50
51				403E		Express PPM Labor - CV					51
52				493E		Express Warranty Labor - CV					52
53				657E		Unapplied Labor - Commercial Vehicles					53
54						**TOTAL LABOR - CV (Lines 46 - 53)**					54
55				456E		Sublet Repairs - Commercial Vehicles					55
56				458E		Gas, Oil & Grease - Commercial Vehicles					56
57						**TOTAL SERVICE DEPT. - CV (Lines 54 - 56)**					57
58				821E		R.O. - Mechanical - Commercial Vehicles					58
59				824E		R.O. - Service Contract - Commercial Vehicles					59
60				823E		Warranty Claim - P&A - Commercial Vehicles					60
61				825E		Internal - Commercial Vehicles					61
62				404E		Express Parts - CV					62
63				408E		Express PPM Parts - CV					63
64				494E		Express Warranty Parts - CV					64
65				826E		R.O. - Body Shop - Commercial Vehicles					65
66				827E		Counter Retail - Commercial Vehicles					66
67				828E		Wholesale - Commercial Vehicles					67
68				829E		Accessories & Promotional Items - CV					68
69				843E		Tires - Commercial Vehicles					69
70				675E		Inventory Adjustments - Commercial Vehicles					70
71				492E		Assets Taken on Trade/Tires/Promo Gifts - CV					71
72						**TOTAL PARTS - CV (Lines 58 - 71)**					72
73				699E		LIFO Adjustment - Parts - Commercial Vehicles					73
74						**NET TOTAL PARTS DEPT. (Lines 72 & 73)**					74
75				838E		Customer Body Shop Labor - Commercial Vehicles					75
76				840E		Customer Body Shop Parts Transfer - CV					76
77				455E		Internal Body Shop Labor - Commercial Vehicles					77
78				2456E		Sublet Repairs - Body Shop - Commercial Vehicles					78
79				459E		Paint & Body Shop Materials - Commercial Vehicles					79
80				2657E		Unapplied Labor - Body Shop - Commercial Veh.					80
81						**TOTAL BODY SHOP CV (Lines 75 - 80)**					81
82						**TOT SERV/PRTS/BODY CV**					82
83						**NET ALL CV DEPT. (Ln 43 & 82)**					83

Mercedes-Benz USA, LLC

Type:

SMART VEHICLE ANALYSIS

Ln No	CURRENT MONTH SALES	CURRENT MONTH GROSS PROFIT	PER UNIT SOLD	ACCT NO.	UNITS	GROSS PROFIT - R/L	UNITS	YEAR-TO-DATE SALES	YEAR-TO-DATE GROSS PROFIT	PER UNIT SOLD	Ln No
						NEW VEHICLES					
1				3401R/L		smartC (Coupe)					1
2				3403R/L		smartA (Cabriolet)					2
3				3416R/L		RESERVED					3
4				3406R/L		smartCE (Electric Drive - Coupe)					4
5				3415R/L		smartAE (Electric Drive - Cabriolet)					5
6				3409R/L		RESERVED					6
7						**TOTAL NEW SMART VEHICLES RETAIL/LEASE**					7
8				3410R/L		smart Courtesy Vehicle Program (CVP)					8
9				3411R/L		smart Fleet Corporate Sales Program					9
10						**TOTAL NEW SMART VEHICLES (Lines 7-9)**					10
11				500-01S		Fin. & Lease Income - New smart					11
12				586-87S		F&L Income - Aftrmkt Products - New smart					12
13				502S		Serv. Contract & Ext. Warranty - New smart					13
14				3412S		Insurance & Other Products - New smart					14
15						**TOT F&L/SC - NEW SMART (Lines 11-14)**					15
16				695S		New Vehicle Repossession Losses - smart					16
17						**TOT F&L/SERV. CONTR NEW SMART (Lines 15 & 16)**					17
18						**TOT SMART NEW VEH DEPT (Lines 10 & 17)**					18
19				697S		LIFO Adjustments - New Vehicles - smart					19
20						**NET SMART NEW VEH DEPT (Lines 18 & 19)**					20
21						**PRE-OWNED VEHICLES**					21
22				3413R/L		Pre-Owned Vehicles - smart					22
23				3414R/L		Pre-Owned Veh Certified - smart					23
24				708S		Pre-Owned Veh. Reconditioning - smart					24
25				669S		Pre-Owned Veh. Cert. Recond. - smart					25
26						**TOTAL PRE-OWNED SMART R/L (Lines 22-25)**					26
27				433S		Pre-Owned Veh Wholesales - smart					27
28				634S		Pre-Owned Veh Inventory Adjustments - smart					28
29						**TOTAL P-O VEH SALES - SMART (Lines 26-28)**					29
30				503-04S		Fin. & Lease Income - P/O - smart					30
31				592-93S		F&L Income - Aftrmkt Products - P/O - smart					31
32				505S		Serv. Cont. Income - Pre-Owned - smart					32
33				557S		Extended Limited Warranties - Certified P/O - smart					33
34						**TOT F&L/SERV. CONTR-P/O- SMART (Lines 30-33)**					34
35				696S		Pre-Owned Vehicle Repossession Losses - smart					35
36						**TOTAL P-O VEH DEPT. - SMART (Lines 29, 34 & 35)**					36
37				698S		LIFO Adjustments - Pre-Owned Vehicles - smart					37
38						**NET P-O VEH DEPT - SMART (Lines 36 & 37)**					38
39						**TOTAL VARIABLE - SMART (Lines 20 & 38)**					39
40						**FIXED OPERATIONS**					40
41	**SALES**	**GROSS PROFIT**	**GP%Sls**	**Acct**	**TRANS.**		**TRANS.**	**SALES**	**GROSS PROFIT**	**GP%Sls**	41
42				811S		Customer Labor - Mechanical - smart					42
43				814S		Service Contract Labor - smart					43
44				813S		Warranty Claim Labor - smart					44
45				815S		Internal Labor - smart					45
46				401S		Express Labor - smart					46
47				403S		Express PPM Labor - smart					47
48				493S		Express Warranty Labor - smart					48
49				657S		Unapplied Labor - smart					49
50						**TOTAL LABOR - SMART (Lines 42-49)**					50
51				456S		Sublet Repairs - smart					51
52				458S		Gas, Oil & Grease - smart					52
53						**TOTAL SERVICE DEPT. - SMART (Lines 50-52)**					53
54				821S		R.O. - Mechanical - smart					54
55				824S		R.O. - Service Contract - smart					55
56				823S		Warranty Claim - P&A - smart					56
57				825S		Internal - smart					57
58				826S		R.O. - Body Shop - smart					58
59				827S		Counter Retail - smart					59
60				828S		Wholesale - smart					60
61				829S		Accessories & Promotional Items - smart					61
62				930S		Stock Order Allowance - smart					62
63				842S		Wholesale Body Shop - smart					63
64				843S		Tires - smart					64
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66				492S		Assets Taken on Trade/Tires/Promo Gifts - smart					66
67				404S		Express Parts - smart					67
68				408S		Express PPM Parts - smart					68
69				494S		Express Warranty Parts - smart					69
70						**TOTAL PARTS - SMART (Lines 54-69)**					70
71				699S		LIFO Adjustment - Parts - smart					71
72						**NET TOTAL PARTS DEPT. SMART (Lines 70 & 71)**					72
73				838S		Customer Body Shop Labor - smart					73
74				840S		Customer Body Shop Parts Transfer - smart					74
75				455S		Internal Body Shop Labor - smart					75
76				3456S		Sublet Repairs - Body Shop - smart					76
77				459S		Paint & Body Shop Materials - smart					77
78				3657S		Unapplied Labor - Body Shop - smart					78
79						**TOTAL BODY SHOP SMART (Lines 73-78)**					79
80						**TOT SERV/PRTS/BODY SMART**					80
81						**NET ALL SMART DEPT.**					81

Mercedes-Benz USA, LLC

SUMMARY OF OPERATING RESULTS

Ln	RECEIVABLES ANALYSIS	TOTAL	CURRENT	31 - 60	61 - 90	OVER 90	Ln
1							1
2	Vehicle						2
3	Service, Parts & Body						3
4	Warranty						4
5							5

Ln	INVENTORY ANALYSIS	TOTAL UNITS	TOTAL AMOUNT	CURRENT UNITS	CURRENT AMOUNT	31-60 UNITS	31-60 AMOUNT	61+ UNITS	61+ AMOUNT	Ln
6										6
7										7
8	Demonstrators									8
9	Courtesy Vehicle Program (CVP)									9
10	New Vehicles - M-B									10
11	New Vehicles - CV									11
12	New Vehicles - smart									12
13	New Vehicles - Other									13
14	Pre-Owned Vehicles - M-B									14
15	Pre-Owned Vehicles - CV									15
16	Pre-Owned Vehicles - smart									16
17	Pre-Owned Vehicles - Other									17

Ln		TOTAL	0 mos. - 12 mos.	OVER 12 mos.	Ln
18					18
19	Parts				19
20	Accessories				20

Ln	Hourly Labor Rates	Customer	Warranty	Internal	Ln
21					21
22	Mechanical - M-B				22
23	Mechanical - Maybach				23
24	Mechanical - CV				24
25	Mechanical - smart				25
26	Mechanical - Other				26
27	Body Shop - M-B				27
28	Body Shop - Maybach				28
29	Body Shop - CV				29
30	Body Shop - smart				30
31	Body Shop - Other				31
32	**Effective Labor Rate - M-B**				32
33	**Effective Labor Rate - CV**				33
34	**Effective Labor Rate - smart**				34

Ln	Estimated Bonus Profit Contribution			Ln
22				22
23	Dept.	Curr Month	YTD	23
24	New Vehicle			24
25	Pre-Owned			25
26	Service			26
27	Parts			27
28	Body			28
29	FOR PAY PLAN DISCUSSIONS ONLY			29
30	Repair Order Count	Curr Month	YTD	30
31	M-B			31
32	Commercial Vehicles			32
33	smart			33
34				34

Ln	Total Labor Hours By Category	Current Month	Year-To-Date	Ln
35				35
36	Customer Labor - Mechanical M-B			36
37	Prepaid Maintenance Labor - M-B			37
38	Extended Limited Warranty Labor - M-B			38
39	Warranty Claim Labor M-B			39
40	Internal Labor M-B			40
41	**Total M-B Labor Hours**			41
42	Consolidated Customer Pay Labor - M-B			42
43	**Total M-B Labor per RO**			43
44	Customer Labor - Mechanical - CV			44
45	Service Contract Labor - Commercial Vehicles			45
46	Warranty Claim Labor - Commercial Vehicles			46
47	Internal Labor - Commercial Vehicles			47
48	**Total Commercial Vehicles Labor Hours**			48
49	Customer Labor - Mechanical - smart			49
50	Service Contract Labor - smart			50
51	Warranty Claim Labor - smart			51
52	Internal Labor - smart			52
53	**Total smart Labor Hours**			53

Ln	Total M-B Serv Hrs	Curr Month	YTD	Ln
35				35
36	Available			36
37	Actual			37
38	Operation			38
39	Productivity			39
40	Efficiency			40
41	**Total CV Serv Hrs**	**Curr Month**	**YTD**	41
42	Available			42
43	Actual			43
44	Operation			44
45	Productivity			45
46	Efficiency			46
47	**Total smart Serv Hrs**	**Curr Month**	**YTD**	47
48	Available			48
49	Actual			49
50	Operation			50
51	Productivity			51
52	Efficiency			52
53				53

Ln	FIXED COVERAGE TREND							Ln
54		JAN:	MAR:	MAY:	JUL:	SEP:	NOV:	54
55		FEB:	APR:	JUN:	AUG:	OCT:	DEC:	55
56		YTD:						56
57								57

Ln	PERSONNEL	NEW	PRE-OWNED	SERVICE	PARTS	BODY	TOTAL	Ln
58								58
59	Owners							59
60	General Manager							60
61	Department Managers							61
62	F&I Staff							62
63	Representatives - M-B							63
64	Repres - Commercial Vehicles							64
65	Representatives - smart							65
66	Representatives - Other							66
67	Serv. Advisors - M-B							67
68	Serv. Advisors - Commercial Veh							68
69	Serv. Advisors - smart							69
70	Serv. Advisors - Other							70
71	Technicians - M-B							71
72	Technicians - Commercial Veh							72
73	Technicians - smart							73
74	Technicians - Other							74
75	Parts Personnel - M-B							75
76	Parts Personnel - Other							76
77	Clerical Personnel							77
78	Other Personnel							78
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Mercedes-Benz USA, LLC

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THE BALANCE SHEET
INTRODUCTION

The Balance Sheet shows the financial condition of the dealership and displays the basic accounting equation:

ASSETS = LIABILITIES + NET WORTH

Asset accounts are arranged on the left side of page one and categorized into seven sections in order of liquidity:

- Cash and Contracts
- Receivables
- Inventories
- Other Current Assets
- Other Vehicle Assets
- Fixed Assets
- Other Assets

Liability accounts are arranged on the upper right side of page one in four sections (again ordered by liquidity):

- Accounts Payable
- Notes Payable
- Accrued Liabilities
- Long Term Debt

Finally, Net Worth accounts are situated in the lower right hand corner of page one with distinction made between the accounts of corporations and proprietorships/partnerships.

Supplementary information for balance sheet accounts is found in the following areas:

Page 2: Trends for Current, Liquidity and Debt:Equity Ratios
Page 12: Aging of select Receivable accounts, New Vehicle inventory and Pre-Owned Vehicle inventory.

ASSETS

Account 200 — Petty Cash Fund

Description

Cash set aside for change and payment of small bills.

Accounting Entries

Debits	Credits
• Checks cashed to establish or increase the level of the fund. **Debit Balance** • Small amounts of cash held by office managers and cashiers.	• Cash withdrawn to reduce the fund to a new level.

Comments

All cash and checks received should pass through the hands of the office cashier. The fund should not be used to cash personal or customer checks.

ASSETS

Account 201 — Cash Sales

Description

Clearing account for cash sales.

Accounting Entries

Debits	Credits
• The amount of all cash sales. **Debit Balance** • Zero at month-end.	• All cash received on "cash sales."

Comments

This is a clearing account for sales paid for in cash. If a balance *does* exist, its source should be determined and suitable disposition made before preparing the financial statement.

ASSETS

Account 202 — Cash in Bank

Description

Total cash and cash equivalents at financial institutions.

Accounting Entries

Debits	Credits
• All cash deposited and interest earned. • Stop payment orders on company issued checks. • Bank credit slips received indicating deposits have been made for contracts. **Debit Balance** • Amount of cash on deposit including checking, savings, CD's and money market funds.	• All checks issued. • Customer checks returned for insufficient funds or stop payments. • Bank charges and fees.

Comments

The month-end balance should be reconciled with the balance shown on bank statement(s). Separate general ledger accounts may be used if several bank accounts are used and consolidated in Account 202 on the financial statement.

Cash *never* includes contracts in transit or receivables even if they are expected to convert into cash within a few days.

ASSETS

Account 205 — Contracts in Transit

Description

Amounts due from banks or finance institutions for vehicle sale and lease contracts.

Accounting Entries

Debits	Credits
• Principal amounts of customer finance contracts or site drafts submitted to Mercedes-Benz Financial and other finance institutions. **Debit Balance** • Total amount due from Mercedes-Benz Financial and other finance institutions on customer finance contracts.	• Payments received from finance institutions on accepted customer finance contracts.

Comments

The difference between Accounts 205 and 210 lies in the source of financing. Contracts refer to anticipated receipts from finance institutions through which the dealership has arranged a customer lease or purchase contract. Receivables will be paid to the dealership by individuals as "one-pays," corporate customers (including leasing companies purchasing a car directly) or government agencies.

Review finance contracts daily and investigate any contracts outstanding for more than seven working days to determine cause of delay. At month end, the General Ledger account balance should be reconciled and a list of the notes for which payments have not been received should be prepared.

The principal withheld on discounted notes should be debited to Due From Finance Companies, Account 262.

ASSETS

Account 210 **Vehicle Accounts**

Description

Unpaid balances on vehicles sold to individuals, corporations and government agencies.

Accounting Entries

Debits	Credits
• Unpaid balances on vehicle sales to customers on open account. • Vehicle customer checks returned by bank as uncollectible. • Charges to customers for lease & rental units. **Debit Balance** • Unpaid balance on vehicle accounts.	• Payments (not including interest charges) received on vehicle accounts. • Individual account balances written off as uncollectible. • Payments on lease & rental accounts. • Unpaid balances on repossessed vehicles.

Comments

The difference between Accounts 205 and 210 lies in the source of financing. Contracts refer to anticipated receipts from finance institutions through which the dealership has arranged a customer lease or purchase contract. Receivables will be paid to the dealership by individuals, corporate customers (including leasing companies purchasing a car directly) or government agencies.

At month end, the individual Accounts Receivable Ledger balances should be listed; their total should agree with the General Ledger account balance.

All individual ledger balances must be aged on a 0-30, 31-60, 61-90 and Over 90-day basis for reporting on Page 12 of the financial statement.

The total for accounts receivable is listed on the balance sheet along with the Memo Account, Receivables - 30 Days Past Due.

ASSETS

Account 219A **Extended Limited Warranty - M-B**

Description

Amounts due for repair work covered by M-B Extended Limited Warranty.

Accounting Entries

Debits	Credits
• Customer service and parts sales reimbursable under M-B Extended Limited Warranty. **Debit Balance** • Net unpaid claims for labor and parts sales under service contracts.	• Cash or credit memos received applicable to Extended Limited Warranty. • Adjustments in this account.

Comments

Use Account 219A to record M-B Extended Limited Warranty receivables only. Use Account 221E for Commercial Vehicles, Account 221S for smart, other factory and third party agreements.

See Accounting Memo 10-3 for additional information.

ASSETS

Account 220 **Service, Parts and Body Accounts**

Description

Open account balances in the fixed departments.

Accounting Entries

Debits	Credits
• Charge sales by customers and employees on open account in the parts, service and body shop departments. • C.O.D. shipments of parts and accessories to customers. • Customer checks returned by bank as uncollectible. **Debit Balance** • Unpaid net balance of customer accounts.	• Payments from customers against their parts, service or body shop charge accounts. • Credit memos issued to customers for service, parts or body shop adjustments. • Amount of any account determined to be uncollectible. • Prior charges deemed to be covered by factory warranty.

Comments

A ledger should be maintained for each individual account and all charges and payments should be posted to it. At month end, the total of all ledgers having a balance should agree with the General Ledger account balance.

Cash discounts allowed for prompt payment of charge accounts should be debited to Cash Discounts Allowed, Account 802.

All individual ledger balances must be aged on a 0-30, 31-60, 61-90 and Over 90 day basis and shown within Receivables Analysis section on Page 12 of the statement. For purposes of aging, the due date is agreed to be the time of sale.

The total for accounts receivable is listed on the balance sheet along with the Memo Account, Receivables - 30 Days Past Due.

ASSETS

Account 221A — **Dealer Reserve (CV & smart)**
Account 213A — **Floor Plan Assistance**

Description

Balance due on income earned through the Dealer Reserve (CV & smart)/Floor Plan Assistance Program.

Accounting Entries

Debits	Credits
• Reserve/Floor Plan amount earned from a retail sale. **Debit Balance** • Balance due from MBUSA.	• Payments from MBUSA including quarterly advances.

Comments

The amount of reserve income on each Commercial Vehicle and smart can be calculated as 3% of MSRP. Interest earned on the Dealer Reserve account should be credited to Interest Income, Account 801.

The floor plan assistance can be calculated as 1% of MSRP. Interest Income is not a factor of the Floor Plan Assistance program.

See Accounting Memo 99-5 for additional information.

ASSETS

Account 221B — Prepaid Maintenance - M-B

Description

Amounts due for maintenance work covered by M-B prepaid maintenance.

Accounting Entries

Debits	Credits
• Customer service and parts sales reimbursable under M-B Prepaid Maintenance. **Debit Balance** • Net unpaid claims for labor and parts sales under service contracts.	• Cash or credit memos received applicable to prepaid maintenance. • Adjustments in this account.

Comments

Use Account 221B to record M-B Prepaid Maintenance receivables only. Use Account 221E for Commercial Vehicles, Account 221S for smart, other factory and third party agreements.

See Accounting Memo 10-2 for additional information.

ASSETS

Account 221D — **Service Contract Claims - Other**
Account 221E — **Service Contract Claims - Commercial Vehicles**
Account 221S — **Service Contract Claims - smart**

Description

Amounts due for repair work covered by service contracts.

Accounting Entries

Debits	Credits
• Customer service and parts sales reimbursable under Extended Limited Warranty (ELW) and service contracts (prepaid maintenance). **Debit Balance** • Net unpaid claims for labor and parts sales under service contracts.	• Cash or credit memos received applicable to service contracts. • Adjustments in this account.

Comments

Use Account 221D for other factory and third party agreements. Use Account 221E to record Commercial Vehicle receivables. Use Account 221S to record smart receivables.

See Accounting Memo 99-12 for additional information.

ASSETS

Account 221C — Other Receivables

Description

Various payments due the dealership from manufacturers and distributors.

Accounting Entries

Debits	Credits
• Other factory receivables not otherwise provided for in Accounts 219, 221, 227-230, 252-256 and 263. • Pre-Owned Premier and/or CPO Bonuses. • Market support, incentives (such as Courtesy Vehicle Program incentives) and run-out allowance income. • Advertising expenditures reimbursable from co-op advertising funds. **Debit Balance** • Net unpaid balance of various factory accounts.	• Cash or credit items received applicable to this account. • Claims rejected on co-op advertising. • Amount of parts return credit from manufacturer.

Comments

This is a control account which should be supported by a subsidiary ledger. A month-end schedule of this account should be prepared and its total should equal the General Ledger account amount.

See Accounting Memo 08-7 for additional information on the Pre-Owned Premier/CPO Bonuses.

ASSETS

Account 230 **Pre-Owned Vehicle Sales Bonus M-B**

Description

Balance due on income earned through the Pre-Owned Vehicle Sales Bonus Program.

Accounting Entries

Debits	Credits
• Amount of bonus income earned by meeting performance criteria during prior quarter. • Monthly accrual of bonus income. **Debit Balance** • Balance due from MBUSA.	• Payments from MBUSA.

Comments

The Pre-Owned Vehicles Sales Bonus can be accrued on new vehicle sales monthly at the rate of 0.75% of MSRP based on the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar. The accruals can be credited to Account 968 and the amount due debited to Account 230. At the time of a quarterly payout, income can then be debited to Account 202 and credited to Account 230.

*Please note the "Pre-Owned Vehicle Sales Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 13-1 for additional information.

ASSETS

Account 227 **Customer Experience Sales Bonus M-B**

Description

Balance due on income earned through the Customer Experience Sales Bonus Program.

Accounting Entries

Debits	Credits
• Amount of bonus income earned by meeting performance criteria during prior quarter. • Monthly accrual of bonus income. **Debit Balance** • Balance due from MBUSA.	• Payments from MBUSA.

Comments

The Customer Experience Sales Bonus can be accrued monthly at the rate of 0.75% of MSRP based on Customer Experience Standards as a qualifier and on the New Vehicle Sales Customer Experience Scores via the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar. The accruals can be credited to Account 971 and the amount due debited to Account 227. At the time of a quarterly payout, income can then be debited to Account 202 and credited to Account 227.

*Please note the "Customer Experience Sales Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 08-3 for additional information.

ASSETS

Account 228 — New Vehicle Sales Bonus M-B

Description

Balance due on income earned through the New Vehicle Sales Bonus Program.

Accounting Entries

Debits	Credits
• Amount of bonus income earned by meeting performance criteria during prior quarter. • Monthly accrual of bonus income. **Debit Balance** • Balance due from MBUSA.	• Payments from MBUSA.

Comments

The New Vehicle Sales Bonus can be accrued monthly at the rate of 0.75% of MSRP based on the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar. The accruals can be credited to Account 962 and the amount due debited to Account 228. At the time of a quarterly payout, income can then be debited to Account 202 and credited to Account 228.

*Please note the "New Vehicle Sales Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 08-4 for additional information.

ASSETS

Account 229 **Brand Standards Bonus M-B**

Description

Balance due on income earned through the Brand Standards Bonus Program.

Accounting Entries

Debits	Credits
• Amount of bonus income earned by meeting performance criteria during prior quarter. • Monthly accrual of bonus income. **Debit Balance** • Balance due from MBUSA.	• Payments from MBUSA.

Comments

The Brand Standards Bonus can be accrued monthly at the rate of either 0.00% or 2.00% of MSRP based on the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar. The accruals can be credited to Brand Standards Bonus - Account 94 and the amount due debited to Account 229. At the time of a quarterly payout, income can then be debited to Account 202 and credited to Account 229.

*Please note the "Brand Standards Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 11-1 for additional information.

ASSETS

Account 214 — Demonstrator Vehicles

Description

New vehicles set aside for customer demonstration.

Accounting Entries

Debits	Credits
• Inventory value of new vehicles placed in demonstrator service. • Labor and material charges for dealer installed equipment and accessories added to vehicles in demonstrator service. • Freight and destination charges. **Debit Balance** • Value of vehicles in demonstrator service.	• Inventory value of new vehicles removed from demonstrator service. • Cost of optional equipment and accessories removed from vehicles in demonstrator service.

Comments

When a new unit (M-B, Commercial Vehicle, smart, or Other) is transferred to demonstrator use, a notation should be made on the new vehicle inventory record. Vehicles should be physically inventoried periodically and always at month end. The total value of all vehicles at month end should equal the General Ledger account balance.

This account should *not* include personal or courtesy cars, service vehicles, loaners or lease and rental units.

Personal use of demonstrators may have tax implications to the dealership and sales personnel. Consult legal and tax advice concerning treatment and record keeping requirements.

Separate accounts may be maintained for M-B, Commercial Vehicle, smart, and Other vehicles but reported on a combined basis.

All demonstrator units and dollars should be aged on a 0-30, 31-60 and greater than 60 day basis and summarized within the Inventory Analysis section on Page 12 of the statement.

ASSETS

Account 231A	**New Vehicles - M-B P/C**
Account 231B	**New Vehicles - Other**
Account 231E	**New Vehicles - Commercial Vehicles**
Account 231S	**New Vehicles - smart**
Account 232	**New Vehicles - M-B L/T**

Description

Cost of new vehicles in inventory.

Accounting Entries

Debits	Credits
• Cost of new vehicles purchased from manufacturer or other dealers. • Labor and material charges for dealer-installed optional equipment and accessories. • Transportation, destination and delivery charges. • Regional Marketing Fund assessment. **Debit Balance** • Cost of new vehicles in stock.	• Inventory value of new vehicles sold to customers or transferred to other dealers. • Inventory value of new vehicles transferred to other accounts (e.g., demonstrators, lease & rental vehicles, service units). • Cost of optional equipment and accessories removed from vehicles in inventory. • Adjustments for factory price reductions.

Comments

The factory invoice price includes base price, factory installed accessories and freight. In addition, Regional Marketing Fund assessments which are billed on the new vehicle invoice (for M-B vehicles only) should also be included in vehicle inventory. Factory holdback on other vehicles is generally not included in inventory cost.

The description and cost of all new vehicles purchased (including installed accessories) should be listed on a vehicle inventory record. Stock numbers should be assigned to new vehicles in numerical sequence.

At month-end, a schedule showing all vehicles still in inventory should be prepared. The total of this report should agree with the General Ledger account balance.

When new vehicles are purchased from, sold to, or traded with another dealer, they are considered as transfers of inventory, *not* sales. Gains on sales should be credited to Other Income, Account 805.

All new vehicle inventory units and dollars should be aged on a 0-30, 31-60 and greater than 60 day basis and summarized within the Inventory Analysis section on Page 12 of the statement.

ASSETS

Account 233 **Courtesy Vehicle Program (CVP)**

Description

Cost of new vehicles used as Courtesy Vehicles.

Accounting Entries

Debits	Credits
• Cost of vehicles placed in Courtesy Vehicle service. • Labor and material charges for dealer installed optional equipment and accessories. • Transportation, destination and delivery charges on new vehicles. **Debit Balance** • Cost of vehicles in Courtesy Vehicle service.	• Inventory value of vehicles transferred to vehicle inventory. • Inventory value of new vehicles transferred to other accounts (e.g., demonstrators, lease & rental vehicles and company vehicles). • Cost of optional equipment and accessories removed from vehicles.

Comments

Only M-B, Commercial Vehicle, and smart vehicles should be recorded in this account. *Other* make vehicles used as customer loaners should be debited to Company Vehicles, Account 285. *Other* daily rental cars should be in Account 277, Lease & Rental Vehicles.

The description and cost of all vehicles purchased (including installed accessories) or taken in trade should be listed on a vehicle inventory record. Stock numbers should be assigned to new vehicles in numerical sequence.

At month end, a schedule showing all vehicles still in inventory should be prepared. The total of this report should agree with the General Ledger account balance.

All new Courtesy Vehicle Program units and dollars should be aged on a 0-30, 31-60 and greater than 60 day basis and summarized within the Inventory Analysis section on Page 12 of the statement.

See Accounting Memo 04-1 for additional information.

ASSETS

Account 234 — **Pre-Owned Certified - M-B**
Account 234S — **Pre-Owned Certified - smart**
Account 238E — **Pre-Owned Certified - Commercial Vehicles**

Description

Value of all Certified Pre-Owned M-B, Commercial Vehicles, or smart vehicles in inventory.

Accounting Entries

Debits	Credits
• Lower of cost or appraised wholesale (market) value of Certified Pre-Owned vehicles taken in trade, purchased or repossessed. • Internal cost of labor and materials used to recondition vehicles in inventory; outside reconditioning costs. • Travel, transportation, auction fees and broker charges when acquiring vehicles. • Cost of Certified Pre-Owned vehicle warranty. **Debit Balance** • Inventory value of Certified Pre-Owned vehicles held for resale.	• Inventory value of Certified Pre-Owned vehicles sold or otherwise disposed of. • Write-down to appraised wholesale value. • Cost of accessories and equipment removed.

Comments

The description and cost of each Certified Pre-Owned vehicle should be entered on a vehicle inventory record. Stock numbers should be assigned in numerical sequence. Each Certified Pre-Owned vehicle should be placed in the inventory at the lower of its current estimated wholesale value, trade-in amount (allowance) or purchase price. At any point in time, the inventory value of each unit is properly shown as *the lower of cost or appraised wholesale (market) value*. Cost includes the original value plus relevant debits as indicated above.

At month end, a schedule showing all vehicles still in inventory should be prepared. The vehicle inventory records should be used to compile this schedule and a physical inventory should verify all listed vehicles are still in stock. The schedule total should agree with the General Ledger account balance. Finally, all M-B units - including certified vehicles - should be aged for financial statement reporting.

Certified Pre-Owned vehicles should be reappraised at month end and written-down to current wholesale value. Any write-down should be debited to Pre-Owned Vehicle Inventory Adjustments, Account 634. Because of the logic of *lower of cost or market*, it is generally not appropriate to increase inventory values.

All Certified Pre-Owned units and dollars should be combined with accounts 240S, 251E, and 251 and aged on a 0-30, 31-60 and greater than 60 day basis and summarized within the Inventory Analysis section on Page 12 of the statement.

ASSETS

Account 235 — **LIFO Reserve - New Vehicles**
Account 236 — **LIFO Reserve - Pre-Owned Vehicles**
Account 241 — **LIFO Reserve - Parts & Accessories**

Description

Accumulated balance in each LIFO Reserve.

Accounting Entries

Debits	Credits
• Adjustments to decrease a reserve due to election or recapture.	• Adjustments to increase a reserve as determined from LIFO deduction calculations. **Credit Balance** • Accumulated LIFO Reserve.

Comments

LIFO adjustments are usually made only at year-end. The offsetting entries are made to LIFO Adjustments, Accounts 697, 698 and 699.

This account should be utilized only after consultation with and on the advice of your tax counsel and/or CPA. It is important that proper procedures be followed to satisfy IRS requirements.

See Accounting Memo 99-8 for additional information.

ASSETS

Account 240B — **Pre-Owned Vehicles - Other**
Account 240S — **Pre-Owned Vehicles - smart**
Account 251 — **Pre-Owned Vehicles - M-B**
Account 251E — **Pre-Owned Vehicles - Commercial Vehicles**

Description

Value of all pre-owned vehicles intended for resale.

Accounting Entries

Debits	Credits
• Lower of cost or appraised wholesale (market) value of pre-owned vehicles taken in trade, purchased or repossessed. • Internal cost of labor and materials used to recondition vehicles in inventory; outside reconditioning costs. • Travel, transportation, auction fees and broker charges when acquiring vehicles. • Cost of pre-owned vehicle warranty. **Debit Balance** • Inventory value of pre-owned vehicles held for resale.	• Inventory value of vehicles sold or otherwise disposed of. • Write-down to appraised wholesale value. • Cost of accessories and equipment removed.

Comments

The description and cost of each pre-owned vehicle should be entered on a vehicle inventory record. Stock numbers should be assigned in numerical sequence. Each pre-owned vehicle should be placed in the inventory at the lower of its current estimated wholesale value, trade-in amount (allowance) or purchase price. At any point in time, the inventory value of each unit is properly shown as *the lower of cost or appraised wholesale (market) value*. Cost includes the original value plus relevant debits as indicated above.

At month end, a schedule showing all vehicles still in inventory should be prepared. The vehicle inventory records should be used to compile this schedule and a physical inventory should verify all listed vehicles are still in stock. The schedule total should agree with the General Ledger account balance. Finally, each unit should be aged for financial statement reporting.

Pre-owned vehicles should be reappraised at month end and written-down to current wholesale value. Any write-down should be debited to Pre-Owned Vehicle Inventory Adjustments, Account 634. Because of the logic of *lower of cost or market*, it is generally not appropriate to increase inventory values.

All pre-owned Maybach vehicles should be recorded under Pre-Owned Vehicles – Other Account 240B.

All pre-owned M-B units and dollars should be combined with accounts 234 and 234S and aged on a 0-30, 31-60 and greater than 60 day basis and summarized within the Inventory Analysis section on Page 12 of the statement. Pre-owned Commercial Vehicle units and dollars should be aged separately and combined with account 238E.

ASSETS

Account 242A	**Parts and Accessories - M-B**
Account 242B	**Parts and Accessories - Other**
Account 242E	**Parts and Accessories - Commercial Vehicles**
Account 242S	**Parts and Accessories - smart**

Description

Value of all parts and accessories in stock.

Accounting Entries

Debits	Credits
• Cost of all parts, accessories and promotional items purchased. • Increase in book value for parts and accessories as indicated by a physical count and/or cost increases. • Cost of other accessories such as cellular phones, CD players, etc. • Value of parts returned or exchanged by customers. • Accessories and options removed from vehicles in inventory. **Debit Balance** • Market value of parts at current dealer prices.	• Cost of all parts and accessories sold or returned to suppliers. • Decrease in book value for parts and accessories as indicated by a physical count and/or cost reductions. • Write-off, at cost, of all obsolete and scrapped parts and accessories removed from inventory. • Volume and/or stock order allowances earned through the purchase of parts. • Amount of parts returned to manufacturer.

Comments

It is recommended that parts and accessories sales should be costed individually at time of sale.

Price and inventory adjustments should be made upon notice of price changes.

A physical count of all parts and accessories should be made annually or more often if necessary. Any adjustments should be recorded in Inventory Adjustments, Account 675.

Parts and Accessories should be combined and recorded on Page 12 in the Inventory Analysis section as a memo entry. The sum of Parts (Page 12, Line 19) plus Accessories (Page 12, Line 20) should equal the amount of Parts and Accessories (Page 1, Line 45).

ASSETS

Account 244 — Gas, Oil and Grease

Description

Value of gas, oil, grease, and other lubricants in stock.

Accounting Entries

Debits	Credits
• Cost of bulk gas, oil and grease purchased. • Increase in book value of gas, oil and grease as disclosed by a physical inventory. **Debit Balance** • Inventory value of gas, oil, grease and similar materials.	• Cost of all gas, oil and grease sold to customers or installed on vehicles in inventory. • Decrease in book value of gas, oil and grease as disclosed by a physical inventory.

Comments

A physical inventory of gas, oil and grease should be taken each month end and the General Ledger account balance adjusted accordingly. The offsetting entry should be to Cost of Sales - Gas, Oil and Grease, Account 658.

Oil and grease products with inventory numbers should be listed in Parts Inventory, Accounts 242A, 242B, 242E, or 242S.

Items not held for resale may be charged directly to Account 61, Small Tools & Other Supplies.

ASSETS

Account 245 — Paint and Body Shop Materials

Description

Inventory value of body shop materials and supplies.

Accounting Entries

Debits	Credits
• Cost of paint and body shop materials and supplies purchased. • Undercoating materials and supplies. **Debit Balance** • Inventory value of paint and body shop materials and supplies.	• Cost of paint and body shop materials and supplies sold to customers or internally. • Adjustments when the physical inventory amount is less than the General Ledger account balance.

Comments

A physical inventory should be taken each month end with inventory valued using the latest cost lists available. The General Ledger account balance should be adjusted accordingly using Paint and Body Shop Materials - Cost of Sales, Account 659 as the offsetting entry.

ASSETS

Account 252 — Commercial Vehicles Bonus

Description

Balance due on income earned through the Commercial Vehicles Performance Bonus Program.

Accounting Entries

Debits	Credits
• Amount of bonus income earned by meeting performance criteria during prior quarter. • Monthly accrual of bonus income. **Debit Balance** • Balance due from MBUSA.	• Payments from MBUSA.

Comments

The Commercial Vehicles Bonus can be accrued monthly at the rate of up to 3.50% of MSRP based on the "Sprinter Dealer Reserve & Performance Bonus" Report posted monthly to NetStar. The accruals can be credited to Account 966 and the amount due debited to Account 252. At the time of a quarterly payout, income can then be debited to Account 202 and credited to Account 252.

*Please note the "Commercial Vehicles Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 10-1 and 10-4 for additional information.

ASSETS

Account 253 — smart Performance Bonus

Description

Balance due on income earned through the smart Performance Bonus Program.

Accounting Entries

Debits	Credits
• Amount of bonus income earned by meeting performance criteria during prior quarter. • Monthly accrual of bonus income. **Debit Balance** • Balance due from MBUSA.	• Payments from MBUSA.

Comments

The smart Performance Bonus can be accrued monthly at the rate of up to 1.00% of MSRP based on the "smart Dealer Reserve & Performance Bonus" Report posted monthly to NetStar. The accruals can be credited to Account 967 and the amount due debited to Account 253. At the time of a quarterly payout, income can then be debited to Account 202 and credited to Account 253.

*Please note the "smart Performance Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 12-1 and 12-2 for additional information.

ASSETS

Account 254 — Leadership Bonus

Description

Balance due on income earned through the Leadership Bonus Program.

Accounting Entries

Debits	Credits
• Amount of bonus income earned by qualifying dealers.	• Payments from MBUSA.
Debit Balance	
• Balance due from MBUSA.	

Comments

*Please note the "Leadership Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 13-3 for additional information.

ASSETS

Account 255 — Customer Experience Service Bonus M-B

Description

Balance due on income earned through the Customer Experience Service Bonus Program.

Accounting Entries

Debits	Credits
• Amount of bonus income earned by meeting performance criteria during prior quarter. • Monthly accrual of bonus income. **Debit Balance** • Balance due from MBUSA.	• Payments from MBUSA.

Comments

The Customer Experience Service Bonus can be accrued monthly at the rate of 0.75% of MSRP based on Customer Experience Standards as a qualifier and on the Service Customer Experience Scores via the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar. The accruals can be credited to Account 964 and the amount due debited to Account 255. At the time of a quarterly payout, income can then be debited to Account 202 and credited to Account 255.

*Please note the "Customer Experience Service Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 08-3 for additional information.

ASSETS

Account 256 — Training Bonus

Description

Balance due on income earned through the Training Bonus Program.

Accounting Entries

Debits	Credits
• Amount of bonus income earned by meeting performance criteria during prior quarter. • Monthly accrual of bonus income. **Debit Balance** • Balance due from MBUSA.	• Payments from MBUSA.

Comments

The Training Bonus can be accrued monthly at the rate of 0.50% of MSRP if dealers meet the minimum Training requirements specified. The accruals can be credited to Account 970 and the amount due debited to Account 256. At the time of a quarterly payout, income can then be debited to Account 202 and credited to Account 256.

*Please note the "Training Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 16-1 for additional information.

ASSETS

Account 292 — Tires

Description

Inventory value of tires in stock.

Accounting Entries

Debits	Credits
• Cost of tires purchased. • Increase in book value of tires as disclosed by a physical inventory. • Tires removed from the vehicles in stock. **Debit Balance** • Inventory value of tires in stock.	• Cost of tires sold to customers or installed on internal vehicles. • Adjustments when the physical inventory amount is less than the General Ledger account balance.

Comments

A physical inventory should be taken each month end with inventory valued using the latest cost lists available. The General Ledger account balance should be adjusted accordingly using Tires - Cost of Sales, Account 943 as the as the offsetting entry.

ASSETS

Account 246 — Sublet Repairs

Description

Unsold balance of service and body work assigned to outside shops.

Accounting Entries

Debits	Credits
• Cost of sublet work purchased for resale from specialty shops and outside garages. **Debit Balance** • Unsold cost of sublet work purchased for resale from specialty shops and outside garages.	• Cost of sublet work sold.

Comments

All sublet work should be authorized by an approved purchase order. Each purchase should be identified by the related repair order number, purchase order number and supplier's invoice number.

At month end, sublet work should be listed and included in the inventory of incomplete repair orders. Any difference between the list total and the General Ledger account balance should be identified and rectified.

ASSETS

Account 247 — Work in Process - Labor

Description

Cost of labor on incomplete repair orders.

Accounting Entries

Debits	Credits
• Compensation for service and body shop technicians other than vacation, holiday, sick leave, or training. • Compensation for salaried employees (Service Manager, Shop Foreman, Porter, etc.) for productive labor performed. • Adjustments required when the schedule of open repair orders is greater than the General Ledger account balance. **Debit Balance** • Total cost of labor on incomplete repair orders.	• Cost of all labor sold on completed repair orders. • Adjustments required when the schedule of open repair orders is less than the General Ledger account balance.

Comments

This account should not include absentee compensation for vacations, training, etc. A schedule of open repair orders should be compiled each month. Any variance between the General Ledger account and this schedule should be adjusted through Unapplied Labor, Account 657.

ASSETS

Account 248 — Other Inventory

Description

Value of wheels and miscellaneous assets intended for resale.

Accounting Entries

Debits	Credits
• Purchases of wheels and other items. • Lower of appraised or allowance value of assets accepted in trade. **Debit Balance** • Value of miscellaneous assets held for resale.	• Cost of wheels sold or placed on vehicles. • Cost of other assets sold or otherwise disposed of.

Comments

This account includes items formerly listed under "Miscellaneous Assets Received in Trade." It includes items such as:

- Utility, house and camping trailers
- Motorcycles and bicycles
- Golf carts
- Aircraft and marine equipment
- Hardware
- Appliances
- Farm implements

Separate general ledger accounts may be established for each inventory and combined on the financial statement. If these assets are not intended for immediate resale, they should be recorded in appropriate fixed assets accounts.

ASSETS

Account 260 — Securities

Description

Book value of marketable stocks and bonds.

Accounting Entries

Debits	Credits
• Cost (including brokerage fees) of marketable securities purchased and held as long term investments. • Lower of cost or market value of securities accepted in trade. **Debit Balance** • Market value of marketable securities.	• Cost of securities sold. • Cost of securities regarded as worthless, or otherwise disposed of. • Write-down of securities to market value.

Comments

Short term investments (maturities less than one year) such as money market funds may be listed in Cash in Bank, Account 202.

This account should *not* include stock held in related companies or other closely held corporations and partnerships. These are properly recorded in Notes & Accounts Receivable - Investments - Affiliated Companies, Account 299 or Other Non-Franchise Assets, Account 296.

Detailed descriptions of securities in this account should be noted in the General Ledger or in a suitable subsidiary record. This record should also include a schedule of any income to be earned. All interest and dividends earned should be credited to Interest Income, Account 801. Profit or loss resulting from sale of these securities should be recorded in either Other Income, Account 805, or Other Adjustments, Account 855.

Securities that have increased in market value should not generally be marked up from acquisition cost.

ASSETS

Account 261 — Prepaid Expenses

Description

Unexpired or unused portion of expenses paid prior to use.

Accounting Entries

Debits	Credits
• Expenses prepaid for periods beyond the current month. **Debit Balance** • Unexpired or unused portion of expenses paid prior to use.	• Monthly charge of all items in the account to current expense.

Comments

Separate General Ledger accounts may be established for each expense within an account. However, these sub-accounts should be combined and shown in Account 261 on the financial statement.

A schedule should be maintained for each item included in these accounts describing the amount paid and the payment periods covered in order to compute the monthly expense allocation. The balance of the schedule should agree with the amount in the General Ledger account balance.

Items typically found in this account include:

Taxes:
- Real and Personal Property Taxes
- Franchise Taxes

Insurance:
- Insurance premium deposits

Advertising:
- Advertising advance payments
- Billboard contracts

Rent:
- Rent paid in advance
- Lease security deposits

Other:
- Occupational Licenses
- Retail Business Licenses
- Demonstrator Vehicle Licenses
- Vehicle Safety Inspection Stickers
- Interest paid beyond current month

Payments of state and federal income taxes are *not* considered prepaid items.

ASSETS

Account 262 — Due From Finance Companies

Description

Finance income held to apply against possible repossession and prepayment losses.

Accounting Entries

Debits	Credits
• The amount of finance reserve credited to the dealer's account, which is being held (deferred) to apply against contingent repossession losses and customer prepayments. **Debit Balance** • Total finance income held.	• The amount of finance reserves charged-back (forfeited) due to repossessions and contract prepayments. • The portion of finance reserves that become free of any contingencies and debited to Account 264.

Comments

This account includes that portion representing the "retention amount" of outstanding finance income as specified in the retail financing agreement. It may also include "Special" or "Hold" reserves.

The dealership should obtain a monthly statement from each finance institution indicating each interim change and credit since the last statement.

The portion of finance reserve that becomes free of any contingencies should be transferred to Finance & Lease Receivables - Current, Account 264.

See Accounting Memo 99-11 for additional information.

ASSETS

Account 263A	**Warranty Claims - M-B**
Account 263B	**Warranty Claims - Other**
Account 263E	**Warranty Claims - Commercial Vehicles**
Account 263S	**Warranty Claims - smart**

Description

Amounts due on repairs covered by M-B (Other) manufacturer warranty.

Accounting Entries

Debits	Credits
• Warranty claims submitted to manufacturers on new and pre-owned vehicles. **Debit Balance** • Net unpaid balance of warranty claims.	• Cash or credit memos received for payment of warranty claims. • Advances from other manufacturers. • Disallowed claims. • Difference between the amount submitted for payment and the amount received.

Comments

Each claim submitted should be entered on a claims register. When a claim is paid in full, indicate on the claims register that payment was received and no further amount is due. If the amount received was less than the amount submitted and the claim is not going to be resubmitted, the difference should be applied to Policy Expense, Account 67, or Service, Parts and Body Receivables, Account 220, depending upon whether the customer will be charged for the repair. If the claim is resubmitted for the balance due, then no entry is made to Account 263 at this time.

All warranty claims should be aged on a 0-30, 31-60, 61-90 or Over 90 day basis and summarized within Receivables Analysis section on Page 12 of the financial statement.

The total for accounts receivable is listed on the balance sheet along with the Memo Account, Receivables - 30 Days Past Due.

ASSETS

Account 264 — Finance & Lease Receivables - Current

Description

Amounts due in the next twelve months on finance reserve income earned by the dealership.

Accounting Entries

Debits	Credits
• Finance income due on customer notes and contracts discounted with finance institutions. • Insurance commissions earned on insurance policies sold by the dealership. **Debit Balance** • Unpaid balance of income from finance and insurance contracts discounted with finance institutions.	• Payments received on finance contracts and leases. • Chargebacks from finance institutions. • Chargebacks from insurance companies.

Comments

Individual financing institutions may vary in their dealer participation and payment plan. Income should be calculated and recorded on each individual contract when the vehicle sale is recorded in a sales journal.

Finance and insurance institutions normally furnish statements showing the amount of reserve earned on each contract. The dealership should obtain a regular statement from each institution detailing interim charges and credits. The balance in this account should be reconciled with the statements; any variances should be located, their source determined and promptly rectified.

See Accounting Memo 99-11 for additional information.

ASSETS

Account 277 — Lease and Rental Vehicles - Net

Description

Book value of lease and rental units.

Accounting Entries

Debits	Credits
• Cost of vehicles placed in lease or rental service and recorded as depreciable assets. • Labor and material charges for dealer installed equipment and accessories. • Internal and external reconditioning costs. **Debit Balance** • Book value of lease and rental vehicles.	• Cost of vehicles removed from lease or rental service. • Cost of dealer installed equipment and accessories removed from vehicles in rental service. • Monthly depreciation and/or write-down charges.

Comments

This account should only include lease and rentals held for income generation. M-B, Commercial Vehicles, or smart vehicles provided to customers on a courtesy or occasional rental basis should be included in Courtesy Vehicle Program, Account 233. Other manufacturer loaners and vehicles such as parts and tow trucks should be debited to Account 285, Company Vehicles.

Units retired from service should be transferred to pre-owned vehicle inventory at estimated wholesale (appraised) value. Variances from book value should be recorded as a gain or loss in Account 805 or 855.

Units in service should be depreciated monthly with the depreciation expense recorded in Lease & Rental Income/Expense, Account 809. Account 277 should reflect the *net* asset value after accumulated depreciation.

Income and expenses from rental vehicles should be debited and credited to Account 809.

ASSETS

Account 280 — Land & Improvements

Description

Historical cost of land used in dealership operations.

Accounting Entries

Debits	Credits
• Cost of land purchased for use in the automobile business. • Legal, title and recording fees. • Brokers' commissions. • Cost of surveys and site preparation. **Debit Balance** • Cost of dealership land and improvements.	• Total cost of land when sold or otherwise disposed of.

Comments

Land owned *but not used* in dealership operations should be included in Other Non-Franchise Assets, Account 296.

This is a control account which should be supported by a subsidiary record. Each item should show:

- Date acquired
- Physical description
- Cost
- Party acquired from

Documents supporting the cost of land should be retained and available.

ASSETS

Account 281 — Buildings & Improvements

Description

Acquisition cost of buildings located on land owned by the dealership.

Accounting Entries

Debits	Credits
• Cost of buildings purchased or constructed for use in the automobile business. • Cost of improvements, alterations, additions and permanent fixtures attached to the buildings. • Architect fees. **Debit Balance** • Cost of buildings and improvements on owned land.	• Cost of buildings and improvements sold or otherwise disposed of.

Comments

This account should only be used when the dealership owns *both* the land and facility. Buildings on leased land or improvements to leased facilities should be recorded in Leaseholds, Account 286.

All buildings, building improvements, alterations and additions should be listed in detail on a Fixed Asset Ledger. The accumulated total in the financial statement "cost" column should agree with the General Ledger account balance.

When a building is sold, the total cost should be credited to this account. Accumulated depreciation should be debited to Accumulated Depreciation - Buildings and Improvements, Account 351. A gain over depreciated value should be credited to Other Income, Account 805; any loss should be debited to Other Adjustments, Account 855.

ASSETS

Account 282 — Machinery & Shop Equipment

Description

Gross cost of equipment for use in service and body shop departments.

Accounting Entries

Debits	Credits
• Cost of machinery and equipment purchased or built for use in the service or body shop department. • Freight, handling, and installation costs for purchased equipment. • Cost of special tools. **Debit Balance** • Gross cost of equipment for use in service and body shop departments.	• Cost of machinery equipment and special tools sold or otherwise disposed of.

Comments

Equipment representing permanent additions to dealership facilities (e.g., ventilation systems, hydraulics) should be debited to Buildings and Improvements or Leaseholds.

Items typically found in this account include:

- Benches
- Cabinets
- Shelves
- Tool racks
- Hoists
- Heavy duty jacks
- Lubrication equipment
- Engine analyzers
- Front-end machines
- Alignment machines
- Wheel balancing equipment

All items acquired should be listed on a Fixed Asset Ledger. This total cost should agree with the General Ledger account balance at each month end. Physical inventories of service and body shop equipment should be taken periodically and the balance reconciled to the General Ledger account balance.

Small tools having minor value or having an estimated life of less than one year can be charged to Small Tools/Other Supplies, Account 61. When equipment included in this account is sold, its cost is credited to this account. Accumulated depreciation is debited to Accumulated Depreciation - Machine and Shop Equipment, Account 352. Any gain (over book value) from a sale should be credited to Other Income, Account 805 or any loss debited to Other Adjustments, Account 855.

ASSETS

Account 283 — Parts & Accessories Equipment

Description

Gross cost of equipment for use in the parts department.

Accounting Entries

Debits	Credits
• Cost of all equipment acquired, purchased, or built for use in the parts department. • Cost of freight, handling, and installation. **Debit Balance** • Gross cost of equipment for use in the parts department.	• Total cost of equipment included in this account sold or otherwise disposed of.

Comments

Items typically found in this account include:

- Parts bins
- Cabinets
- Microfiche readers
- Counters
- Shelves & showcases

All items acquired should be listed in a Fixed Asset Ledger. The total of this record should agree with the General Ledger account balance at each month end. Physical inventories should be taken annually and the balance reconciled to the General Ledger account balance.

When equipment included in this account is sold, the cost is credited to this account. Depreciation is debited to Accumulated Depreciation - Parts and Accessories Equipment, Account 353. Any gain on the sale should be credited to Other Income, Account 805, or any loss debited to Other Adjustments, Account 855.

ASSETS

Account 284 **Furniture, Fixtures & Signs**

Description

Gross cost of furniture and fixtures.

Accounting Entries

Debits	Credits
• Cost of furniture, office equipment, and fixtures purchased or otherwise acquired. • Cost of freight, handling, and installation. **Debit Balance** • Gross cost of furniture and fixtures.	• Cost of furniture, office equipment, and fixtures sold or otherwise disposed of.

Comments

Dealership policy should dictate the level at which purchases are capitalized rather than expensed.

Items typically found in this account include:

- Desks
- Tables & chairs
- Safes
- Computers and data processing equipment
- Printers
- Movable partitions
- Telephone equipment
- Office machines

All items acquired should be listed on a Fixed Asset Ledger. Total cost should agree with the General Ledger account balance at each month end. Physical inventories should be taken annually and the balance reconciled to the General Ledger account balance.

When equipment included in this account is sold, the cost is credited to this account. Depreciation is debited to Accumulated Depreciation - Furniture and Fixtures, Account 354. Any gain should be credited to Other Income, Account 805; any loss should be debited to Other Adjustments, Account 855.

ASSETS

Account 285 — Company Vehicles

Description

Cost of various vehicles used in dealership operations.

Accounting Entries

Debits	Credits
• Cost of new or pre-owned vehicles permanently placed in company service. • Accessories and equipment added to vehicles in service. **Debit Balance** • Gross cost of vehicles.	• Cost of such vehicles when sold, transferred to pre-owned car inventory, or otherwise disposed of. • Accessories and equipment removed from vehicles in service.

Comments

This account should include vehicles such as:

- Service and parts trucks
- Wreckers
- Roadside Assistance vehicles
- Race cars
- Motorcycles
- Antique vehicles
- Shuttle cars & vans (if not primarily revenue producing)
- Other manufacturer loaner cars

All units acquired or transferred from another vehicle inventory should be listed on a Fixed Asset Ledger. Total cost should agree with the General Ledger account balance at month end.

Cost of licenses, insurance, interest and maintenance should be charged to Company Vehicle/Demonstrator Expense, Account 51. However, expenses for vehicles used for shuttle and courtesy delivery should be charged to Courtesy Vehicle Program, Account 52.

Depreciation of company vehicles is shown in Account 91.

When a unit is sold (including internally to pre-owned vehicle inventory) the cost should be credited to this account. Accumulated depreciation is debited to Accumulated Depreciation - Company Vehicles, Account 355. Any gain should be credited to Other Income, Account 805; any loss should be debited to Other Adjustments, Account 855.

ASSETS

Account 286 — Leaseholds

Description

Gross cost of leasehold improvements.

Accounting Entries

Debits	Credits
• Cost of buildings and improvements made on leased property. • Cost of existing improvements acquired with leased property. • Premiums paid to acquire a lease. **Debit Balance** • Gross cost of leaseholds.	• Costs of leaseholds and improvements sold or otherwise disposed of.

Comments

Leaseholds differ from buildings and improvements based on ownership of the underlying land. If the dealership does not own the property, then any structures or improvements to existing structures are considered leaseholds and debited to this account.

All leaseholds should be listed in detail on a Fixed Asset Ledger. Total costs should agree with the General Ledger account balance at each month end. When leaseholds are sold, the cost should be credited to this account. Accumulated amortization should be debited to Account 356.

ASSETS

Account 287 — Other

Description

Other fixed assets not included in Accounts 280-286.

Accounting Entries

Debits	Credits
• Boats and planes used for dealership operations. • Cost of trailers and temporary storage units. **Debit Balance** • Cost of other assets used in dealership operations.	• Cost of other assets sold or otherwise disposed of.

Comments

Most assets can be classified into Accounts 280-286. Assets *not* used in dealership operations should be recorded in Other Non-Franchise Assets, Account 296.

ASSETS

Account 289 **Commercial Vehicles Environment**

Description

Acquisition cost for the construction of the Commercial Vehicles Environment.

Accounting Entries

Debits	Credits
• Cost of construction of the Commercial Vehicle Sales and Service environment. • Cost of improvements, alterations, additions and permanent fixtures attached to the environment. • Architect fees. **Debit Balance** • Cost of environment and improvements on owned land.	• Cost of improvements sold or otherwise disposed of.

Comments

The environment, improvements, alterations and additions should be listed in detail on a Fixed Asset Ledger. The accumulated total in the financial statement "cost" column should agree with the General Ledger account balance.

When improvements or fixtures are sold, the total cost should be credited to this account. Accumulated depreciation should be debited to Accumulated Depreciation - Commercial Vehicle Environment, Account 359. A gain over depreciated value should be credited to Other Income, Account 805; any loss should be debited to Other Adjustments, Account 855.

ASSETS

Account 289S **smart Environment**

Description

Acquisition cost for the construction of the smart Environment.

Accounting Entries

Debits	Credits
• Cost of construction of the smart Sales and Service environment. • Cost of improvements, alterations, additions and permanent fixtures attached to the environment. • Architect fees. **Debit Balance** • Cost of environment and improvements on owned land.	• Cost of improvements sold or otherwise disposed of.

Comments

The environment, improvements, alterations and additions should be listed in detail on a Fixed Asset Ledger. The accumulated total in the financial statement "cost" column should agree with the General Ledger account balance.

When improvements or fixtures are sold, the total cost should be credited to this account. Accumulated depreciation should be debited to Accumulated Depreciation - smart Environment, Account 359S. A gain over depreciated value should be credited to Other Income, Account 805; any loss should be debited to Other Adjustments, Account 855.

ASSETS

Account 290 — Deposits on Contracts

Description

Deposits for utilities, purchases, leases, and bonds.

Accounting Entries

Debits	Credits
• Deposits made on utility accounts. • Lease security deposits. • Amount of guarantee deposits on contracts. **Debit Balance** • Net balance of deposits.	• Returned or forfeited deposits.

Comments

Examples of items in this account are:

- Bid bonds
- County or state performance bonds
- Utility deposits
- Lease security deposits

The General Ledger account should identify the source of payment, check number, receipt number and date and other pertinent information concerning each deposit.

ASSETS

Account 291 — Life Insurance - Cash Value

Description

Cash surrender value of life insurance policies *owned by and payable to* the dealership.

Accounting Entries

Debits	Credits
• Cash surrender value of all life insurance policies of which the dealership is owner and beneficiary. • Increases in cash surrender value upon payment of additional premiums. • Accrued dividends and interest. **Debit Balance** • Cash value of current policies.	• Cash received when policy is surrendered or canceled.

Comments

A subsidiary schedule should be maintained showing the policy number, insurance company, face amount of the policy and the cash surrender value. Cash surrender value may be obtained from the insurance policy or the insurance agency.

Since these policies are generally not related to dealership operations, their premium payments should be debited to Other Adjustments, Account 855, rather than Insurance - Employees or Insurance - Other.

ASSETS

Account 293 — Notes & Accounts Receivable - Officers & Owners

Description

Amounts due the dealership from officers and owners.

Accounting Entries

Debits	Credits
• Open account purchases by officers or owners. • Loans made *to* officers or owners (whether active or inactive). **Debit Balance** • Net balance owed by officers.	• Payments received on account.

Comments

This account is for use by corporations only. Withdrawals by a sole proprietor or a partner should be charged to Drawings, Account 390. Interest payments and accruals on outstanding loans should be credited to Interest Income, Account 801.

Formal documentation of each loan is necessary including amount borrowed, interest rate, term, and repayment schedule.

A separate General Ledger account may be established for each officer or owner. These should be combined in Account 293 on the financial statement.

ASSETS

Account 294 — Advances to Employees

Description

Loans and advances to employees.

Accounting Entries

Debits	Credits
• Loans to employees. • Advances to representatives for commissions on future sales. **Debit Balance** • Net amount owed by employees.	• Loan payments from employees.

Comments

Purchases by employees on credit should not be included in this account but recorded as receivables in the appropriate department.

ASSETS

Account 295 — Notes & Accounts Receivable - Other

Description

Loans to other than affiliated companies, owners, and employees.

Accounting Entries

Debits	Credits
• Loans to non-affiliated businesses or individuals other than officers and employees. • Insurance claims filed. • Tax refunds due. **Debit Balance** • Net balance owed to dealership on other notes and accounts.	• Principal payments on loans in this account. • Uncollectible items. • Receipts of insurance claims and tax refunds.

Comments

Subsidiary General Ledger accounts or detailed schedules should be maintained for each type of asset or investment. These accounts should be combined on the financial statement in Account 295.

Formal documentation of each loan is necessary including amount borrowed, interest rate, term, and repayment schedule.

Interest earned or received should be credited to Interest Income, Account 801.

ASSETS

Account 296 — Other Non-Franchise Assets

Description

Book value of goodwill, non-compete covenants and other non-operating assets.

Accounting Entries

Debits	Credits
• Investment in real and personal property not used in the automobile business. • Amount paid for goodwill at time of dealership purchase. • Club memberships. **Debit Balance** • Book value of other assets held by the dealership.	• Cost of assets sold. • Cost of assets placed in service in the automobile business.

Comments

A subsidiary schedule should be maintained showing each asset in the account.

Goodwill and other assets acquired in franchise acquisition are subject to complicated tax treatment. Legal and accounting advice is recommended in recording and amortizing such assets.

Amortization of any asset in this account should be debited to Amortization - Other Assets, Account 806, *not* Amortization - Leaseholds, Account 81 or Other Adjustments, Account 855.

ASSETS

Account 299 Notes & Accounts Receivable - Investments in Affiliated Companies

Description

Investments and loans in companies affiliated with the dealership.

Accounting Entries

Debits	Credits
• Investment cost in subsidiary or affiliated companies. **Debit Balance** • Book value of investments in other companies.	• Cost of investments and securities sold. • Write-downs to market value.

Comments

Subsidiary General Ledger accounts or detailed schedules should be maintained for each type of asset or investment. These accounts should be combined on the financial statement in Account 299.

Examples of items in this account include loans to or stock held in:

- Body shops
- Lease companies
- Real estate partnerships
- Insurance and warranty companies

Stocks, bonds, or other marketable securities which may be readily converted to cash should not be included in this account but in Securities, Account 260.

Operating income or gains from the sale of these assets should be credited to Other Income, Account 805. However, interest received or accrued is credited to Interest Income, Account 801. Any operating loss or loss from asset sales should be debited to Other Adjustments, Account 855.

LIABILITIES

Account 300 — Trade Creditors

Description

The balance due various vendors and suppliers including parts, services, and supplies.

Accounting Entries

Debits	Credits
• Payments made on vendor accounts. • Credit memos from vendors. • Obsolescence credit.	• Purchase of merchandise, equipment and services. • Cost of pre-owned warranty policies. **Credit Balance** • Net amount due vendors.

Comments

When a dealership takes advantage of a cash discount for early payment, the undiscounted amount should be debited to Account 300 and the discount credited to Cash Discounts Earned, Account 800.

Payments collected from customers for transmittal to others should be recorded in a separate account and combined in Account 300 on the financial statement.

LIABILITIES

Account 305 — Customer Deposits

Description

The balance due customers and for future purchases of vehicles, service, and parts.

Accounting Entries

Debits	Credits
• Refunds. • Deposits applied to actual sales.	• Customer deposits received on future vehicle sales including Tourist. • Customer deposits received on future service and part sales. **Credit Balance** • Total deposits on vehicles and other sales.

Comments

This is a control account; a subsidiary ledger of all open accounts should be maintained.

LIABILITIES

Account 309 — Accounts Payable - Other

Description

Payments due to other than trade creditors.

Accounting Entries

Debits	Credits
• Payments to satisfy liens against pre-owned and repossessed vehicles. • Payments for licenses and fees. • Refunds due to customers.	• Liens on pre-owned or repossessed vehicles. • Customers' payments for registration or title fees. **Credit Balance** • Net balance of license fees, liens and non-vendor payables.

Comments

Liens should be paid off immediately to obtain clear title to the vehicle.

LIABILITIES

Account 310A	**Notes Payable - New Vehicles/Demo - M-B**
Account 310B	**Notes Payable - New Vehicles/Demo - Other**
Account 310E	**Notes Payable - New Vehicles/Demo - Commercial Vehicles**
Account 310S	**Notes Payable - New Vehicles/Demo - smart**

Description

Flooring debt on new vehicles.

Accounting Entries

Debits	Credits
• Principal payments on notes secured by new vehicles. • Curtailment payments made to finance institutions. • Amount floored on vehicles transferred to lease, rental or company vehicle use.	• Amounts due finance institutions on notes secured by new vehicles. **Credit Balance** • Total due on new vehicle flooring lines.

Comments

Finance notes should be paid off immediately upon disposal of the vehicle unless deferred payment has been authorized by the finance institution.

A detailed record of the unpaid note due on each vehicle should be included on a vehicle inventory ledger. The total amount for all vehicles must agree with the General Ledger account balance.

The finance institution should furnish a monthly statement detailing the serial number and amount of all outstanding notes. This should be reconciled to dealership records to determine that payments have been promptly recorded, payments have been made for all units sold and all notes apply to the dealership.

Interest charges on notes in this account should be debited to the new vehicle department under Floor Plan Interest, Account 62A.

LIABILITIES

Account 312A	**Notes Payable - Pre-Owned Vehicles/Demo - M-B**
Account 312B	**Notes Payable - Pre-Owned Vehicles/Demo - Other**
Account 312E	**Notes Payable - Pre-Owned Vehicles/Demo - Commercial Vehicles**
Account 312S	**Notes Payable - Pre-Owned Vehicles/Demo - smart**

Description

Flooring debt on pre-owned vehicles.

Accounting Entries

Debits	Credits
• Principal payments on notes secured by pre-owned vehicles. • Curtailment payments made to finance institutions.	• Amounts due finance institutions on notes secured by pre-owned vehicles. **Credit Balance** • Total due on used vehicle flooring lines.

Comments

Interest charges on notes in this account should be debited to the pre-owned vehicle department under Floor Plan Interest, Account 62B.

All pre-owned Maybach vehicles should be recorded under Notes Payable - Pre-Owned Vehicles/Demo Other Account 312B.

See Account 310 for additional information.

LIABILITIES

Account 313 — Notes Payable - Lease & Rental Vehicles

Description

Flooring loans for lease and rental units.

Accounting Entries

Debits	Credits
• Principal payments made on notes secured by lease or rental vehicles. • Curtailment payments made to finance institutions.	• Principal amounts due finance institutions on notes or contracts secured by lease and rental vehicles. **Credit Balance** • Total due on lease and rental floor plan loans.

Comments

Interest charges on the account should be debited to Lease & Rental Income/Expense, Account 809.

LIABILITIES

Account 314 — Notes Payable - Other

Description

Short term loans and lines of credit.

Accounting Entries

Debits	Credits
• Principal payments made on notes secured by assets other than vehicle inventories. • Payments on lines of credit and other short term loans.	• Principal amounts due finance institutions on notes secured by assets other than vehicle inventories. • Amounts due finance institutions on unsecured loans and lines of credit. **Credit Balance** • Total short term obligations other than floor plan.

Comments

Examples of items chargeable to this account are:

- Loans due in less than 12 months
- Equipment lease/purchase contracts
- Short term notes from owners
- Life insurance loans
- Company vehicles
- Roadside Assistance vehicles

Interest charges on all notes in this account should be debited to Interest Expense, Account 803.

LIABILITIES

Account 315 — Current Portion - Long Term Debt

Description

Current year principal due on all term loans.

Accounting Entries

Debits	Credits
• Payments on long term notes and loans.	• Principal amounts due during next 12 months to finance institutions or owners. **Credit Balance** • Total loan and note principal payments due over the next 12 months.

Comments

A subsidiary record should be maintained for each loan.

Interest paid on mortgages should be debited to Interest - Mortgages, Account 93; interest on other long term debt belongs in Interest Expense, Account 803.

LIABILITIES

Account 316 — Notes Payable - Courtesy Vehicle Program

Description

Flooring (short-term or long-term) loans for new vehicles in Courtesy Vehicle Program service

Accounting Entries

Debits	Credits
• Principal payments made on notes secured by Courtesy Vehicle Program vehicles. • Curtailment payments made to finance institutions.	• Principal amounts due finance institutions on notes or contracts secured by Courtesy Vehicle Program vehicles. **Credit Balance** • Total due on Courtesy Vehicle Program vehicles.

Comments

Interest charges on the account should be debited to Courtesy Vehicle Program Expense, Account 52.

See Accounting Memo 04-1 for additional information.

LIABILITIES

Account 320 — Interest Payable

Description

Interest due on all loans.

Accounting Entries

Debits	Credits
• Interest payments made on notes and contracts.	• Unpaid interest expense. **Credit Balance** • Net interest due on all loans and notes.

Comments

Interest-bearing obligations for which interest should be recorded in this account are:

- New & pre-owned vehicles
- Lease & Rental vehicles
- Courtesy Vehicle Program (previously known as Customer Loaner Program) vehicles
- Other notes payable
- Long term debt
- Mortgages

LIABILITIES

Account 321 — Salaries, Wages & Commissions Payable

Description

Payroll expense outstanding.

Accounting Entries

Debits	Credits
• Net payments of employee compensation. • Advances to representatives. • Reversal of prior month-end payroll accrual.	• Monthly accrual for gross salaries, wages, commissions and incentives earned but not paid from last payroll date to month-end. **Credit Balance** • Net unpaid payroll expense.

Comments

When the end of the pay period is not at month end, the amount of employee compensation earned but not paid during the month should be accrued individually by employee and recorded in the Payroll Journal. The balance is shown in Account 321.

Separate ledger accounts may be established on a subsidiary ledger used for each representative. Debit balances may be shown within Advances to Employees, Account 294.

LIABILITIES

Account 322 — Insurance Payable

Description

Insurance payments outstanding.

Accounting Entries

Debits	Credits
• Premium payments. • Advance deposits applied in settlement of premiums.	• Monthly earned premiums on all insurance coverage. **Credit Balance** • Net unpaid insurance expense.

Comments

This account will include insurance premiums for coverage such as:

- Inventories
- Workers' compensation
- Public liability
- Property damage
- Business interruption

A schedule should be maintained describing each policy in effect.

LIABILITIES

Account 323 — Payroll Taxes Payable

Description

Unpaid payroll taxes.

Accounting Entries

Debits	Credits
• Payments to local, state and federal agencies for taxes withheld on employee earnings.	• Federal, state and local income taxes withheld from employee earnings. • FICA tax (Social Security and Medicare programs) withheld from employee earnings. • Employer's portion of FICA tax. • Monthly accrual for Federal Unemployment Taxes. **Credit Balance** • Net unpaid payroll taxes.

Comments

Separate General Ledger accounts should be established for each tax. These accounts should be combined and shown in Account 323.

LIABILITIES

Account 324 — Sales Taxes Payable

Description

Sales taxes due to various agencies.

Accounting Entries

Debits	Credits
• Payments made to state, local and other agencies. • Revenue earned for tax collection.	• Sales tax collected from customer vehicle purchases. • Luxury taxes collected. • Sales tax collected from service, parts and body shop customers. • Use tax payable on merchandise used within the dealership for which sales or use tax was not paid at time of purchase. • Miscellaneous sales and use taxes. **Credit Balance** • Net unpaid sales taxes.

Comments

The collection of sales taxes and the calculation of use tax liability should conform to all state and local regulations.

Subsidiary General Ledger accounts should be maintained for each taxing entity (state, county, etc.) and tax category (sales, luxury, excise).

LIABILITIES

Account 325 — Other Taxes Payable

Description

Various tax payments due.

Accounting Entries

Debits	Credits
• Payments made to state, local and other agencies.	• Monthly provision for any other taxes exclusive of payroll, sales or income. • Credits and/or adjustment to estimated tax liabilities. **Credit Balance** • Net unpaid taxes other than payroll, sales and income.

Comments

Separate General Ledger accounts may be established for each tax and combined with Account 325.

Items included in this account include:

- Real Estate
- Personal Property
- Gross Receipts
- Business and Occupation
- Franchise Taxes

Real and personal property taxes become liabilities on dates specified by the applicable government agency. The estimated liability for these taxes should be adjusted when the actual amount has been determined.

LIABILITIES

Account 326 — Deferred Income Taxes

Description

Provision for taxes payable in future years.

Accounting Entries

Debits	Credits
• Refunds and credits to prior tax liability. • Payments made to federal, state and local tax authorities.	• Differences between tax basis and book basis that increase future tax liability. • Adjustments to prior taxes from audits or resubmission. **Credit Balance** • Net unpaid income taxes from current and prior periods.

Comments

Deferred income taxes arise from differences between book basis (computed in accordance with GAAP) and tax basis (computed in accordance with prescribed tax regulations) that result in future tax liability (an increase in taxes payable in future years). These items arise from the use of a method of income recognition for income tax purposes different from the method used for financial reporting purposes. For example, if straight-line depreciation is used for book purposes and accelerated depreciation is used for tax purposes then net income will be lower on a tax basis as compared to a book basis.

LIABILITIES

Account 327 — Income Taxes Payable

Description

Provision for current year income taxes.

Accounting Entries

Debits	Credits
• Month-end adjustment applicable to year-to-date profits that reduce tax liability. • Payments made to federal, state and local tax authorities.	• Month-end adjustment applicable to year-to-date profits that increase tax liability. **Credit Balance** • Net unpaid income taxes.

Comments

Federal, state and local income taxes should be estimated monthly based upon year-to-date earnings and adjusted through Income Tax - Current Year, Account 99.

LIABILITIES

Account 328 — Employee Bonuses Payable

Description

Manager and employee bonuses earned but not paid.

Accounting Entries

Debits	Credits
• Bonus payments made to employees. • Payroll deductions for taxes, etc.	• Provision for bonuses for employees based on dealership profit. **Credit Balance** • Unpaid employee bonuses.

Comments

This account is for bonuses based upon dealership profit and payable in subsequent periods. Regular manager compensation based on monthly sales or profit should be included in Compensation - Managers, Account 20. Payments should be processed through a payroll journal in the same manner as regular salary and wage payments.

Tax counsel should be obtained concerning the timing of accrued bonus payments at year end.

LIABILITIES

Account 329 — Owner Bonuses Payable

Description

Owner and shareholder bonuses earned but not paid.

Accounting Entries

Debits	Credits
• Gross bonus payments made to owners.	• Provision for bonuses for owners based upon total dealership profit. **Credit Balance** • Unpaid owner bonuses.

Comments

This account is for owner bonuses based upon total dealership profit and payable in subsequent periods. Payments should be processed through a payroll journal in the same manner as owners' salary.

Tax counsel should be obtained concerning the timing of accrued bonus payments at year end.

LIABILITIES

Account 330 — Pension Fund/Profit Sharing Payable

Description

Contributions due to employee pension programs.

Accounting Entries

Debits	Credits
• Payments made to a pension fund plan or to profit sharing participants. • Adjustment to reduce the accrual balance to actual liability.	• Monthly employee contributions. • Monthly employer contribution. • Adjustment to increase the account balance to actual liability. **Credit Balance** • Unpaid pension and profit sharing contributions.

Comments

Dealership contributions should be accrued monthly. The offsetting expense entry is Pension and Profit Sharing, Account 26. Regardless of the method used to compile the employer contribution, quarterly and annual adjustments are usually required to bring the employer contribution into agreement with the fund requirements.

Legal and accounting counsel should be obtained on all questions relating to pension, retirement and profit sharing plans.

LIABILITIES

Account 331 — Other Payables

Description

Various unpaid expenses.

Accounting Entries

Debits	Credits
• Payments of expenses accrued in this account. • Reversal of previous month accrual. • Adjustment to reduce any accrual to actual liability. • Dividend payments.	• Monthly accrual for all other expenses for which no specific account has been provided. • Adjustment to increase any accrual to actual liability. • Dividends declared during current year. **Credit Balance** • Net amount due on other expenses.

Comments

Separate General Ledger accounts may be established for each expense included in this account and combined in Account 331 on the financial statement.

Typical expenses in this account include:

- Legal and accounting
- Dividend
- Rent
- LIFO services
- Inventory service
- Contingent liabilities and reserves for service contracts underwritten by the dealership

ASSETS

Account 332 — Allowance, Parts Inventory Adjustment

Description

Provision for possible shortages or obsolescence of parts inventories.

Accounting Entries

Debits	Credits
• Any monthly adjustment to decrease the balance in this account. • Inventory shrinkage and damage (credited to 242). • Amount of parts returned to manufacturer.	• Adjustments to increase the balance in this account. • Amount of parts scrapped. **Credit Balance** • Provision for possible overvaluation of parts inventories.

Comments

This account represents potential differences between total parts inventory as listed in Accounts 242A, 242B, 242E, 242S and actual value. It can be estimated based on past experience in inventory shrinkage and obsolescence.

LIABILITIES

Account 334 — Long Term Debt

Description

Loans from finance institutions and individuals to the dealership.

Accounting Entries

Debits	Credits
• Principal payments on notes included in this account.	• Long term loans from banks, finance institutions and individuals (non-owners). **Credit Balance** • Net long term portion of loans from banks, individuals and finance companies.

Comments

Separate General Ledger accounts should be established for each note included in this account and combined in Account 334. That portion of any note due and payable within the next twelve months from the balance sheet date should be shown under Current Portion - Long Term Debt, Account 315.

Loans from owner shareholders or related companies should be shown separately in Accounts 336 and 339.

Paid or accrued interest should be recorded monthly and debited to Interest Expense, Account 803.

LIABILITIES

Account 335 — Mortgages Payable - Real Estate

Description

Mortgage loans outstanding.

Accounting Entries

Debits	Credits
• Principal payments on mortgages.	• Long term loans secured by real estate used in dealership operations. **Credit Balance** • Net long term portion of outstanding mortgages.

Comments

This is a control account which should be supported by a subsidiary record including a payment and interest schedule. That portion of any mortgage due and payable within the next twelve months from the balance sheet date should be shown under Current Portion - Long Term Debt, Account 315.

Interest paid or accrued should be recorded monthly and debited to Interest - Mortgages, Account 93.

LIABILITIES

Account 336 — **Notes Payable - Owners/Officers**
Account 339 — **Notes Payable - Affiliated Companies**

Description

Loans from owners and affiliated companies to the dealership.

Accounting Entries

Debits	Credits
• Principal payments made on notes to owners or affiliated companies.	• Long term loans received from owners/officers. • Long term loans received from affiliated companies. **Credit Balance** • Net amount borrowed from owners or affiliated companies.

Comments

This is a control account which should be supported by a subsidiary record including a payment and interest schedule. That portion of any note due and payable within the next twelve months from the balance sheet date should be shown under Current Portion - Long Term Debt, Account 315. Paid or accrued interest should be recorded monthly and debited to Interest Expense, Account 803.

Documentation and interest accrual or payment is generally necessary for tax purposes of all notes.

ASSETS

Account 340 — Allowance for Doubtful Accounts

Description

Provision for potential non-payment of customer or other questionable accounts.

Accounting Entries

Debits	Credits
• Any monthly adjustment to decrease the balance in this account. • All receivables determined to be uncollectible.	• Any monthly adjustment to increase the balance in this account. **Credit Balance** • Provision for possible loss on customer receivables.

Comments

This account represents potential losses on receivables. Its balance can be established after an analysis of:

- Service, parts and vehicle receivables over 90 days past due or otherwise construed to be worthless.
- Customer checks returned by the bank.
- All notes over 90 days past due or otherwise construed to be worthless.

The balance may also be established and adjusted monthly based on past experience. The related expense should be charged to Account 33 - Bad Debts.

When an account is collected by a credit or collection agency, the fee or percentage retained by the agency should be charged to Legal & Accounting, Account 72, and the total amount collected credited to the customer's account.

ASSETS

Account 350	**Land & Improvements - Accumulated Depreciation**
Account 351	**Buildings & Improvements - Accumulated Depreciation**
Account 352	**Machinery & Shop Equipment - Accumulated Depreciation**
Account 353	**Parts & Accessories Equipment - Accumulated Depreciation**
Account 354	**Furniture, Fixture & Signs - Accumulated Depreciation**
Account 355	**Company Vehicles - Accumulated Depreciation**
Account 356	**Leaseholds - Accumulated Amortization**
Account 357	**Other - Accumulated Amortization**
Account 359	**Commercial Vehicle Environment - Accumulated Depreciation**
Account 359S	**smart Environment - Accumulated Depreciation**

Description

Accumulated depreciation and amortization of fixed assets.

Accounting Entries

Debits	Credits
• The accumulated depreciation and amortization of fixed assets upon sale, or lease termination.	• Monthly provision for depreciation and amortization of fixed assets. **Credit Balance** • Accumulated depreciation or amortization.

Comments

All fixed assets are control accounts which should be supported by subsidiary records.

Land is generally not a depreciable item. Consult tax advice before depreciating improvements listed in Account 350. Useful lives of various building types and equipment vary as to construction, use and other factors. Tax advice should be obtained concerning depreciation methods and rates.

The costs of leaseholds should be amortized monthly over the term of the lease. Generally, the amortization period is the shorter of the remainder of the lease or expected life of the asset. A premium paid for a lease should be amortized over the term of the lease.

NET WORTH

Account 360A — **Capital Stock - Corporations Only "C"**
Account 360B — **Capital Stock - Subchapter "S"**

Description

Par value of capital stock.

Accounting Entries

Debits	Credits
• Par or assigned value of common and preferred stock purchased and retired.	• Par or assigned value of common and preferred stock issued. **Credit Balance** • Par value of common and preferred stock outstanding.

Comments

This account should be used only by a dealership operating as a corporation. Before engaging in any transaction involving the corporation's capital stock, obtain accounting and legal counsel.

When a corporation repurchases its own capital stock, one of the following procedures should be used:

1. If stock is retired, its par or assigned value should be charged to Account 360. Amounts paid in excess of par or assigned value should be charged to Account 370. If purchased for less, the discount should be credited to Paid In Capital, Account 381.
2. If the stock is not retired, it should be recorded at cost in Treasury Stock, Account 365.
3. If legal considerations require a recording and financial statement presentation different from outlined above, then such procedures should be observed and MBUSA should be advised.

NET WORTH

Account 365 **Treasury Stock**

Description

Value of previously issued stock repurchased by the company.

Accounting Entries

Debits	Credits
• Purchase price of preferred or common stock re-purchased by the corporation but not retired. **Debit Balance** • Net value of stock re-purchased by the corporation.	• Value of preferred or common stock re-issued.

Comments

This account should be used only by a dealership operating as a corporation. Transactions involving this account should be handled in accordance with legal and tax counsel advice.

NET WORTH

Account 370A — Retained Earnings - Corporations Only "C"

Description

Past profits of the corporation that have not been paid as dividends.

Accounting Entries

Debits	Credits
• Net loss for the accounting year as shown in Net Profit/Loss After Taxes, Account 399. • Dividends declared and recorded in Account 375 at close of year. • Amounts paid in excess of par or assigned value of retired common or preferred stock.	• Net profit for the accounting year as shown in Net Profit/Loss After Taxes, Account 399. **Credit Balance** • Undistributed, accumulated past profits for an incorporated dealership.

Comments

This account should be used only by a dealership operating as a "C" corporation. Adjustments relating to transactions of a prior year may be entered in this account to avoid distortion of current year operating results.

NET WORTH

Account 370B **Retained Earnings - "C" Corporation (From Prior to Becoming a Subchapter "S" Corporation)**

Description

Undisturbed profit made before conversion to "S" status or during "S" corporation years before 1983.

Accounting Entries

Debits	Credits
• Adjustments reflecting unstated prior year loses.	• Adjustments reflecting unstated prior profits. **Credit Balance** • Accumulated past profits prior to conversion to "S" corporation status or during "S" corporation years before 1983.

Comments

This account should be used only by a dealership operating as a corporation. Adjustments relating to transactions of a prior year where "C" status applied may be entered in this account to avoid distortion of current year operating results.

NOTE: This situation could occur when a C-Corporation elects to change to an S-Corporation status, the IRS allows the S-Corporation to freeze the Retained Earnings of the C-Corporation. However, if the retained earnings are distributed, they are considered a dividend and are treated as taxable income to the individual receiving them, at their personal tax rate.

NET WORTH

Account 375 — Dividends

Description

Current year declared dividends.

Accounting Entries

Debits	Credits
• Dividends declared for distribution to stockholders. **Debit Balance** • Total dividends declared.	• Year-end transfer of the account balance to Retained Earnings, Account 370.

Comments

This account should be used only by a dealership operating as a corporation. All dividend declaration must be included in the corporate minutes.

At year end, transfer the balance in this account to Retained Earnings, Account 370.

NET WORTH

Account 377 — Previously Taxed Income - Subchapter "S" Corporations

Description

Profits retained by the corporation prior to conversion to "S" status.

Accounting Entries

Debits	Credits
• Adjustments reflecting reductions in prior profits.	• Adjustments reflecting increases in prior profit. **Credit Balance** • Undisturbed profits retained by the corporation prior to conversion to "S" status.

Comments

This account is intended to be used only by Subchapter "S" corporations which had earnings and profits accumulated when they were "C" corporations or prior to 1983.

NET WORTH

Account 378 — Other Adjustments - Subchapter "S" Corporations

Description

Distribution to shareholders of "S" corporations.

Accounting Entries

Debits	Credits
• All distributions to "S" corporation shareholders. **Debit Balance** • Total distributions to shareholders.	

Comments

This account represents Subchapter "S" corporation distributions that are not reinvested in the corporation.

NET WORTH

Account 379 Accumulated Adjustment Account - Subchapter "S" Corporations

Description

Tax effect of distributions from accumulated profits.

Accounting Entries

Debits	Credits
• Nontaxable corporate distributions to shareholders. • Corporate loss and deduction items separately stated and passed through to shareholders. **Debit Balance** • Net withdrawals by shareholders.	• Corporate items separately stated and passed through to shareholders. **Credit Balance** • Net reinvestment by shareholders of distributed earnings.

Comments

The Accumulated Adjustment Account (AAA) is used to compute the tax effect of distributions made by a Subchapter "S" corporation with accumulated earnings and profits. The AAA is zero on the first day of a Subchapter "S" corporation's first tax year beginning after 1982 and is increased and decreased accordingly for all applicable taxable and non-taxable income and expense items. Please be aware that this account may become negative but may be restored to a positive balance by future income.

All corporate profits under the Subchapter "S" election must be taxed to the owners whether distributed or not. Account 379 should be utilized by Subchapter "S" corporations that were never "C" corporations or by Subchapter "S" corporations which elected "S" status after 1982.

NET WORTH

Account 380 **Investments**

Description

Cumulative investment of partners or proprietors.

Accounting Entries

Debits	Credits
• Net loss for the accounting year as shown in Net Profit/Loss After Taxes, Account 399.	• Investments in an unincorporated dealership. • Net profit for the accounting year as shown in Profit/Loss After Taxes, Account 399. **Credit Balance** • Net investment of partners or proprietor.

Comments

This account should be used only by a dealership operating as a Proprietorship or Partnership including Limited Liability Partnerships.

Withdrawals made by the proprietor or partners should not be included in this account but debited to Drawings, Account 390.

In the case of a partnership, separate General Ledger accounts should be used for the partners and combined in Account 380. Allocation of profits or losses to each partner's investment account should be in accordance with the partnership agreement.

NET WORTH

Account 381A — **Additional Paid In Capital - "C" Corporations Only**
Account 381B — **Additional Paid In Capital - Subchapter "S"**

Description

Capital investments above par or assigned value of stock.

Accounting Entries

Debits	Credits
• Additional paid in capital withdrawn by owners/officers.	• Cash or other property from owners/officers representing additional paid in capital. • Amounts paid for stock in excess of par or assigned value when stock is issued. • Amounts paid below par or assigned value when stock is retired or repurchased. **Credit Balance** • Net contribution by owners above the par value of stock.

Comments

These accounts should be used only by a dealership operating as a corporation. Legal and accounting counsel should be obtained before any payments or withdrawals of additional paid in capital are made.

These accounts are used when stock is sold for greater than par value. For example, if a new shareholder pays $250,000 for 100 shares with par value of $1,000/share, a $100,000 credit is made to Account 360 and the remaining $150,000 is credited to Account 381.

NET WORTH

Account 390 — Drawings

Description

Current year distributions to partners.

Accounting Entries

Debits	Credits
• Withdrawals during current year. • Credit balance year end transferred to Investments, Account 380. **Debit Balance** • Total withdrawals by partners during the current year.	• Debit balance year end transferred to Investments, Account 380.

Comments

This account should be used by a dealership operating as a Proprietorship or Partnership. Separate General Ledger accounts should be maintained for each partner and combined in Account 390 on the financial statement. Salaries and bonuses to partners should not be debited to this account but rather to Compensation - Owners, Account 19, or Bonuses - Owners, Account 98.

NET WORTH

Account 399 **Profit/Loss - Current Year**

Description

Year-to-date profit for the dealership.

Accounting Entries

Debits	Credits
• At the end of the accounting year debit with the year-end General Ledger balances of the following accounts: - Cost of Sales Accounts - Expense Accounts - Deductions from Income Accounts - Income Taxes (Account 99) • The net profit for the current year transferred to Retained Earnings, Account 370, or Investments, Account 380.	• At the end of the accounting year credit with the year-end General Ledger balances of the following accounts: - Sales Accounts - Additions to Income Accounts • The net loss for the current year transferred to Retained Earnings, Account 370, or Investments, Account 380. **Credit Balance** • Year-to-date profit.

Comments

There should be no balance in this account at the beginning of the accounting year. The profit or loss as reflected in the financial statement is determined by entering the net balances of all accounts in the operating statement.

VARIABLE DEPARTMENTS
SALES & COST OF SALES CONTENTS

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Sales	CoS	Description
402R/L	602R/L	M-B E400S4
405R/L	605R/L	M-B E300W4
406R/L	606R/L	M-B S600V
407R/L	607R/L	M-B S550V
410R/L	610R/L	AMG C63W
411R/L	611R/L	M-B E300W
413R/L	613R/L	M-B C300W4
416R/L	616R/L	M-B SL550R
424R/L	624R/L	M-B C300W
432R/L	632R/L	AMG E43W4
435R/L	635R/L	AMG E63W4
442R/L	642R/L	M-B S550V4
491R/L	691R/L	AMG GLE63W4
495R/L	695R/L	AMG SL63R
496R/L	696R/L	M-B C300C
497R/L	697R/L	AMG C63C
499R/L	699R/L	M-B E550A
509R/L	709R/L	AMG GLE63C4S
510R/L	710R/L	RESERVED FOR FUTURE USE
519R/L	719R/L	M-B C300C4
521R/L	721R/L	M-B GLS550W4
523R/L	723R/L	AMG CLA45C4
529R/L	729R/L	M-B E550C
532R/L	732R/L	M-B GLE350W
533R/L	733R/L	M-B GLE350W4
538R/L	738R/L	M-B CLS550C4
565R/L	765R/L	M-B CLS550C
572R/L	772R/L	AMG S65V
575R/L	775R/L	AMG SL65R
576R/L	776R/L	AMG G63W4
581R/L	781R/L	M-B GLS450W4
584R/L	784R/L	M-B GLS350D4
599R/L	799R/L	M-B G550W4
1401R/L	1601R/L	AMG C43C4
1403R/L	1603R/L	AMG C63AS
1409R/L	1609R/L	AMG G65W4
1410R/L	1610R/L	M-B GLC300D4
1411R/L	1611R/L	AMG GTS
1412R/L	1612R/L	M-B CLA250C
1413R/L	1613R/L	M-B CLA250C4
1414R/L	1614R/L	AMG GLS63W4
1415R/L	1615R/L	AMG C43W4
1417R/L	1617R/L	AMG C63WS
1418R/L	1618R/L	AMG C63CS
1421R/L	1621R/L	M-B E400A
1423R/L	1623R/L	M-B E400C
1424R/L	1624R/L	M-B E400C4
1425R/L	1625R/L	AMG E63W4S
1426R/L	1626R/L	AMG E63S4S
1427R/L	1627R/L	AMG GTR
1428R/L	1628R/L	RESERVED FOR FUTURE USE
1429R/L	1629R/L	M-B CLS400C
1430R/L	1630R/L	M-B CLS400C4
1432R/L	1632R/L	AMG CLS63C4S
1433R/L	1633R/L	M-B S550A
1434R/L	1634R/L	AMG S63A4
1435R/L	1635R/L	M-B S550C4
1436R/L	1636R/L	MAYBACH S600X
1438R/L	1638R/L	AMG S63V4
1439R/L	1639R/L	AMG S63C4
1440R/L	1640R/L	AMG S65C
1441R/L	1641R/L	AMG S65A
1442R/L	1642R/L	M-B SL450R
1443R/L	1643R/L	M-B B-Class Electric Drive
1444R/L	1644R/L	M-B GLE300D4
1445R/L	1645R/L	AMG GLE43W4
1447R/L	1647R/L	AMG GLC43W4
1448R/L	1648R/L	M-B GLA250W
1449R/L	1649R/L	M-B GLA250W4
1450R/L	1650R/L	AMG GLA45W4
1451R/L	1651R/L	M-B GLC300C4
1452R/L	1652R/L	M-B C300D4
1453R/L	1653R/L	M-B C350WE
1454R/L	1654R/L	AMG C43A4
1455R/L	1655R/L	M-B S550VE
1456R/L	1656R/L	MAYBACH S550X4
1457R/L	1657R/L	M-B SLC300R
1458R/L	1658R/L	M-B GLE550E4
1459R/L	1659R/L	AMG GLE63W4S
1460R/L	1660R/L	AMG GLE43C4
1461R/L	1661R/L	M-B GLC300W
1462R/L	1662R/L	M-B GLC300W4
1463R/L	1663R/L	M-B C300A
1464R/L	1664R/L	M-B C300A4
1465R/L	1665R/L	AMG C63A
1466R/L	1666R/L	RESERVED FOR FUTURE USE
1467R/L	1667R/L	RESERVED FOR FUTURE USE
1468R/L	1668R/L	RESERVED FOR FUTURE USE
1469R/L	1669R/L	AMG GTA
1470R/L	1670R/L	AMG GTCA
1471R/L	1671R/L	MAYBACH S650A
1472R/L	1672R/L	RESERVED FOR FUTURE USE
1473R/L	1673R/L	AMG SLC43R
1474R/L	1674R/L	RESERVED FOR FUTURE USE
1475R/L	1675R/L	RESERVED FOR FUTURE USE
1476R/L	1676R/L	AMG GT
1477R/L	1677R/L	AMG GLC43C4
1478R/L	1678R/L	M-B G550W44
1479R/L	1679R/L	RESERVED FOR FUTURE USE
1480R/L	1680R/L	RESERVED FOR FUTURE USE
1481R/L	1681R/L	RESERVED FOR FUTURE USE
1482R/L	1682R/L	RESERVED FOR FUTURE USE
1483R/L	1683R/L	RESERVED FOR FUTURE USE
1484R/L	1684R/L	RESERVED FOR FUTURE USE
1485R/L	1685R/L	RESERVED FOR FUTURE USE
1486R/L	1686R/L	RESERVED FOR FUTURE USE
1487R/L	1687R/L	RESERVED FOR FUTURE USE
1488R/L	1688R/L	RESERVED FOR FUTURE USE
1489R/L	1689R/L	RESERVED FOR FUTURE USE

VARIABLE DEPARTMENTS
SALES & COST OF SALESCONTENTS

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NEW VEHICLE DEPARTMENT (Continued)

Sales	COS	Account Description
422	622	Affiliated Lease - M-B
423	623	Affiliated Lease - Other
428R/L	628R/L	Courtesy Vehicle Program (CVP)
429R/L	629R/L	New Vehicle - Other
577R/L	777R/L	Fleet/Corporate Sales Program
2401R/L	2601R/L	2500 Cargo Van
2402R/L	2602R/L	3500 Cargo Van
2403R/L	2603R/L	2500 Passenger Van
2404R/L	2604R/L	3500 Cab Chassis
2406R/L	2606R/L	3500 Mini Bus
2407R/L	2607R/L	Metris VS20 Passenger Van
2408R/L	2608R/L	Metris VS20 Cargo Van
2415R/L	2615R/L	Metris Worker Cargo Van
2416R/L	2616R/L	Metris Worker Passenger Van
2417R/L	2617R/L	Sprinter Worker Cargo Van
2418R/L	2618R/L	RESERVED FOR FUTURE USE
2410R/L	2610R/L	Fleet - Commercial Vehicles
2411R/L	2611R/L	CVP - Commercial Vehicles
3401R/L	3601R/L	smartC (Coupe)
3403R/L	3603R/L	smartA (Cabriolet)
3406R/L	3606R/L	smartCE (Electric Drive – Coupe)
3409R/L	3609R/L	smart Reserved for future use
3410R/L	3610R/L	smart - Courtesy Vehicle Program
3411R/L	3611R/L	smart - Fleet Corporate Sales Program
3415R/L	3615R/L	smartAE (Electric Drive – Cabriolet)
3416R/L	3616R/L	Reserved for future use
500A	700A	Finance Income & Chargebacks - M-B P/C
500B	700B	Finance Income & Chargebacks - Other
500E	700E	Finance Income & Chargebacks - Commercial Vehicles
500S	700S	Finance Income & Chargebacks - smart
501A	701A	Lease Income & Refunds - M-B P/C
501B	701B	Lease Income & Refunds - Other
501E	701E	Lease Income & Refunds - Commercial Vehicles
501S	701S	Lease Income & Refunds - smart
502A	702A	Prepaid Maintenance Income & Refunds - M-B P/C
502B	702B	Service Contract Income & Refunds - Other
502E	702E	Service Contract Income & Refunds - Commercial Vehicles
502S	702S	Service Contract Income & Refunds - New smart

NEW VEHICLE DEPARTMENT (Continued)

Sales	COS	Account Description
550	750	Finance Income & Chargebacks - M-B L/T
551	751	Lease Income & Refunds - M-B L/T
552	752	Prepaid Maintenance Income & Refunds - M-B L/T
586A	786A	Finance Income - Aftermarket Products - New M-B P/C
586B	786B	Finance Income - Aftermarket Products - New Other
586E	786E	Finance Income - Aftermarket Products - New Commercial Vehicles
586S	786S	Finance Income - Aftermarket Products - New smart
587A	787A	Lease Income - Aftermarket Products - New M-B P/C
587B	787B	Lease Income - Aftermarket Products - New Other
587E	787E	Lease Income - Aftermarket Products - New Other Commercial Vehicles
587S	787S	Lease Income - Aftermarket Products - New smart
588A	788A	Extended Limited Warranty Income & Refunds - New M-B P/C
589	789	Finance Income - Aftermarket Products - New M-B L/T
590	790	Lease Income - Aftermarket Products - New M-B L/T
591	791	Extended Limited Warranty Income & Refunds - New M-B L/T
596	796	Mercedes-Benz Drive Employee Appreciation and Loyalty Program (MBDEAL)
597	797	Dealer Employee One Purchase Program (DE1)
3412S	3612S	Insurance & Other Other Products – New smart
	645	Tourist Commissions
	695A	New Vehicle Repossession Losses
	695E	New Vehicle Repossession Losses - Commercial Vehicles
	695S	New Vehicle Repossession Losses - smart
	697	LIFO Adjustments - New Vehicles
	697E	LIFO Adjustments - New Commercial Vehicles
	697S	LIFO Adjustments - New Vehicles smart

VARIABLE DEPARTMENTS
SALES & COST OF SALES
CONTENTS

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PRE-OWNED VEHICLE DEPARTMENT

Sales	COS	Account Description
430R	630L	Pre-Owned M-B Retail - M-B P/C
430L	630R	Pre-Owned M-B Lease - M-B P/C
433A	633A	Wholesale - M-B
433B	633B	Wholesale - Other
433E	633E	Wholesale - Commercial Vehicles
433S	633S	Wholesales - smart
434R	634R	Pre-Owned Other - Retail
434L	634L	Pre-Owned Other - Lease
447R	647R	Certified Pre-Owned M-B Vehicles - Retail
447L	647L	Certified Pre-Owned M-B Vehicles - Lease
449R	649R	Pre-Owned M-B Retail - M-B L/T
449L	649L	Pre-Owned M-B Lease - M-B L/T
503A	703A	Finance Income & Chargebacks - P/O M-B P/C
503B	703B	Finance Inc. & Chargebacks - Pre-Owned Other
503E	703E	Finance Inc. & Chargebacks - Pre-Owned Commercial Vehicles
503S	703S	Finance Inc. - Pre-Owned smart
504A	704A	Lease Income & Refunds - Pre-Owned M-B P/C
504B	704B	Lease Income & Refunds - Pre-Owned Other
504E	704E	Lease Income & Refunds - Pre-Owned Commercial Vehicles
504S	704S	Lease Income - Pre-Owned smart
505A	705A	SC Income & Refunds - Pre-Owned M-B P/C
505B	705B	SC Income & Refunds - Pre-Owned Other
505E	705E	SC Income & Refunds - Pre-Owned Commercial Vehicles
505S	705S	SC Income & Refunds - Pre-Owned smart
540R/L	740R/L	Pre-Owned Vehicles - Maybach
541	741	P/O Vehicle Fin. Inc./Chargebacks - Maybach
542	742	P/O Vehicles Lease Income/Refunds - Maybach
543	743	Service Contract Income/Refunds - Pre-Owned Maybach
553	753	Finance Income & Chargebacks - P/O M-B L/T
554	754	Lease Income & Refunds - Pre-Owned M-B P/C
555	755	SC Income & Refunds - Pre-Owned M-B L/T
556	756	Finance Income & Chargebacks - CPO M-B
557	757	CPO Extended Limited Warranties & Refunds
557S	757S	ELW smart
557E	757E	CPO Extended Limited Warranties – Commercial Vehicles
592A	792A	Finance Income - Aftermarket Products – M-B P/C
592B	792B	Finance Income - Aftermarket Products - Other
592E	792E	Finance Income - Aftermarket Products - Commercial Vehicles
592S	792S	Finance Income - Aftermarket Products - smart

PRE-OWNED VEHICLE DEPARTMENT

Sales	COS	Account Description
593A	793A	Lease Income - Aftermarket Products - M-B P/C
593B	793B	Lease Income - Aftermarket Products - Other
593E	793E	Lease Income - Aftermarket Products - Commercial Vehicles
593S	793S	Lease Income - Aftermarket Products - smart
594	794	Finance Income - Aftermarket Products - M-B L/T
595	795	Lease Income - Aftermarket Products - M-B L/T
2405R	2605R	Pre-Owned Commercial Vehicles - Retail
2405L	2605L	Pre-Owned Commercial Vehicles - Lease
2412R	2612R	Pre-Owned Certified Commercial Vehicles – Retail
2412L	2612L	Pre-Owned Certified Commercial Vehicles – Lease
2613	2813	Pre-Owned Reconditioning – Commercial Vehicles
2614	2814	Pre-Owned Certified Reconditioning – Commercial Vehicles
3413R	3613R	Pre-Owned smart - Retail
3413L	3613L	Pre-Owned smart - Lease
3414R	3614R	Pre-Owned certified smart - Retail
3414L	3614L	Pre-Owned certified smart - Lease
3505	3705	Finance Income - Aftermarket Products - Maybach
3506	3706	Lease Income - Aftermarket Products - Maybach
	634	Inventory Adjustments
	634E	Inventory Adjustments - Commercial Vehicle
	634S	Inventory Adjustments - smart
	669	Pre-Owned Reconditioning - Certified M-B
	669S	Pre-Owned Reconditioning - Certified smart
	696	Pre-Owned Vehicle Repossession Losses
	696E	Pre-Owned Vehicle Repossession Losses - Commercial Vehicles
	696S	Pre-Owned Vehicle Repossession Losses - smart
	698	LIFO Adjustments - Pre-Owned Vehicles
	698E	LIFO Adjustments - Pre-Owned Vehicles - Commercial Vehicles
	698S	LIFO Adjustments - Pre-Owned Vehicles - smart
	708	Pre-Owned Veh. Reconditioning - M-B
	708S	Pre-Owned Veh. Reconditioning - smart
		INCENTIVES /RESERVES
	95	Floor Plan Assistance
	639	Dealer Reserve (CV & smart)
	961	Customer Experience Bonus- M-B
	962	New Vehicle Sales Bonus-M-B
	963	Brand Standards Bonus-M-B
	965	Pre-Owned Premier/CPO Bonuses
	966	Commercial Vehicles Bonus
	967	smart Performance Bonus
	968	Pre-Owned Vehicle Sales Bonus-M-B
	969	Leadership Bonus

SALES AND COST OF SALES
INTRODUCTION

Pages 7 through 11 of the Mercedes-Benz statement summarize sales and gross profit by department.

For any type of revenue:

Gross Profit = Sales - Cost of Sales

While Cost of Sales is not shown on the actual statement, its amount is implied from the above identity.

There are some accounts that only show "gross profit". In such areas (e.g., F & L, adjustments, LIFO), the dealership makes a profit when the cost of sales account has a credit balance.

The purpose of this section is to indicate what transactions are properly recorded in each sales and cost of sales account. Consistency across dealerships helps ensure comparable profit margins and expense ratios.

SALES & COST OF SALES

M-B Retail and M-B Lease

M-B Retail

Account **402R, 405R-407R, 410R, 411R, 413R, 416R, 424R, 432R, 435R, 442R, 446R, 489R, 491R, 495R-497R, 499R, 507R, 509R, 510R, 519R, 521R, 523R, 529R, 532R, 533R, 536R-538R, 565R, 572R, 575R, 576R, 581R, 584R, 585R, 599R, 1401R-1403R, 1406R-1415R, 1417R-1421R, 1423R-1430R, 1432R-1436R, 1438R-1445R, 1447R-1489R**

602R, 605R-607R, 610R, 611R, 613R, 616R, 624R, 632R, 635R, 642R, 646R, 689R, 691R, 695R-697R, 699R, 707R, 709R, 710R, 719R, 721R, 723R, 729R, 732R, 733R, 736R, 737R, 738R, 765R, 772R, 775R, 776R, 781R, 784R, 785R, 799R, 1601R-1603R, 1606R-1615R, 1617R-1621R, 1623R-1630R, 1632R-1636R, 1638R-1645R, 1647R-1689R

M-B Lease

Account **402L, 405L-407L, 410L, 411L, 413L, 416L, 424L, 432L, 435L, 442L, 446L, 489L, 491L, 495L-497L, 499L, 507L, 509L, 510L, 519L, 521L, 523L, 529L, 532L, 533L, 536L-538L, 565L, 572L, 575L, 576L, 581L, 584L, 585L, 599L, 1401L-1403L, 1406L-1415L, 1417L-1421L, 1423L-1430L, 1432L-1436L, 1438L-1445L, 1447L-1489L**

602L, 605L-607L, 610L, 611L, 613L, 616L, 624L, 632L, 635L, 642L, 646L, 689L, 691L, 695L-697L, 699L, 707L, 709L, 710L, 719L, 721L, 723L, 729L, 732L, 733L, 736L, 737L, 738L, 765L, 772L, 775L, 776L, 781L, 784L, 785L, 799L, 1601L-1603L, 1606L-1615L, 1617L-1621L, 1623L-1630L, 1632L-1636L, 1638L-1645L, 1647L-1689L

Description

Retail sales and leases of M-B vehicles by model.

Accounting Entries - Sales

Debits	Credits
• Discounts and over allowances.	• Gross sales price of new M-B vehicles sold at retail or lease.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of new M-B vehicles sold at retail or lease including dealer installed accessories and aftersales items.	• Run-out allowances on individual units.

Comments

As of November 1, 2013, dealers began to see a charge on the new vehicle invoice of $40 per unit as part of MBUSA's initiative to create a sustainable and scalable training charge model. This is in direct support of our #1 corporate initiative: elevating the customer experience. This Customer Ownership Training Charge effectively serves as an offset against the existing Customer Ownership Training Credit that dealers receive through the Consolidated Statement. Note that the training credit was expanded to apply to the same group of vehicles that the new training charge applies to.

The $40 Customer Ownership Training Charge will be billed as follows:

- New Vehicles – Charge will be applied on the invoice of each new passenger car, light truck, and commercial vehicle wholesaled to an MB dealer with exception to military sales. smart vehicles are not included.

- Certified Pre-Owned Vehicles – Charge will occur once the vehicle is retailed (DDR'd). At the end of the month the $40 charge will appear on your consolidated statement in conjunction with the CPO Base warranty charge.

Transfers of new vehicles between dealerships should not be reported in these accounts. Sales of demonstrators should be credited to the appropriate vehicle model sales account and handled in compliance with state laws. They should not be recorded as new vehicle sales until sold to the ultimate customer.

SALES & COST OF SALES

Account 422 & 622 — **Affiliated Lease - M-B**
Account 423 & 623 — **Affiliated Lease - Other**

Description

New M-B (Other) vehicles sold to affiliated leasing companies.

Accounting Entries - Sales

Debits	Credits
	• Sales price of new M-B (Other) vehicles sold to lease companies.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of new M-B (Other) vehicles sold including dealer installed accessories and aftersale items.	

Comments

This account is *not* intended for routine customer sales arranged through affiliated leasing companies. These sales should be shown as retail leases in the appropriate model accounts.

SALES & COST OF SALES

Account 428R/L & 628R/L — **M-B - Courtesy Vehicle Program Vehicles**
Account 2411R/L & 2611R/L — **Commercial Vehicles - Courtesy Vehicle Program Vehicles**
Account 3410R/L & 3610 R/L — **smart - Courtesy Vehicle Program Vehicles**

Description

Sales of new M-B, Commercial Vehicle, and smart vehicles into the Courtesy Vehicle Program

Accounting Entries - Sales

Debits	Credits
	• Gross sales price of M-B, Commercial Vehicles, and smart Courtesy Vehicle Program vehicles sold to the dealership.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of M-B, Commercial Vehicles, and smart Courtesy Vehicle Program vehicles sold to the dealership.	

Comments

Courtesy Vehicle Program vehicles are eligible for allowances from MBUSA. Information on allowances and program rules can be found in the new "2017 Courtesy Vehicle Program Guide" available on NetStar. Under the "Sales" tab, select "Courtesy Vehicle Program" from the subject drop-down menu.

Financing of new and pre-owned Courtesy Vehicle Program vehicles should be segregated from normal floor plan loans. Use Account 316 for short-term financing and Account 334 for long-term notes.

See Accounting Memo 04-1 for additional information.

SALES & COST OF SALES

Account 429R/L & 629R/L **New Vehicle - Other**

Description

Sales of new vehicles other than M-B, Commercial Vehicles, or smart.

Accounting Entries - Sales

Debits	Credits
• Discounts and over allowances.	• Gross sales price of other manufacturer new vehicles sold at retail or lease.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of other manufacturer vehicles sold at retail or lease including dealer installed accessories and aftersale items.	• Incentives on individual units. • Run-out allowances.

Comments

Dealerships operating as non-exclusive operators will use this account to record new vehicle retail sales of other manufacturers. Sales of demonstrators should be credited to these accounts and handled in compliance with state laws. They should not be recorded as new vehicle sales until sold to the ultimate customer.

Incentive earnings attributed to individual units or models should be recorded as reductions in the Cost of Sales at the time of the sale. Volume-based incentives and bonuses should also be recorded in this account.

SALES & COST OF SALES

Account 430R/L & 630R/L	**Pre-Owned Sales - M-B P/C**
Account 434R/L & 634R/L	**Pre-Owned Sales - Other**
Account 447R/L & 647R/L	**Certified Pre-Owned Sales - M-B**
Account 449R/L & 649R/L	**Pre-Owned Sales - M-B L/T**
Account 540R/L & 740R/L	**Pre-Owned Sales - Maybach**
Account 2405R/L & 2605R/L	**Pre-Owned Sales - Commercial Vehicles**
Account 2412R/L & 2612R/L	**Certified Pre-Owned Sales - Commercial Vehicles**
Account 3413R/L & 3613R/L	**Pre-Owned Sales - smart**
Account 2405R/L & 2605R/L	**Certified Pre-Owned Sales - smart**

Description

Retail sales and leases of pre-owned vehicles.

Accounting Entries - Sales

Debits	Credits
• Discounts and over allowances.	• Gross sales price of pre-owned vehicles sold at retail or lease.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value (excluding reconditioning) of pre-owned vehicles sold at retail or lease. • Certified Pre-Owned inventory value plus certification fee (excluding reconditioning costs) of all Certified Pre-Owned vehicles retailed.	

Comments

All pre-owned vehicles acquired by trade-in, purchase, repossession and inventory transfer should be recorded in these accounts when sold to retail or lease customers.

When a pre-owned vehicle is reconditioned, the costs should be debited to Pre-Owned Vehicle Inventory, Accounts 234, 240S, 234S, 238E, 240B, 251, and 251E and posted on the pre-owned vehicle inventory record for the specific unit. At the time a pre-owned vehicle is retailed, the relevant Cost of Sales account should be debited with the inventory value *less* reconditioning costs. Reconditioning performed on non-certified vehicles retailed during the month and year-to-date should be recorded in Account 708 for M-B, 708S for smart, and 2613 for Commercial Vehicles. Reconditioning of certified vehicles should be recorded in Account 669 for MB, 669S for smart, and 2614 for Commercial Vehicles.

All reconditioning will be combined within the related vehicle cost of sales account for financial statement reporting purposes.

See Accounting Memo 99-13 for reconditioning example.

See Accounting Memo 99-17 for certified reporting.

SALES & COST OF SALES

Account 433A & 633A — **Pre-Owned Vehicle Wholesale Sales - M-B**
Account 433B & 633B — **Pre-Owned Vehicle Wholesale Sales - Other**
Account 433E & 633E — **Pre-Owned Vehicle Wholesale Sales - Commercial Vehicles**
Account 433S & 633S — **Pre-Owned Vehicle Wholesale Sales - smart**

Description

Sales of pre-owned vehicles at auction or at wholesale.

Accounting Entries - Sales

Debits	Credits
	• Sales price of pre-owned vehicles auctioned, wholesaled or scrapped.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of pre-owned vehicles auctioned, wholesaled or scrapped *including* reconditioning costs. • Auction fees and transportation costs.	

Comments

When pre-owned vehicles are wholesaled, their reconditioning costs should be included in the Cost of Sales Account. These costs should *not* be included within retail reconditioning accounts.

SALES & COST OF SALES

Account 500A	**Finance Income - New M-B P/C**
Account 500B	**Finance Income - New Other**
Account 500E	**Finance Income - New Commercial Vehicles**
Account 500S	**Finance Income - New smart**
Account 550	**Finance Income - New M-B L/T**
Account 700A	**Finance Chargebacks - New M-B P/C**
Account 700B	**Finance Chargebacks - New Other**
Account 700E	**Finance Chargebacks - New Commercial Vehicles**
Account 700S	**Finance Chargebacks - New smart**
Account 750	**Finance Chargebacks - New M-B L/T**

Description

Reserves and commissions earned as finance contracts.

Accounting Entries - Sales

Debits	Credits
• Fees charged by banks and finance institutions.	• Retail finance income on new vehicle sales. • Service fees earned for recording and filing liens.

Accounting Entries - Cost of Sales

Debits	Credits
• Chargebacks when customers prepay retail finance contracts.	

Comments

Income earned should be recorded when the vehicle sale is recorded in the New Vehicle Sales Journal.

M-B items should be combined on the financial statement and reported as Account 500A/550, Finance & Lease Income - New M-B. Accounts 700A/750, Finance Chargebacks - New M-B, are reported separately from Finance Income - New M-B on the financial statement. All other chargebacks are netted with the respective finance income categories.

Accounts 500B and 700B are combined with other lease, service contract and aftermarket product income accounts on the financial statement.

See Accounting Memo 99-11 for additional information.

SALES & COST OF SALES

Account 501A	**Lease Income - New M-B P/C**
Account 501B	**Lease Income - New Other**
Account 501E	**Lease Income - New Commercial Vehicles**
Account 501S	**Lease Income - smart**
Account 551	**Lease Income - New M-B L/T**
Account 701A	**Lease Refunds - New M-B P/C**
Account 701B	**Lease Refunds - New Other**
Account 701E	**Lease Refunds - New Commercial Vehicles**
Account 701S	**Lease Refunds - smart**
Account 751	**Lease Refunds - New M-B L/T**

Description

Commissions and fees on leases arranged on new vehicle sales.

Accounting Entries - Sales

Debits	Credits
• Fees charged by banks and finance institutions.	• Retail lease service fees earned on new vehicle sales.

Accounting Entries - Cost of Sales

Debits	Credits
• Chargebacks when customers prepay or cancel leases.	

Comments

M-B items should be combined on the financial statement and reported as Account 501A/551, Lease Income - New M-B. Accounts 701A/751, Lease Refunds - New M-B, is reported separately from Lease Income - New M-B on the financial statement. All other refunds are netted with the respective lease income categories.

Accounts 501B and 701B are combined with other lease, service contract and aftermarket product income accounts on the financial statement.

See Accounting Memo 99-11 for additional information.

SALES & COST OF SALES

Account 502A — **Prepaid Maintenance Income - New M-B P/C**
Account 552 — **Prepaid Maintenance Income - New M-B L/T**

Account 702A — **Prepaid Maintenance Refunds - New M-B P/C**
Account 752 — **Prepaid Maintenance Refunds - New M-B L/T**

Description

Net income from prepaid maintenance agreements sold with new vehicles.

Accounting Entries - Sales

Debits	Credits
• Cost of agreements purchased from factory. • Cost of warranty contract. • Reserve for service contracts underwritten by dealership.	• Sales price of manufacturer, distributor or vendor service contracts sold on new vehicles. • Commissions earned on sale of prepaid maintenance.

Accounting Entries - Cost of Sales

Debits	Credits
• Chargebacks when customers cancel coverage.	

Comments

M-B items should be combined on the financial statement and reported as Account 502A/552, Prepaid Maintenance Income - New M-B.

Consult legal and financial advice when underwriting service contracts and agreements.

See Accounting Memo 10-2 for additional information.

SALES & COST OF SALES

Account 502B	**Service Contract Income - New Other**
Account 502E	**Service Contract Income - New Commercial Vehicles**
Account 502S	**Service Contract Income - smart**
Account 851	**Service Contract Income**
Account 702B	**Service Contract Refunds - New Other**
Account 702E	**Service Contract Refunds - New Commercial Vehicles**
Account 702S	**Service Contract Refunds – smart**
Account 951	**Service Contract Refund**

Description

Net income from extended warranties, service contracts and maintenance agreements sold with new vehicles.

Accounting Entries - Sales

Debits	Credits
• Cost of agreements purchased from factory or outside vendor. • Cost of warranty contract provided by other manufacturer or distributor. • Reserve for service contracts underwritten by dealership.	• Sales price of manufacturer, distributor or vendor service contracts sold on new vehicles. • Commissions earned on sale of prepaid maintenance or extended limited warranty (ELW) programs.

Accounting Entries - Cost of Sales

Debits	Credits
• Chargebacks when customers cancel coverage.	

Comments

Accounts 502B and 702B are combined with other finance, lease and aftermarket product income accounts on the financial statement.

Consult legal and financial advice when underwriting service contracts and agreements.

See Accounting Memo 99-12 for additional information.

SALES & COST OF SALES

Account 503A	**Finance Income - Pre-Owned M-B P/C**
Account 503B	**Finance Income - Pre-Owned Other**
Account 503E	**Finance Income - Pre-Owned Commercial Vehicles**
Account 503S	**Finance Income - Pre-Owned smart**
Account 541	**Finance Income - Pre-Owned Maybach**
Account 553	**Finance Income - Pre-Owned M-B L/T**
Account 556	**Finance Income - Certified Pre-Owned M-B**
Account 703A	**Finance Chargebacks - Pre-Owned M-B P/C**
Account 703B	**Finance Chargebacks - Pre-Owned Other**
Account 703E	**Finance Chargebacks - Pre-Owned Commercial Vehicles**
Account 703S	**Finance Chargebacks - Pre-Owned smart**
Account 741	**Finance Chargebacks - Pre-Owned Maybach**
Account 753	**Finance Chargebacks - Pre-Owned M-B L/T**
Account 756	**Finance Chargebacks - Certified Pre-Owned M-B**

Description

Reserve and commissions earned on finance contracts and leases.

Accounting Entries - Sales

Debits	Credits
• Fees charged by banks and finance institutions.	• Finance income earned on sale of pre-owned vehicles. • Service fees earned for recording and filing liens.

Accounting Entries - Cost of Sales

Debits	Credits
• Chargebacks when customers prepay finance contracts. • Finance income forfeited due to repossessions.	

Comments

M-B accounts are combined on the financial statement. For example, Accounts 553 & 753 are shown as 553 on Page 8 of the statement. Maybach items should be combined on the financial statement and reported as Accounts 541/542.

Commercial Vehicle items should be combined on the financial statement and reported as Accounts 503-504E on Page 10.

smart Vehicle items should be combined on the financial statement and reported as Accounts 503-504S on Page 11.

Other pre-owned finance, lease, service contract and aftermarket product income is combined on line 80 of Page 8 of the financial statement. The following individual accounts should be combined on this line: 503B, 703B, 504B, 704B, 505B, 705B, 592B, 792B, 593B and 793B.

See Accounting Memo 99-11 for additional information.

SALES & COST OF SALES

Account 504A	**Lease Income - Pre-Owned M-B P/C**
Account 504B	**Lease Income - Pre-Owned Other**
Account 504E	**Lease Income - Pre-Owned Commercial Vehicles**
Account 504S	**Lease Income - Pre-Owned smart**
Account 542	**Lease Income - Pre-Owned Maybach**
Account 554	**Finance Chargebacks - Pre-Owned M-B L/T**
Account 704A	**Lease Refunds - Pre-Owned M-B P/C**
Account 704B	**Lease Refunds - Pre-Owned Other**
Account 704E	**Lease Refunds - Pre-Owned Commercial Vehicles**
Account 704S	**Lease Refunds - Pre-Owned smart**
Account 742	**Lease Refunds - Pre-Owned Maybach**
Account 754	**Lease Refunds - Pre-Owned M-B L/T**

Description

Commissions and fees on leases arranged for pre-owned vehicles.

Accounting Entries - Sales

Debits	Credits
• Fees charged by banks and finance institutions.	• Retail lease commissions and fees earned on pre-owned vehicle sales.

Accounting Entries - Cost of Sales

Debits	Credits
• Chargebacks when customers prepay or cancel leases.	

Comments

M-B accounts are combined on the financial statement. For example, Accounts 554 & 754 are shown as 554 on Page 8 of the statement. Maybach items should be combined on the financial statement and reported as Accounts 541/542.

Commercial Vehicle items should be combined on the financial statement and report as Accounts 503-504E on Page 10.

smart Vehicle items should be combined on the financial statement and reported as Accounts 503-504S on Page 11.

Other pre-owned finance, lease service contract and aftermarket product income is combined on line 80 of Page 8 of the financial statement. The following individual accounts should be combined on this line: 503B, 703B, 504B, 704B, 505B, 705B, 592B, 792B, 593B and 793B.

See Accounting Memo 99-11 for additional information.

SALES & COST OF SALES

Account 505A	**Service Contract Income - Pre-Owned M-B P/C**
Account 505B	**Service Contract Income - Pre-Owned Other**
Account 505E	**Service Contract Income - Pre-Owned Commercial Vehicles**
Account 505S	**Service Contract Income - Pre-Owned smart**
Account 543	**Service Contract Income - Pre-Owned Maybach**
Account 555	**Service Contract Income - Pre-Owned M-B L/T**
Account 557	**Extended Limited Warranty Income - Certified M-B**
Account 557E	**Extended Limited Warranty Income - Certified Commercial Vehicles**
Account 557S	**Extended Limited Warranty Income - smart**
Account 705A	**Service Contract Refunds - Pre-Owned M-B P/C**
Account 705B	**Service Contract Refunds - Pre-Owned Other**
Account 705E	**Service Contract Refunds - Pre-Owned Commercial Vehicles**
Account 705S	**Service Contract Refunds - Pre-Owned smart**
Account 743	**Service Contract Refunds - Pre-Owned Maybach**
Account 755	**Service Contract Refunds - Pre-Owned M-B L/T**
Account 757	**Extended Limited Warranty Refunds - Certified M-B**
Account 757E	**Extended Limited Warranty Refunds - Certified Commercial Vehicles**
Account 757S	**Extended Limited Warranty Refunds - Certified smart**

Description

Net income from extended warranties, service contracts and maintenance agreements sold with pre-owned vehicles.

Accounting Entries - Sales

Debits	Credits
• Cost of contracts and agreements purchased from manufacturer. • Cost of agreements purchased from outside vendors. • Reserve for service contracts underwritten by dealership.	• Sales price of service contracts, extended warranties and maintenance agreements sold to pre-owned vehicle customers.

Accounting Entries - Cost of Sales

Debits	Credits
• Chargebacks when customers cancel coverage.	

Comments

M-B accounts are combined on the financial statement. For example, Accounts 557 & 757 are shown as 557 on Page 8. Maybach items should be combined on the financial statement into Accounts 543 on Page 8. Commercial Vehicle and smart items should be combined on the financial statement into Accounts 557E on Page 10 and 557S on Page 11, respectively.

smart ELW items should be combined into Account 557S on Page 11.

Other pre-owned finance, lease service contract, aftermarket product income is combined on line 80 of Page 8 of the financial statement. The amounts recorded shall be the monthly and year-to-date totals for Accounts 503B, 703B, 504B, 704B, 505B, 705B, 592B, 792B, 593B and 793B.

Consult legal and financial advice when underwriting service contracts and agreements.

See Accounting Memo 99-12 for additional information.

SALES & COST OF SALES

Account 577R/L & 777R/L — **Fleet/Corporate Sales Program - M-B**
Account 2410R/L & 2610R/L — **Fleet/Corporate Sales Program - Commercial Vehicles**
Account 3411R/L & 3611R/L — **Fleet/Corporate Sales Program - smart**

Description

Sales of new or demonstrator M-B vehicles into the Fleet Program.

Accounting Entries - Sales

Debits	Credits
	• Gross sales price of Fleet Program vehicles sold at retail or lease.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of Fleet Program vehicles sold at retail or lease including dealer installed accessories and aftersale items.	

Comments

All M-B fleet sales should be recorded in Account 577R/L Line 35 on Page 8.

For more information about the Fleet Program, go to *http://www.fleet.MBUSA.com*.

All Commercial Vehicle fleet sales should be recorded in Account 2410R/L Line 10 on Page 10.

All smart fleet sales should be recorded in Account 3411R/L Line 9 on Page 11.

SALES & COST OF SALES

Account 586A	**Finance Income - Aftermarket Products - New M-B P/C**
Account 586B	**Finance Income - Aftermarket Products - New Other**
Account 586E	**Finance Income - Aftermarket Products - New Commercial Vehicles**
Account 586S	**Finance Income - Aftermarket Products - New smart**
Account 589	**Finance Income - Aftermarket Products - New M-B L/T**
Account 786A	**Finance Income - Aftermarket Products - New M-B P/C**
Account 786B	**Finance Income - Aftermarket Products - New Other**
Account 786E	**Finance Income - Aftermarket Products - New Commercial Vehicles**
Account 786S	**Finance Income - Aftermarket Products - New smart**
Account 789	**Finance Income - Aftermarket Products - New M-B L/T**

Description

Aftermarket Products are those parts, accessories and restyling products added to a new sold vehicle that were not sold as part of the package on which the negotiated vehicle sale price was based.

Accounting Entries - Sales

Debits	Credits
	• Amount charged to new vehicle customer for Aftermarket Products added on new vehicles.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts, accessories and products sold to retail and fleet vehicle customers. Cost of retail and fleet mechanical labor performed for customer on new vehicles.	

Comments

M-B items should be combined on the financial statement and reported as Account 586A/589, Finance Income - Aftermarket Products - New M-B.

Sales of wheel and tire protection programs on New M-B vehicles should be recorded in Accounts 586A/589, Finance Income - Aftermarket Products - New M-B. If the sale of a wheel and tire protection program applies to a New Commercial Vehicle, smart or Other vehicle, please record in the respective Finance Income - Aftermarket Products accounts.

SALES & COST OF SALES

Account 587A	**Lease Income - Aftermarket Product - New M-B P/C**
Account 587B	**Lease Income - Aftermarket Product - New Other**
Account 587E	**Lease Income - Aftermarket Product - New Commercial Vehicles**
Account 587S	**Lease Income - Aftermarket Product - New smart**
Account 590	**Lease Income - Aftermarket Product - New M-B L/T**
Account 787A	**Lease Income - Aftermarket Product - New M-B P/C**
Account 787B	**Lease Income - Aftermarket Product - New Other**
Account 787E	**Lease Income - Aftermarket Product - New Commercial Vehicles**
Account 787S	**Lease Income - Aftermarket Product - New smart**
Account 790	**Lease Income - Aftermarket Product - New M-B L/T**

Description

Aftermarket Products are those parts, accessories and restyling products added to a new sold vehicle that were not sold as part of the package on which the negotiated vehicle sale price was based.

Accounting Entries - Sales

Debits	Credits
	• Amount charged to new vehicle customer for Aftermarket Products added on new vehicles.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts, accessories and products sold to retail and fleet vehicle customers. Cost of retail and fleet mechanical labor performed for customer on new vehicles.	

Comments

M-B items should be combined on the financial statement and reported as Account 587A/590, Lease Income - Aftermarket Products - New M-B.

Sales of wheel and tire protection programs on New M-B vehicles should be recorded in Accounts 587A/590, Lease Income - Aftermarket Products - New M-B. If the sale of a wheel and tire protection program applies to a New Commercial Vehicle, smart or Other vehicle, please record in the respective Lease Income - Aftermarket Products accounts.

SALES & COST OF SALES

Account 588A — **Extended Limited Warranty Income - New M-B P/C**
Account 591 — **Extended Limited Warranty Income - New M-B L/T**

Account 788A — **Extended Limited Warranty Refunds - New M-B P/C**
Account 791 — **Extended Limited Warranty Refunds - New M-B L/T**

Description

Net Income from extended limited warranties sold with new vehicles.

Accounting Entries - Sales

Debits	Credits
• Cost of agreements purchased from factory. • Cost of warranty contract. • Reserve for service contracts underwritten by dealership.	• Sales price of manufacturer, distributor or vendor service contracts sold on new vehicles. • Commissions earned on sale of extended limited warranties.

Accounting Entries - Cost of Sales

Debits	Credits
• Chargebacks when customers cancel coverage.	

Comments

M-B items should be combined on the financial statement and reported as Account 588A/591, Extended Limited Warranty Income - New M-B.

Consult legal and financial advice when underwriting service contracts and agreements.

See Accounting Memo 10-3 for additional information.

SALES & COST OF SALES

Account 592A	**Finance Income - Aftermarket Product - Pre-Owned M-B P/C**
Account 592B	**Finance Income - Aftermarket Product - Pre-Owned Other**
Account 592E	**Finance Income - Aftermarket Product - Pre-Owned Commercial Vehicles**
Account 592S	**Finance Income - Aftermarket Product - Pre-Owned smart**
Account 594	**Finance Income - Aftermarket Product - Pre-Owned M-B L/T**
Account 3505	**Finance Income - Aftermarket Product - Pre-Owned Maybach**
Account 792A	**Finance Income - Aftermarket Product - Pre-Owned M-B P/C**
Account 792B	**Finance Income - Aftermarket Product - Pre-Owned Other**
Account 792E	**Finance Income - Aftermarket Product - Pre-Owned Commercial Vehicles**
Account 792S	**Finance Income - Aftermarket Product - Pre-Owned smart**
Account 794	**Finance Income - Aftermarket Product - Pre-Owned M-B L/T**
Account 3705	**Finance Income - Aftermarket Product - Pre-Owned Maybach**

Description

Aftermarket Products are those parts, accessories and restyling products added to a sold vehicle that were not sold as part of the package on which the negotiated vehicle sale price was based.

Accounting Entries - Sales

Debits	Credits
	• Amount charged to pre-owned vehicle customer for Aftermarket Products added on pre-owned vehicles.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts, accessories and products sold to retail and fleet vehicle customers. Cost of retail and fleet mechanical labor performed for customer on pre-owned vehicles.	

Comments

M-B items should be combined on the financial statement and reported as Account 592-93A/594-95, Finance Income - Aftermarket Products - Pre-Owned M-B.

Sales of wheel and tire protection programs on Pre-Owned M-B vehicles should be recorded in Accounts 592-93A/594-95, Finance Income - Aftermarket Products - Pre-Owned M-B. If the sale of a wheel and tire protection program applies to a Pre-Owned Commercial Vehicle, Maybach, smart or Other vehicle, please record in the respective Finance Income - Aftermarket Products accounts.

SALES & COST OF SALES

Account 593A	**Lease Income - Aftermarket Product - Pre-Owned M-B P/C**
Account 593B	**Lease Income - Aftermarket Product - Pre-Owned Other**
Account 593E	**Lease Income - Aftermarket Product - Pre-Owned Commercial Vehicles**
Account 593S	**Lease Income - Aftermarket Product - Pre-Owned smart**
Account 595	**Lease Income - Aftermarket Product - Pre-Owned M-B L/T**
Account 3506	**Lease Income - Aftermarket Product - Pre-Owned Maybach**
Account 793A	**Lease Income - Aftermarket Product - Pre-Owned M-B P/C**
Account 793B	**Lease Income - Aftermarket Product - Pre-Owned Other**
Account 793E	**Lease Income - Aftermarket Product - Pre-Owned Commercial Vehicles**
Account 793S	**Lease Income - Aftermarket Product - Pre-Owned smart**
Account 795	**Lease Income - Aftermarket Product - Pre-Owned M-B L/T**
Account 3706	**Lease Income - Aftermarket Product - Pre-Owned Maybach**

Description

Aftermarket Products are those parts, accessories and restyling products added to a sold vehicle that were not sold as part of the package on which the negotiated vehicle sale price was based.

Accounting Entries - Sales

Debits	Credits
	• Amount charged to pre-owned vehicle customer for Aftermarket Products added on pre-owned vehicles.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts, accessories and products sold to retail and fleet vehicle customers. Cost of retail and fleet mechanical labor performed for customer on pre-owned vehicles.	

Comments

M-B items should be combined on the financial statement and reported as Account 592-93A/594-95, Lease Income - Aftermarket Products - Pre-Owned M-B.

Sales of wheel and tire protection programs on Pre-Owned M-B vehicles should be recorded in Accounts 592-93A/594-95, Lease Income - Aftermarket Products - Pre-Owned M-B. If the sale of a wheel and tire protection program applies to a Pre-Owned Commercial Vehicle, Maybach, smart or Other vehicle, please record in the respective Lease Income - Aftermarket Products accounts.

SALES & COST OF SALES

Account 596 & 796 M-B Drive Employee Appreciation and Loyalty Program (MBDEAL)

Description

Sales of new M-B vehicles into the Mercedes-Benz Drive Employee Appreciation and Loyalty (MB DEAL) Program

Accounting Entries - Sales

Debits	Credits
	• Gross sales price of MBDEAL vehicles sold at retail or lease.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of MBDEAL sold at retail or lease including dealer installed accessories and aftersale items.	• Commission income earned on MBDEAL vehicle sales.

Comments

An EFT will be generated to your dealership by MBUSA 1-2 business days after DDR submission. The EFT will include MBDEAL and Floor Plan Bonus (if applicable). Any applicable market support incentive(s) are paid on a bi-monthly basis through the Market Support System (MSS).

Further details on these programs including eligibility and sales process can be viewed under the "Guides" section on NetStar.

See Accounting Memo 01-1 for additional information.

SALES & COST OF SALES

Account 597 & 797 **Dealer Employee One Purchase Program (DE1)**

Description

Sales of new M-B vehicles into the Dealer Employee One Purchase Program (DE1).

Accounting Entries - Sales

Debits	Credits
	• Gross sales price of DE1 vehicles sold at retail or lease.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of DE1 sold at retail or lease including dealer installed accessories and aftersale items.	• Commission income earned on DE1 vehicle sales.

Comments

The DE1 Commission and any applicable market support incentive(s) are paid on a bi-monthly basis through the Market Support System (MSS).

Further details on these programs including eligibility and sales process can be viewed under the Sales Tab>DE1 Program section on NetStar.

See Accounting Memo 15-1 for additional information.

SALES & COST OF SALES

Account 2401R-2404R, 2406R-2408R, 2415R-2418R & 2601R-2604R, 2606R-2608R, 2615R-2618R — **CV Retail**

Account 2401L-2404L, 2406L-2408L, 2415L-2418L & 2601L-2604L, 2606-2608L, 2615L-2618L — **CV Lease**

Description

Retail sales and leases of Commercial vehicles by model.

Accounting Entries - Sales

Debits	Credits
• Discounts and over allowances.	• Gross sales price of new Commercial vehicles sold at retail or lease.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of new Commercial vehicles sold at retail or lease including dealer installed accessories and aftersale items.	

Comments

Dealer Reserve should *not* be included in these accounts but recorded as income at the time of retail sale within Dealer Reserve, Account 639.

Transfers of new vehicles between dealerships should not be reported in these accounts.

SALES & COST OF SALES

Account 3401R, 3403R, 3406R, 3409R, 3415R, 3416R, 3601R, 3603R, 3606R, 3609R, 3615R, 3616R — **smart Vehicle Retail**

Account 3401L, 3403L, 3406L, 3409L, 3415L, 3416L 3601L, 3603L, 3606L, 3609L, 3615L, 3616L — **smart Vehicle Lease**

Description

Retail sales and leases of Commercial vehicles - by model.

Accounting Entries - Sales

Debits	Credits
• Discounts and over allowances.	• Gross sales price of new smart vehicles sold at retail or lease.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of new smart vehicles sold at retail or lease including dealer installed accessories and aftersale items.	

Comments

Dealer Reserve should *not* be included in these accounts but recorded as income at the time of retail sale within Dealer Reserve, Account 639.

Transfers of new vehicles between dealerships should not be reported in these accounts.

COST OF SALES

Account 634 — **Pre-Owned Vehicle Inventory Adjustments - M-B**
Account 634E — **Pre-Owned Vehicle Inventory Adjustments - Commercial Vehicles**
Account 634S — **Pre-Owned Vehicle Inventory Adjustments - smart**

Description

Adjustments of vehicle inventory values to market value.

Accounting Entries - Cost of Sales

Debits	Credits
• Month-end write-down to adjust inventory value to current wholesale value.	• Month-end increases of inventory values.

Comments

All pre-owned vehicles in inventory should be reappraised monthly and their value adjusted to the current wholesale value. However, no individual value should be adjusted above its cost; the relevant accounting term is "lower of cost or market."

COST OF SALES

Account 645 **Tourist Commissions**

Description

Commission income from M-B vehicles delivered in Europe.

Accounting Entries - Cost of Sales

Debits	Credits
	• Commission income earned on tourist units.

Comments

Floor Plan Assistance is not earned on European Delivery vehicles. The receivable balance should be recorded in Account 221C - Other Receivables.

COST OF SALES

Account 669	**Certified Pre-Owned Reconditioning - M-B**
Account 669S	**Certified Pre-Owned Reconditioning - smart**
Account 2614	**Certified Pre-Owned Reconditioning - Commercial Vehicles**
Account 708	**Pre-Owned Reconditioning - M-B**
Account 708S	**Pre-Owned Reconditioning - smart**
Account 2613	**Pre-Owned Reconditioning - Commercial Vehicles**

Description

Costs of reconditioning vehicles sold to retail customers.

Accounting Entries - Cost of Sales

Debits	Credits
• Internal labor and parts cost of reconditioning M-B, Commercial Vehicles, smart and Certified vehicles. • Cost of sublet repairs to M-B, Commercial Vehicles, smart and Certified vehicles.	

Comments

Debit reconditioning costs to this account at the time of any retail sale. The remaining vehicle inventory value is recorded as a debit to the respective M-B, Commercial Vehicles, or smart Pre-Owned or Certified Pre-Owned Cost of Sales accounts. *See additional information under Account 430.*

Reconditioning costs for all pre-owned vehicles are combined with the appropriate cost of sales account on the financial statement.

When Certified Pre-Owned vehicles are sold at retail, record reconditioning costs separately in Accounts 669 (M-B), 669S (smart), or 2614 (Commercial Vehicles), Certified Pre-Owned Reconditioning. However, the certification fee should remain a component of vehicle cost and is not considered reconditioning.

Certified reconditioning will be shown as a Memo account.

See Accounting Memo 99-13 for additional information.

COST OF SALES

Account 695A — **New Vehicle Repossession Losses - M-B**
Account 695E — **New Vehicle Repossession Losses - Commercial Vehicles**
Account 695S — **New Vehicle Repossession Losses - smart**

Description

Losses resulting from repossessions of all new vehicles previously sold by the dealership.

Accounting Entries - Cost of Sales

Debits	Credits
• Excess of finance payoff over wholesale value of repossessed vehicles. • Loss on repossessed vehicles sold by finance institutions.	• Deficiency settlements on repossessed vehicles.

Comments

Chargebacks of finance and lease income associated with repossessions should be recorded as debits to the appropriate cost of sales accounts: Accounts 700, 701, 702, 712, 713, 714, 750, 751 and 752.

COST OF SALES

Account 696 — **Pre-Owned Vehicle Repossession Losses - M-B**
Account 696E — **Pre-Owned Vehicle Repossession Losses - Commercial Vehicles**
Account 696S — **Pre-Owned Vehicle Repossession Losses - smart**

Description

Losses resulting from repossessions of pre-owned vehicles previously sold by the dealership.

Accounting Entries - Cost of Sales

Debits	Credits
• Excess of finance payoff over wholesale value of repossessed vehicles. • Losses on repossessed vehicles sold by finance institutions.	• Deficiency settlements on repossessed vehicles.

Comments

Chargebacks of finance and lease income associated with repossessions should be recorded as debits to the appropriate cost of sales accounts.

COST OF SALES

Account 697 — **LIFO Adjustments - New Vehicles - M-B**
Account 697E — **LIFO Adjustments - New Vehicles - Commercial Vehicles**
Account 697S — **LIFO Adjustments - New Vehicles - smart**

Description

Year-end adjustments to new vehicle LIFO Reserve.

Accounting Entries - Cost of Sales

Debits	Credits
• Increases in LIFO reserve for new vehicles.	• Recapture of LIFO reserve.

Comments

A detailed schedule for this account should be provided and maintained for audit and tax purposes. Appropriate changes in year-end balances should be made in Account 235.

See Accounting Memo 99-8 for additional information.

COST OF SALES

Account 698 — **LIFO Adjustments - Pre-Owned Vehicles - M-B**
Account 698E — **LIFO Adjustments - Pre-Owned Vehicles - Commercial Vehicles**
Account 698S — **LIFO Adjustments - Pre-Owned Vehicles - smart**

Description

Year-end adjustments to pre-owned vehicle LIFO reserve.

Accounting Entries - Cost of Sales

Debits	Credits
• Increases in LIFO reserve for pre-owned vehicle inventories.	• Recapture and other reductions of LIFO reserve.

Comments

A detailed schedule for this account should be provided and maintained for audit and tax purposes. Appropriate changes in year-end balances should be made in Account 236.

See Accounting Memo 99-8 for additional information.

INCENTIVES/RESERVE

Account 639 **Dealer Reserve - CV/smart**

Description

Income earned through the sale of new Commercial Vehicles or smart.

Accounting Entries - Incentives/Reserve

Debits	Credits
	• Reserve income for each new Commercial Vehicle or smart retailed.

Comments

The amount of reserve income for each new car can be calculated as 3% of MSRP. Reserve income is earned when the car is *retailed* rather than wholesaled as with factory holdbacks. The amount of the Reserve can be found in the NetStar monthly Dealer Reserve & Performance Bonus Report for Vans and smart.

Reserve income should *not* be included within the gross profit of new vehicles nor reflected as a reduction in vehicle cost of sales.

The manufacturer established dealer reserve in order to provide a holdback per vehicle wholesaled to the dealers that would be paid on a regular basis. These monies are intended to assist dealers in managing their cash flow based on each vehicle wholesaled. The manufacturer elected not to pay the reserve initially upon the wholesale of the vehicle to the dealer but determined the payment based on retails per month. Nonetheless, the dealer reserve per vehicle wholesaled to the dealer will be paid to the dealer regardless of the retail date when and if the vehicle is in a dealer's inventory and is two model years old.

See Accounting Memo 99-5 for additional information.

INCENTIVES/RESERVE

Account 968 **Pre-Owned Vehicle Sales Bonus M-B**

Description

Income earned on new vehicle retails through meeting the Pre-Owned Vehicle Sales Bonus qualifying criteria.

Accounting Entries - Incentives/Reserve

Debits	Credits
• Adjustments to reduce accrued bonus to actual amount for quarter.	• Quarterly Pre-Owned Vehicle Sales Bonus income (or monthly accrual). • Adjustments to increase accrued bonus to actual amount for quarter.

Comments

For those dealerships which earn the Pre-Owned Vehicle Sales Bonus, the bonus, from the NetStar Dealer Floor Plan & Performance Bonus Report, will be allocated to Account 968.

See Accounting Memo 13-1 for additional information.

INCENTIVES/RESERVE

Account 962 **New Vehicle Sales Bonus M-B**

Description

Income earned on new vehicle retails through meeting the New Vehicle Sales Bonus qualifying criteria.

Accounting Entries - Incentives/Reserve

Debits	Credits
• Adjustments to reduce accrued bonus to actual amount for quarter.	• Quarterly New Vehicle Sales Bonus income (or monthly accrual). • Adjustments to increase accrued bonus to actual amount for quarter.

Comments

For those dealerships which earn the New Vehicle Sales Bonus, the bonus, from the NetStar Dealer Floor Plan & Performance Bonus Report, will be allocated to Account 962.

See Accounting Memo 08-4 for additional information.

INCENTIVES/RESERVE

Account 964 **Customer Experience Service Bonus M-B**

Description

Income earned on new vehicle retails through meeting the Customer Experience Service Bonus qualifying criteria.

Accounting Entries - Incentives/Reserve

Debits	Credits
• Adjustments to reduce accrued bonus to actual amount for quarter.	• Quarterly Customer Experience Service Bonus income (or monthly accrual). • Adjustments to increase accrued bonus to actual amount for quarter.

Comments

For those dealerships which earn the Customer Eperience Service Bonus M-B, the bonus, from the NetStar Dealer Floor Plan & Performance Bonus Report, will be allocated to Account 964. The Customer Experience Service Bonus can be accrued monthly at the rate of 0.75% of MSRP based on Customer Experience Standards as a qualifier and on the Service Customer Experience Scores via the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar. The accruals can be credited to Account 964 and the amount due debited to Account 227. At the time of a quarterly payout, income can then be debited to Account 202 and credited to Account 255.

*Please note the "Customer Experience Sales Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 08-3 for additional information.

INCENTIVES/RESERVE

Account 965 **Pre-Owned Premier/CPO Bonus**

Description

Income earned on Pre-Owned vehicle through meeting the Pre-Owned Premier/CPO Bonus/ Transportation Assistance qualifying criteria.

Accounting Entries - Incentives/Reserve

Debits	Credits
• Adjustments to reduce accrued bonus to actual amount for quarter.	• Quarterly Pre-Owned Premier/CPO Bonus/Transportation Assistance income (or monthly accrual). • Adjustments to increase accrued bonus to actual amount for quarter.

Comments

See Accounting Memo 08-7 for additional information.

INCENTIVES/RESERVE

Account 966 **Commercial Vehicles Bonus**

Description

Income earned on new vehicle retails through meeting the Commercial Vehicles Bonus qualifying criteria.

Accounting Entries - Incentives/Reserve

Debits	Credits
• Adjustments to reduce accrued bonus to actual amount for quarter.	• Quarterly Commercial Vehicles Bonus income (or monthly accrual). • Adjustments to increase accrued bonus to actual amount for quarter.

Comments

For those dealerships which earn the Commercial Vehicle Bonus, the bonus, from the NetStar Dealer Floor Plan & Performance Bonus Vans Report, will be allocated to Account 966.

See Accounting Memo 10-1 and 10-4 for additional information.

INCENTIVES/RESERVE

Account 967 **smart Performance Bonus**

Description

Income earned on new vehicle retails through meeting the smart Performance Bonus qualifying criteria.

Accounting Entries - Incentives/Reserve

Debits	Credits
• Adjustments to reduce accrued bonus to actual amount for quarter.	• Quarterly smart Performance Bonus income (or monthly accrual). • Adjustments to increase accrued bonus to actual amount for quarter.

Comments

For those dealerships which earn the smart Performance Bonus, the bonus, from the NetStar Dealer Floor Plan & Performance Bonus smart Report, will be allocated to Account 967.

See Accounting Memo 12-1 and 12-2 for additional information.

INCENTIVES/RESERVE

Account 969 **Leadership Bonus**

Description

Income earned by qualifying under the Leadership Bonus Program.

Accounting Entries - Incentives/Reserve

Debits	Credits
	• Leadership Bonus income

Comments

For those dealerships which earn the Leadership Bonus, the bonus, from the NetStar Leadership Bonus Report, will be allocated to Account 969.

See Accounting Memo 13-3 for additional information.

INCENTIVES/RESERVE

Account 970 **Training Bonus**

Description

Income earned on new vehicle retails through meeting the Training Bonus qualifying criteria.

Accounting Entries - Incentives/Reserve

Debits	Credits
• Adjustments to reduce accrued bonus to actual amount for quarter.	• Quarterly Training Bonus income (or monthly accrual). • Adjustments to increase accrued bonus to actual amount for quarter.

Comments

For those dealerships which earn the Training Bonus, the bonus, from the NetStar Dealer Floor Plan & Performance Bonus Report, will be allocated to Account 970.

See Accounting Memo 16-1 for additional information.

INCENTIVES/RESERVE

Account 971 **Customer Experience Sales Bonus M-B**

Description

Income earned on new vehicle retails through meeting the Customer Experience Service Bonus qualifying criteria.

Accounting Entries - Incentives/Reserve

Debits	Credits
• Adjustments to reduce accrued bonus to actual amount for quarter.	• Quarterly Customer Experience Sales Bonus income (or monthly accrual). • Adjustments to increase accrued bonus to actual amount for quarter.

Comments

For those dealerships which earn the Customer Eperience Sales Bonus M-B, the bonus, from the NetStar Dealer Floor Plan & Performance Bonus Report, will be allocated to Account 971. The Customer Experience Sales Bonus can be accrued monthly at the rate of 0.75% of MSRP based on Customer Experience Standards as a qualifier and on the New Vehicle Sales Customer Experience Scores via the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar. The accruals can be credited to Account 971 and the amount due debited to Account 227. At the time of a quarterly payout, income can then be debited to Account 202 and credited to Account 227.

*Please note the "Customer Experience Sales Bonus" is included in the "Combined Bonuses Receivable" on Page 1, Line 17.

See Accounting Memo 08-3 for additional information.

FIXED DEPARTMENTS
SALES & COST OF SALES
CONTENTS

View Linked Financial Statement Page 9 - M-B, Page 10 - Commercial Vehicles, and Page 11 - smart.

Introduction

Sales	COS	Service Department
401A	601A	Express Labor - M-B
403A	603A	Express PPM Labor – M-B
401E	601E	Express Labor - CV
403E	603E	Express PPM Labor – CV
401S	601S	Express Labor – smart
403S	603S	Express PPM Labor – smart
450B	650B	Customer Labor - Mechanical - Other
451B	651B	Service Contract Labor - Other
454B	654B	Warranty Claim Labor - Other
455B	655B	Internal Labor - Other
456	656	Sublet Repairs
456E	656E	Sublet Repairs - Commercial Vehicles
456S	656S	Sublet Repairs - smart
458	658	Gas, Oil & Grease
458E	658E	Gas, Oil & Grease - Commercial Vehicles
458S	658S	Gas, Oil & Grease - smart
493A	693A	Express Warranty Labor - M-B
493E	693E	Express Warranty Labor - CV
493S	693S	Express Warranty Labor - smart
	657A	Unapplied Labor - M-B
	657B	Unapplied Labor - Other
	657E	Unapplied Labor - Commercial Vehicles
	675S	Unapplied Labor - smart
811	911	Customer Labor - Mechanical - M-B
811E	911E	Customer Labor - Mechanical - Commercial Vehicles
811S	911S	Customer Labor - Mechanical - smart
813	913	Warranty Claim Labor - M-B
813E	913E	Warranty Claim Labor - Commercial Vehicles
813S	913S	Warranty Claim Labor - smart
814	914	Prepaid Maintenance Labor - M-B
814E	914E	Service Contract Labor - Commercial Vehicles
814S	914S	Service Contract Labor - smart
815	915	Internal Labor - M-B
815E	915E	Internal Labor - Commercial Vehicles
815S	915S	Internal Labor - smart
816	916	Customer Labor - Mechanical - Maybach
818	918	Warranty Claim Labor - Maybach
819	919	Service Contract Labor - Maybach
820	920	Internal Labor - Maybach
844	944	Extended Limited Warranty Labor - M-B
850	950	3rd Party Warranty Claim Labor - M-B
851	951	Service Contract Income
		Parts Department
404A	604A	Express Parts – M-B
408A	608A	Express PPM Parts – M-B
404E	604E	Express Parts – CV
408E	608E	Express PPM Parts – CV
404S	604S	Express Parts –smart
408S	608S	Express PPM Parts – smart
460B	660B	R.O. - Mechanical - Other
461B	661B	R.O. - Service Contract - Other
462B	662B	R.O. - Body Shop - Other
464B	664B	Warranty Claim - P&A - Other
465B	665B	Internal - Other
466B	666B	Counter Retail - Other
467B	667B	Wholesale - Other
480B	680B	Accessories - Other
492	692	Assets Taken on Trade

Sales	COS	Parts (continued)
492E	692E	Assets Taken on Trade - Commercial Vehicles
492S	692S	Assets Taken on Trade - smart
494A	694A	Express Warranty Parts – M-B
494E	694E	Express Warranty Parts – CV
494S	694S	Express Warranty Parts – smart
668B		Stock Order Allowance - Other
675A		Inventory Adjustments - M-B
675B		Inventory Adjustments - Other
675E		Inventory Adjustments - Commercial Vehicles
675S		Inventory Adjustments - smart
699		LIFO Adjustment - Parts
699E		LIFO Adjustments - Parts - Commercial Vehicles
699S		LIFO Adjustments - Parts - smart
821	921	R.O. - Mechanical - M-B
821E	921E	R.O. - Mechanical - Commercial Vehicles
821S	921S	R.O. - Mechanical - smart
823	923	Warranty Claim - P&A - M-B
823E	923E	Warranty Claim - P&A - Commercial Vehicles
823S	923S	Warranty Claim - P&A - smart
824	924	R.O. - Prepaid Maintenance - M-B
824E	924E	R.O. - Service Contract - Commercial Vehicles
824S	924S	R.O. - Service Contract - smart
825	925	Internal - M-B
825E	925E	Internal - Commercial Vehicles
825S	925S	Internal - smart
826	926	R.O. - Body Shop - M-B
826E	926E	R.O. - Body Shop - Commercial Vehicles
826S	926S	R.O. - Body Shop - smart
827	927	Counter Retail - M-B
827E	927E	Counter Retail - Commercial Vehicles
827S	927S	Counter Retail - smart
828	928	Wholesale - M-B
828E	928E	Wholesale - Commercial Vehicles
828S	928S	Wholesale - smart
829	929	Accessories and Promotional Items - M-B
829E	929E	Accessories and Promotional Items - Commercial Vehicles
829S	929S	Accessories and Promotional Items - smart
830	930	R.O. - Mechanical - Maybach
	930S	Stock Order Allowance - smart
832	932	Warranty Claim P&A - Maybach
833	933	R.O.- Service Contract - Maybach
834	934	Internal - Maybach
835	935	R.O. - Body Shop - Maybach
836	936	Counter Retail- Maybach
837	937	Accessories - Maybach
842	942	Wholesale - Body Shop
842S	942S	Wholesale - smart
843	943	Tires - M-B
843E	943E	Tires - Commercial Vehicles
843S	943S	Tires - smart
845	945	R.O. - Extended Limited Warranty - M-B
852	952	3rd Party Warranty Claim P&A – MB

FIXED DEPARTMENTS
SALES & COST OF SALES
CONTENTS

View Linked Financial Statement Page 9 - M-B, Page 10 - Commercial Vehicles, and Page 11 - smart.

Sales	COS	Body Shop Department
452B	652B	Customer Body Shop Labor - Other
453B	653B	Customer Body Parts Transfer - Other
455C	655C	Internal Body Shop Labor
455E	655E	Internal Body Shop Labor - Commercial Vehicles
455S	655S	Internal Body Shop Labor - smart
456C	656C	Sublet Repairs - Body Shop
459	659	Paint and Body Shop Materials
459E	659E	Paint and Body Shop Materials - Commercial Vehicles
459S	659S	Paint and Body Shop Materials - smart
	657C	Unapplied Labor - Body Shop
	2657E	Unapplied Labor - Body Shop - Commercial Vehicles
	3657S	Unapplied Labor - Body Shop - smart
838	938	Customer Body Shop Labor - M-B
838E	938E	Customer Body Shop Labor - Commercial Vehicles
838S	938S	Customer Body Shop Labor - smart
839	939	Customer Body Shop Labor - Maybach
840	940	Customer Body Shop Parts Transfer - M-B
840E	940E	Customer Body Shop Parts Transfer - Commercial Vehicles
840S	940S	Customer Body Shop Parts Transfer - smart
841	941	Customer Body Shop Parts Transfer - Maybach
2456E	2656E	Sublet Repairs - Body Shop - Commercial Vehicles
3456S	3656S	Sublet Repairs - Body Shop - smart

SALES and COST OF SALES
INTRODUCTION

Pages 7 through 11 of the Mercedes-Benz statement summarize sales and gross profit by department.

For any type of revenue:

Gross Profit = Sales - Cost of Sales

While Cost of Sales is not shown on the actual statement, its amount is implied from the above identity.

There are some accounts which only show "gross profit." In such areas (e.g., inventory adjustments, LIFO) the dealership makes a profit when the cost of sales account has a credit balance.

The purpose of this section is to indicate what transactions are properly recorded in each sales and cost of sales account. Consistency across dealerships helps ensure comparable profit margins and expense ratios.

SALES & COST OF SALES

Account 450B & 650B	**Customer Labor - Mechanical - Other**
Account 811 & 911	**Customer Labor - Mechanical - M-B**
Account 811E & 911E	**Customer Labor - Mechanical - Commercial Vehicles**
Account 811S & 911S	**Customer Labor - Mechanical - smart**
Account 816 & 916	**Customer Labor - Mechanical - Maybach**

Description

Labor charges and cost on customer repair orders.

Accounting Entries - Sales

Debits	Credits
• Sales price of labor for which the customer will not be charged but instead debited to warranty or policy.	• Sales price to retail, fleet and government customers for all labor performed.

Accounting Entries - Cost of Sales

Debits	Credits
• Technician wages that apply to customer repair orders.	• Labor cost of customer repair orders charged to policy expense.

Comments

Labor sales should be costed on an actual basis rather than as a percentage of sales. However, if technicians are paid on a percentage basis, cost can be computed by multiplying the customer labor rate by the number of hours applicable to the operation and applying the appropriate percentage.

Technician time for each repair order should be recorded using a daily time ticket or time clock. When technicians are paid on an "hourly or guaranteed" basis, the cost should be calculated by multiplying the mechanics hourly wage times the hours applicable to the operation. If the guarantee exceeds productive earnings, the excess should be debited to Unapplied Labor, Account 657.

Each month a schedule of productive labor performed on all incomplete repair orders should be taken. The cost of labor on incomplete repair orders should equal the balance in Work in Process - Labor, Account 247. Any required adjustment should be recorded in Unapplied Labor, Account 657.

***Please note that "Customer Labor - Mechanical - Maybach" is included in "Total Labor - Maybach" on Page 9, Line 12.**

SALES & COST OF SALES

Account 451B & 651B — **Service Contract Labor - Other**
Account 814E & 914E — **Service Contract Labor - Commercial Vehicles**
Account 814S & 914S — **Service Contract Labor - smart**
Account 819 & 919 — **Service Contract Labor - Maybach**

Description

Labor charges on repair orders covered by service contracts and maintenance agreements (including prepaid maintenance).

Accounting Entries - Sales

Debits	Credits
• Adjustments to sales price.	• Sales price to customers for repair orders covered by service contracts.

Accounting Entries - Cost of Sales

Debits	Credits
• Technician wages that apply to these repair orders.	

Comments

Sales recorded in Accounts 814E and 814S should be for service contracts, maintenance agreements (including prepaid maintenance) and extended limited warranties (ELW) only.

Labor performed on extended *warranties* provided through *other* manufacturers or providers should be recorded in Warranty Claim Labor, Account 454B. This includes pre-owned vehicles.

***Please note that "Service Contract Labor - Maybach" is included in "Total Labor - Maybach" on Page 9, Line 12.**

See Accounting Memo 99-12 for additional information.

SALES & COST OF SALES

Account 452B & 652B	**Customer Body Shop Labor - Other**
Account 838 & 938	**Customer Body Shop Labor - M-B**
Account 838E & 938E	**Customer Body Shop Labor - Commercial Vehicles**
Account 838S & 938S	**Customer Body Shop Labor - smart**
Account 839 & 939	**Customer Body Shop Labor - Maybach**

Description

Labor sales on body shop customer repair orders.

Accounting Entries - Sales

Debits	Credits
• Adjustments and discounts.	• Sales price of body shop labor including customer, warranty and internal.

Accounting Entries - Cost of Sales

Debits	Credits
• Cost of body shop labor (technician wages) on all vehicles.	

Comments

Technician time for each repair order should be recorded using a daily time ticket or time clock. When technicians are paid on an "hourly or guaranteed" basis, the amount paid in excess of productive earnings should be adjusted through Unapplied Labor, Account 657C.

Each month a schedule of productive labor performed on all incomplete repair orders should be taken. The cost of labor on incomplete repair orders should equal the balance in Work in Process - Labor, Account 247.

***Please note that "Customer Body Shop Labor - Maybach" is included in "Total Body Shop - Maybach" on Page 9, Line 56.**

SALES & COST OF SALES

Account 453B & 653B	**Customer Body Shop Parts Transfer - Other**
Account 840 & 940	**Customer Body Shop Parts Transfer - M-B**
Account 840E & 940E	**Customer Body Shop Parts Transfer - Commercial Vehicles**
Account 840S & 940S	**Customer Body Shop Parts Transfer - smart**
Account 841 & 941	**Customer Body Shop Parts Transfer - Maybach**

Description

Fifty percent of the sales price of parts used on body shop orders.

Accounting Entries - Sales

Debits	Credits
	• 50% of sales price of parts sold on body shop repair orders.

Accounting Entries - Cost of Sales

Debits	Credits
• 50% of inventory value of parts sold on body shop repair orders.	

Comments

The other fifty percent of sales in these accounts is credited to the parts department using R.O. - Body Shop, Accounts 462B, 826, 826E, 826S and 835; cost is debited to Accounts 662B, 926, 926E, 926S and 935.

***Please note that "Customer Body Shop Parts Transfer - Maybach" is included in "Total Body Shop - Maybach" on Page 9, Line 56.**

SALES & COST OF SALES

Account 454B & 654B — **Warranty Claim Labor - Other**
Account 813 & 913 — **Warranty Claim Labor - M-B**
Account 813E & 913E — **Warranty Claim Labor - Commercial Vehicles**
Account 813S & 913S — **Warranty Claim Labor - smart**
Account 818 & 918 — **Warranty Claim Labor - Maybach**

Description

Customer labor sales covered by manufacturer warranties.

Accounting Entries - Sales

Debits	Credits
• Adjustments to warranty claims submitted.	• Sales price of labor performed under warranty at respective approved labor rate.

Accounting Entries - Cost of Sales

Debits	Credits
• Technician wages for repairs covered by warranty.	

Comments

Labor performed on extended *warranties* provided through *other* manufacturers or providers should be recorded in Warranty Claim Labor, Account 454B. This includes pre-owned vehicles.

Labor on claims for extended service contracts or maintenance programs from *other* manufacturers or providers should be included in Account 451B.

***Please note that "Warranty Claim Labor - Maybach" is included in "Total Labor - Maybach" on Page 9, Line 12.**

SALES & COST OF SALES

Account 455B & 655B	**Internal Labor - Other**
Account 815 & 915	**Internal Labor - M-B**
Account 815E & 915E	**Internal Labor - Commercial Vehicles**
Account 815S & 915S	**Internal Labor - smart**
Account 820 & 920	**Internal Labor - Maybach**

Description

Labor performed for other dealership departments.

Accounting Entries - Sales

Debits	Credits
	• Internal sales price of labor performed on vehicles for other departments.

Accounting Entries - Cost of Sales

Debits	Credits
• Cost of technician labor performed for other departments.	

Comments

Typical charges to these accounts include:

- Preparation and conditioning of new vehicles
- Reconditioning and maintenance of pre-owned vehicles
- Policy work
- Installation and removal of accessories
- Repair and maintenance of company vehicles
- Free inspections

Internal repair orders should be authorized by the department manager requesting the work to be performed.

Internal labor should be charged to other departments at regular retail labor rate. This will compensate the service department for the technician labor cost and direct departmental expenses.

***Please note that "Internal Labor - Maybach" is included in "Total Labor - Maybach" on Page 9, Line 12.**

SALES & COST OF SALES

Account 455C & 655C — **Internal Body Shop Labor - M-B**
Account 455E & 655E — **Internal Body Shop Labor - Commercial Vehicles**
Account 455S & 655S — **Internal Body Shop Labor - smart**

Description

Cost of labor performed for dealership departments.

Accounting Entries - Sales

Debits	Credits
	• Internal sales price of labor performed on vehicles for other departments.

Accounting Entries - Cost of Sales

Debits	Credits
• Cost of technician labor performed for other departments.	

Comments

Internal labor should be charged to other departments at regular retail labor rate. This will compensate the body shop department for the technician labor cost and direct departmental expenses.

SALES & COST OF SALES

Account 456 & 656 — **Sublet Repairs - M-B**
Account 456E & 656E — **Sublet Repairs - Commercial Vehicles**
Account 456S & 656S — **Sublet Repairs - smart**

Description

Vehicle repairs performed outside the dealership.

Accounting Entries - Sales

Debits	Credits
	• Sales price of sublet work (performed outside the dealership) for service customers. • Cost of sublet work performed on vehicles and company vehicles for any other dealership department. • Sales price of sublet work performed to satisfy factory warranties.

Accounting Entries - Cost of Sales

Debits	Credits
• Cost of sublet work performed by outside shops.	

Comments

Sublet work sold to customers should generate a gross profit for the dealership. Purchases of sublet work should be authorized by a purchase order based on information from the repair order.

Separation of retail, wholesale and internal sales may be necessary for sales and use tax purposes.

SALES & COST OF SALES

Account 456C & 656C **Sublet Repairs - Body Shop**

Description

Body and paint work performed by outside shops.

Accounting Entries - Sales

Debits	Credits
	• Sales price of sublet work (performed outside the dealership) for customers or under factory warranty. • Cost of sublet work performed for other departments.

Accounting Entries - Cost of Sales

Debits	Credits
• Cost of body shop sublet work performed by outside shops.	

Comments

Sublet work sold to customers should generate a gross profit for the dealership while internal sales should be at cost. Purchases of sublet work should be authorized by a purchase order based on information from the repair order.

Separation of retail, wholesale and internal sales may be necessary for sales and use tax purposes.

SALES & COST OF SALES

Account 458 & 658 — **Gas, Oil & Grease - M-B**
Account 458E & 658E — **Gas, Oil & Grease - Commercial Vehicles**
Account 458S & 658S — **Gas, Oil & Grease - smart**

Description

Actual sales and customer service charges for these products.

Accounting Entries - Sales

Debits	Credits
	• Sales price of gas, oil and grease sold to retail, fleet and wholesale customers. • Sales price of gas, oil and grease sold to other departments. • Standard customer fees on repair orders to cover oil and grease.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of gas, oil and grease sold to retail, fleet and wholesale customers. • Inventory value of gas, oil and grease sold to other departments. • Adjustments when physical inventory is short of book value.	• Adjustments when physical inventory is over book value.

Comments

Fees for maintenance items on customer repair orders should *not* be used to credit Small Tools/Other Supplies, Account 61.

SALES & COST OF SALES

Account 459 & 659 — **Paint and Body Shop Materials - M-B**
Account 459E & 659E — **Paint and Body Shop Materials - Commercial Vehicles**
Account 459S & 659S — **Paint and Body Shop Materials - smart**

Description

All sales of paints, primer, and other materials.

Accounting Entries - Sales

Debits	Credits
	• Sales price of all body shop materials sold on customer repair orders, warranty claims or to other departments. • Standard customer charges on repair order to cover materials.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of all materials sold and used in the body shop. • Adjustments when the physical inventory is short of the General Ledger account balance.	• Adjustments when the physical inventory is over the General Ledger account balance.

Comments

Separation of retail, wholesale and internal sales may be necessary for sales and use tax purposes.

Materials should be costed individually when possible although most sales are based upon an estimate of the amount used. In order to accurately ascertain the cost of materials sold, a physical inventory should be taken monthly and adjustments made as necessary.

SALES & COST OF SALES

Account 814 & 914 **Prepaid Maintenance Labor - M-B**

Description

Labor charges on repair orders covered by M-B prepaid maintenance.

Accounting Entries - Sales

Debits	Credits
• Adjustments to sales price.	• Sales price to customers for repair orders covered by prepaid maintenance.

Accounting Entries - Cost of Sales

Debits	
• Technician wages that apply to these repair orders.	

Comments

Sales recorded in Account 814 should be for M-B prepaid maintenance only.

See Accounting Memo 10-2 for additional information.

SALES & COST OF SALES

Account 843 & 943 — **Tires - M-B**
Account 843E & 943E — **Tires - Commercial Vehicles**
Account 843S & 943S — **Tires - smart**

Description

All sales of tires.

Accounting Entries - Sales

Debits	Credits
	• Sales price of all tires sold on customer repair orders, warranty claims or to other departments.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of all tires sold and/or used for repairs. • Adjustments when the physical inventory is short of the General Ledger account balance.	• Adjustments when the physical inventory is over the General Ledger account balance.

Comments

Separation of retail, wholesale and internal sales may be necessary for sales and use tax purposes.

Tires should be costed individually. In order to accurately ascertain the cost of tires sold, a physical inventory should be taken monthly and adjustments made.

SALES & COST OF SALES

Account 844 & 944 — **Extended Limited Warranty Labor – M-B**
Account 850 & 950 — **3rd Party Warranty Claim Labor – M-B**

Description

Labor charges on repair orders covered by M-B extended limited warranty.
Labor charges on M-B repair orders covered by warranties provided through other providers.

Accounting Entries - Sales

Debits	Credits
• Adjustments to sales price.	• Sales price to customers for repair orders covered by extended limited warranty (ELW). • Sales price to customers for repair orders covered by warranties provided through other providers.

Accounting Entries - Cost of Sales

Debits	
• Technician wages that apply to these repair orders.	

Comments

Sales recorded in Account 844 should be for M-B extended limited warranties (ELW) only.
Sales recorded in Account 850 should be for M-B 3rd Party Warranty Claim Labor.

See Accounting Memo 10-3 for additional information.

SALES & COST OF SALES

Account 460B & 660B	**R.O. - Mechanical - Other Parts**
Account 821 & 921	**R.O. - Mechanical - M-B**
Account 821E & 921E	**R.O. - Mechanical - Commercial Vehicles**
Account 821S & 921S	**R.O. - Mechanical - smart**
Account 830 & 930	**R.O. - Mechanical - Maybach**

Description

Sales of parts used to complete customer repair orders.

Accounting Entries - Sales

Debits	Credits
• Adjustments to sales price.	• Sales price of parts sold to retail and fleet customers on repair orders.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts sold on retail and fleet repair orders.	

Comments

Parts sales should be costed individually rather than by the percentage method.

Parts previously written off as obsolete should have zero cost when sold. However, the sales of these parts should be recorded in the proper sales account.

Purchase discounts allowed for prompt payment should not affect inventory cost but rather be credited to Cash Discounts Earned, Account 800.

Discounts related to *other* parts stock order allowances should be recorded in Stock Order Allowance - Other, Account 668B.

***Please note that "R.O. - Mechanical - Maybach" is included in "Total Parts - Maybach" on Page 9, Line 39.**

SALES & COST OF SALES

Account 461B & 661B — **R.O. - Service Contract - Other**
Account 824E & 924E — **R.O. - Service Contract - Commercial Vehicles**
Account 824S & 924S — **R.O. - Service Contract - smart**
Account 833 & 933 — **R.O. - Service Contract - Maybach**

Description

Sales of parts covered by service contracts and maintenance agreements from other manufacturers or providers.

Accounting Entries - Sales

Debits	Credits
• Adjustments to sales price.	• Sales price of parts sold on repair order covered by service contracts.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts for these repair orders.	

Comments

Sales recorded in these accounts should be for service contracts, maintenance agreements (including prepaid maintenance) and extended limited warranties.

Parts sales on extended *warranties* provided through *other* manufacturers or providers should be recorded in Warranty Claim P & A, Account 464B. This includes pre-owned vehicles.

***Please note that "R.O. - Service Contract - Maybach" is included in "Total Parts - Maybach" on Page 9, Line 39.**

SALES & COST OF SALES

Account 462B & 662B	**R.O. - Body Shop - Other**
Account 826 & 926	**R.O. - Body Shop - M-B**
Account 826E & 926E	**R.O. - Body Shop - Commercial Vehicles**
Account 826S & 926S	**R.O. - Body Shop - smart**
Account 835 & 935	**R.O. - Body Shop - Maybach**

Description

Fifty percent of the sales price of parts used on body shop repair orders.

Accounting Entries - Sales

Debits	Credits
	• 50% of sales price of parts sold on all body shop repair orders.

Accounting Entries - Cost of Sales

Debits	Credits
• 50% of inventory value of parts sold on all body shop repair orders.	

Comments

The other fifty percent of sales in these accounts is credited to the body shop using Customer Body Shop Parts Transfer, Accounts 838, 840, 840E, 840S and 841; cost is debited to Accounts 938, 940, 940E, 940S and 941.

***Please note that "R.O. - Body Shop - Maybach" is included in "Total Parts - Maybach" on Page 9, Line 39.**

SALES & COST OF SALES

Account 464B & 664B — **Warranty Claim - P&A - Other**
Account 823 & 923 — **Warranty Claim - P&A - M-B**
Account 823E & 923E — **Warranty Claim - P&A - Commercial Vehicles**
Account 823S & 923S — **Warranty Claim - P&A - smart**
Account 832 & 932 — **Warranty Claim - P&A - Maybach**

Description

Sales of parts on warranty repair orders.

Accounting Entries - Sales

Debits	Credits
• Adjustments to claim price.	• Sales price of parts replaced under warranty.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts sold under warranty.	

Comments

Selling prices for parts will be at the authorized reimbursement rates set by manufacturer. Parts on claims for M-B prepaid maintenance or extended limited warranty should be included in R.O. - Prepaid Maintenance - M-B, Account 824, or R.O. Extended Limited Warranty - M-B, Account 845.

For parts sales related to the Body Shop, 50% of sales and cost of sales should be credited to the respective Customer Body Shop Parts Transfer account.

***Please note that "Warranty Claim - P&A - Maybach" is included in "Total Parts - Maybach" on Page 9, Line 39.**

SALES & COST OF SALES

Account 465B & 665B	**Internal - Other**
Account 825 & 925	**Internal - M-B**
Account 825E & 925E	**Internal - Commercial Vehicles**
Account 825S & 925S	**Internal - smart**
Account 834 & 934	**Internal - Maybach**

Description

Parts sold to other departments or used for policy repairs.

Accounting Entries - Sales

Debits	Credits
• Adjustments to internal sales price.	• Sales price of parts sold to other departments.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts sold internally.	

Comments

See Internal Labor, Account 455B, 815, 815E, 815S and 820 for additional information.

***Please note that "Internal - Maybach" is included in "Total Parts - Maybach" on Page 9, Line 39.**

SALES & COST OF SALES

Account 466B & 666B	**Counter Retail - Other**
Account 827 & 927	**Counter Retail - M-B**
Account 827E & 927E	**Counter Retail - Commercial Vehicles**
Account 827S & 927S	**Counter Retail - smart**
Account 836 & 936	**Counter Retail - Maybach**

Description

Sales "over the counter" to individual customers.

Accounting Entries - Sales

Debits	Credits
• Value of exchange parts allowed.	• Sales price of parts sold over the counter to retail customers and employees.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts sold over the counter to retail customers and employees.	

Comments

If a sale includes a deposit for exchange parts, the deposit is included in the sales price. When exchange parts are turned in to the parts department the returned deposit will be debited to the sales account.

***Please note that "Counter Retail - Maybach" is included in "Total Parts - Maybach" on Page 9, Line 39.**

SALES & COST OF SALES

Account 467B & 667B — **Wholesale - Other**
Account 828 & 928 — **Wholesale - M-B**
Account 828E & 928E — **Wholesale - Commercial Vehicles**
Account 828S & 928S — **Wholesale - smart**

Description

Parts sales to other dealers and independent repair shops.

Accounting Entries - Sales

Debits	Credits
• Sales price of returned parts. • Value of exchange parts allowed.	• Sales price of parts sold to customers for resale. • Sales price of parts sold to fleet accounts.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts sold to customers for resale. • Inventory value of parts sold to fleet accounts.	• Inventory value of returned and exchange parts.

Comments

Included in this account are sales to:

- Independent garages
- Service stations
- Body Shops
- Other dealerships
- Insurance companies
- Fleet customers

SALES & COST OF SALES

Account 842 & 942 **Wholesale - Body Shop - Certified**

Description

Parts sales to Certified M-B repair shops only.

Accounting Entries - Sales

Debits	Credits
• Sales price of returned parts. • Value of exchange parts allowed.	• Sales price of M-B parts sold to certified repair shops for resale.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of M-B parts sold to certified repair shops for resale.	• Inventory value of returned and exchange parts.

Comments

Account 842 records parts sales to M-B Certified Body Shops that are part of the Certified Collision Program. The Body Shop may be part of a dealer owned facility or a dealer sponsored independent repair facility authorized by Mercedes-Benz USA. This account should *only* be used to record parts sales to designated *Certified* Body Shops. All sales made to non-certified Body Shops should be recorded in Account 828, Wholesale M-B.

Account 842 should not include sales to the dealership's own body shop department.

SALES & COST OF SALES

Account 842S & 942S **Wholesale - Body Shop - smart**

Description

Parts wholesales to Body Shop.

Accounting Entries - Sales

Debits	Credits
• Sales price of returned parts. • Value of exchange parts allowed.	• Sales price of parts to smart Body Shop

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts sold to smart Body Shop.	• Inventory value of returned and exchange parts.

Comments

Parts wholesales to smart Body Shop for use and resale.

SALES & COST OF SALES

Account 480B & 680B	**Accessories - Other**
Account 829 & 929	**Accessories and Promotional Items - M-B**
Account 829E & 929E	**Accessories and Promotional Items - Commercial Vehicles**
Account 829S & 929S	**Accessories and Promotional Items - smart**
Account 837 & 937	**Accessories - Maybach**

Description

Sales of phones, trim sets and other items.

Accounting Entries - Sales

Debits	Credits
• Adjustments and returns. • Cost of promotional items sold or given away.	• Cellular phones and radios. • Custom wheels. • Appearance packages. • Clothing. • Sales price of promotional gifts.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory cost of items in this account.	• Rebates and discounts.

Comments

All items carrying manufacturer parts number should be recorded in the appropriate parts sale account.

SALES & COST OF SALES

Account 492 & 692 — **Assets Taken on Trade - M-B**
Account 492E & 692E — **Assets Taken on Trade - Commercial Vehicles**
Account 492S & 692S — **Assets Taken on Trade - smart**

Description

Sales of gifts and miscellaneous items taken in on trade.

Accounting Entries - Sales

Debits	Credits
	• Sales price of items not otherwise classified.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory cost of other items.	

Comments

See *Other Inventory, Account 248* for additional information.

Special oil and lubricants carrying factory parts numbers should be recorded as parts sales.

Tires should be reported separately in Accounts 843, 843E and 843S.

Promotional items should be reported in Accounts 829, 829E and 829S.

SALES & COST OF SALES

Account 824 & 924 **R.O. - Prepaid Maintenance - M-B**

Description

Sales of M-B parts covered by prepaid maintenance.

Accounting Entries - Sales

Debits	Credits
• Adjustments to sales price.	• Sales price of M-B parts sold on repair order covered by prepaid maintenance.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of M-B parts for these repair orders.	

Comments

Sales recorded in Account 824 should be for M-B prepaid maintenance only.

See Accounting Memo 10-2 for additional information.

SALES & COST OF SALES

Account 845 & 945 — **R.O. - Extended Limited Warranty - M-B**
Account 852 & 952 — **3rd Party Warranty Claim P&A – M-B**

Description

Sales of parts covered by extended limited warranty.
Sales of parts covered by warranties offered by other providers.

Accounting Entries - Sales

Debits	Credits
• Adjustments to sales price.	• Sales price of M-B parts sold on repair order covered by extended limited warranty (ELW). • Sales price of M-B parts sold on repair orders covered by warranty from other providers.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of M-B parts for these repair orders.	

Comments

Sales recorded in Account 845 should be for M-B extended limited warranty (ELW) only.
Sales recorded in Account 852 should be for M-B 3rd Party Warranty Claim P&A.

See Accounting Memo 10-3 for additional information.

SALES & COST OF SALES

Account 657A — **Unapplied Labor - M-B**
Account 657B — **Unapplied Labor - Other**
Account 657E — **Unapplied Labor - Commercial Vehicles**
Account 657S — **Unapplied Labor - smart**

Description

Technician wages not applied to repair orders.

Accounting Entries - Cost of Sales

Debits	Credits
• Adjustment required when productive labor on incomplete service repair orders is less than the balance in Work in Process - Labor, Account 247.	

Comments

A debit balance in this account normally represents the cost of technician wages that could not be applied to repair orders. Any amount in this account should be analyzed to determine whether it represents inefficient utilization of technician time, low technician productivity or inaccurate costing practices.

Unproductive trainee hours should be recorded in either Account 657A, 657B, 657E, or 657S.

Absentee, vacation and holiday pay should not be charged to this account; use Leave - Vacation, Sick and Holiday, Account 24.

See Accounting Memo 99-3 for additional information.

SALES & COST OF SALES

Account 657C — **Unapplied Labor - Body Shop - M-B**
Account 2657E — **Unapplied Labor - Body Shop - Commercial Vehicles**
Account 3657S — **Unapplied Labor - Body Shop - smart**

Description

Technician wages that could not be applied to body shop repair orders.

Accounting Entries - Cost of Sales

Debits	Credits
• Adjustment when productive labor applicable to incomplete body shop repair orders is less than the balance in Work in Process - Labor, Account 247.	

Comments

A debit balance in this account normally represents the cost of technician compensation which was not applied to repair orders. Any amount in this account should be analyzed to determine whether the amount represents inefficient utilization of technician time, low technician productivity or inaccurate costing practices.

This account includes Technician Trainee salaries.

Absentee compensation should not be charged to this account but to Leave - Vacation, Sick and Holiday, Account 24.

SALES & COST OF SALES

Account 668B — Stock Order Allowance - Other

Description

Standard allowances and discussion on parts purchased from other manufacturers.

Accounting Entries - Sales

Debits	Credits
• Cost of earning allowances and discounts.	• Quantity and/or monthly stock order allowances earned in purchase of other parts.

Comments

MBUSA does not provide a standard stock order allowance.

COST OF SALES

Account 675A	**Inventory Adjustments - M-B**
Account 675B	**Inventory Adjustments - Other**
Account 675E	**Inventory Adjustments - Commercial Vehicles**
Account 675S	**Inventory Adjustments - smart**

Description

Adjustments to bring parts inventory value to current market value.

Accounting Entries - Sales

Debits	Credits
• Adjustments to decrease inventory book value to the physical inventory value. • Write-off of obsolete parts. • Inventory value of scrapped parts.	• Adjustments to increase inventory book value to the physical inventory value.

Comments

Entries in this account normally provide for shrinkage in parts inventory due to obsolescence, theft and breakage. Further adjustments will reflect changes in factory price lists.

It is recommended that a physical inventory be taken at least once a year and adjustments made accordingly.

COST OF SALES

Account 699 **LIFO Adjustments - Parts**

Description

Year-end adjustments to parts inventory LIFO reserve.

Accounting Entries - Sales

Debits	Credits
• Increases in LIFO reserve for parts inventories.	• Recapture of LIFO reserve.

Comments

A detailed schedule for this account should be maintained for audit and tax purposes. Appropriate changes in year-end balances should be made in Account 241.

See Accounting Memo 99-8 for additional information.

SALES & COST OF SALES

Account 401A	**Express Labor - M-B**
Account 403A	**Express PPM Labor - M-B**
Account 493A	**Express Warranty Labor - M-B**
Account 401E	**Express Labor - CV**
Account 403E	**Express PPM Labor - CV**
Account 493E	**Express Warranty Labor - CV**
Account 401S	**Express Labor - smart**
Account 403S	**Express PPM Labor - smart**
Account 493S	**Express Warranty Labor - smart**

Description

Labor charges and cost on customer repair orders, repair orders covered by service contracts and maintenance agreements (including prepaid maintenance), and labor charges and cost covered by manufacturer warranty performed by a Premier Express Service operation.

Accounting Entries - Sales

Debits	Credits
• Sales price of labor for which the customer will not be charged but instead debited to warranty or policy. • Adjustments to sales price.	• Sales price to retail, fleet and government customers for all labor performed in Premier Express Service. • Sales price to customers for repair orders covered by prepaid maintenance performed in Premier Express Service. • Sales price for repair orders covered by manufacturer warranty performed in Premier Express Service.

Accounting Entries - Cost of Sales

Debits	Credits
• Premier Express Service technician wages that apply to customer repair orders. • Premier Express Service technician wages that apply to these service contract repair orders. • Premier Express Service technician wages that apply to these manufacturer warranty repair orders	• Labor cost of customer repair orders performed in Premier Express Service and charged to policy expense.

Comments

Labor sales should be costed on an actual basis rather than as a percentage of sales. However, if technicians are paid on a percentage basis, cost can be computed by multiplying the customer labor rate by the number of hours applicable to the operation and applying the appropriate percentage. Technician time for each repair order should be recorded using a daily time ticket or time clock. When technicians are paid on an "hourly or guaranteed" basis, the cost should be calculated by multiplying the mechanics hourly wage times the hours applicable to the operation. If the guarantee exceeds productive earnings, the excess should be debited to Unapplied Labor, Account 657. Each month a schedule of productive labor performed on all incomplete repair orders should be taken. The cost of labor on incomplete repair orders should equal the balance in Work in Process - Labor, Account 247. Any required adjustment should be recorded in Unapplied Labor, Account 657.

***Please note that "Express Labor – MB" is on Page 9, Line 7, "Express PPM Labor- MB is on Page 9, Line 8, "Express Warraanty Labor – MB" is on Page 9, Line 9, "Express Labor – CV" is on Page 10, Line 47, "Express PPM Labor- CV is on Page 10, Line 48, "Express Warranty Labor – CV" is on Page 10, Line 49, "Express Labor – smart" is on Page 11, Line 46, "Express PPM Labor – smart" is on Page 11, Line 47, "Express Warranty Labor – smart" is on Page 11, Line 48.**

See Accounting Memo 14-1 for additional information.

SALES & COST OF SALES

Account 404A	**Express Parts - M-B**
Account 408A	**Express PPM Parts - M-B**
Account 494A	**Express Warranty Parts - M-B**
Account 404E	**Express Parts - CV**
Account 408E	**Express PPM Parts - CV**
Account 494E	**Express Warranty Parts - CV**
Account 404S	**Express Parts - smart**
Account 408S	**Express PPM Parts - smart**
Account 494S	**Express Warranty Parts - smart**

Description

Sales of parts used to complete customer repair orders, sales of parts covered by prepaid maintenance, and sales of parts covered by manufacturer warranty performed in an Premier Express Service operation.

Accounting Entries - Sales

Debits	Credits
• Adjustments to sales price.	• Sales price of parts sold to retail and fleet customers on repair orders performed in Premier Express Service. • Sales price of M-B parts sold on repair orders covered by prepaid maintenance performed in Premier Express Service. • Sales price of M-B parts sold on repair orders covered by manufacturer warranty performed in Premier Express Service.

Accounting Entries - Cost of Sales

Debits	Credits
• Inventory value of parts sold on retail and fleet repair orders performed in Premier Express Service. • Inventory value of M-B parts for prepaid maintenance repair orders performed in Premier Express Service. • Inventory value of M-B parts for manufacturer warranty repair orders performed in Premier Express Service.	

Comments

Parts sales should be costed individually rather than by the percentage method.
Parts previously written off as obsolete should have zero cost when sold. However, the sales of these parts should be recorded in the proper sales account. Purchase discounts allowed for prompt payment should not affect inventory cost but rather be credited to Cash Discounts Earned, Account 800. Discounts related to *other* parts stock order allowances should be recorded in Stock Order Allowance - Other, Account 668B.

***Please note that "Express Parts – MB" is on Page 9, Line 34, "Express PPM Parts - MB" is on Page 9, Line 35, "Express Warranty Parts- MB" is on Page 9, Line 36, "Express Parts – CV" is on Page 10, Line 59, "Express PPM Parts- CV" is on Page 10, Line 60, "Express Warranty Parts- CV" is on Page 10, Line 61, "Express Parts – smart" is on Page 11, Line 67, "Express PPM Parts – smart" is on Page 11, Line 68, "Express Warranty Parts – smart" is on Page 11, Line 69.**

See Accounting Memo 14-1 for additional information.

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EXPENSE CLASSIFICATION AND ALLOCATION

Classification

The M-B Dealer Accounting System provides for expense assignment and allocation through a department lettering system:

Department	Mercedes-Benz	Commercial Vehicle	smart
New Vehicles	1A	2A	3A
Pre-Owned Vehicles	1B	2B	3B
Service	1C	2C	3C
Parts	1D	2D	3D
Body Shop	1E	2E	3E

This system allows office personnel to assign operating expenses directly to a department by adding the letter classification to the end of the account number. For example, Training, Account 77 becomes Account 177A for the Mercedes-Benz New Vehicle Department.

Dealership expenses are grouped within four categories:

Variable Expenses	Those that directly increase and decrease with the volume of new and pre-owned vehicle sales.
Personnel Expenses	Those related to the salaries and benefits of employees and which are partially controlled by department managers.
Semi-Fixed Expenses	General overhead expenses not directly tied to personnel or fixed assets and which are partially controlled by department managers.
Fixed Expenses	Those related to facilities and fixed assets used in dealership operations and generally not the direct responsibility of department managers.

In addition, the Mercedes-Benz Accounting System provides for:

Bonuses & Owner Salary	Compensation to owners and employees based on total performance of the dealership.

Expense Allocation

Each department can be viewed as a separate business that must incur expenses in order to operate. From this viewpoint, overhead expenses such as rent must be allocated on a reasonable basis to all departments. Department managers may not be directly responsible for the rent expense but they all receive the benefit.

Most expenses have a clear, definable nature and can be reasonably and accurately *assigned* to specific departments. For example, a sales commission paid on a new car sale does not need to be allocated; it is simply *assigned* to new vehicle expense. Expenses that cannot be so easily categorized must be analyzed and reasonable decisions made concerning allocation.

Expense items should not be *arbitrarily* prorated nor casually classified as non-departmental because they are not directly incurred by or for a specific department. It is also important that no expense be assigned to a non-operating department (e.g., the body shop when the dealership does not have one) in an attempt to evade an allocation decision.

Expenses should be methodically allocated to departments which:

- Are directly responsible for the expense.
- Receive the direct benefit of the expense.
- Share in the benefit of the expense.

The table on the following page indicates various methods for allocation.

Allocation Tables

Most expense accounts discussed in this manual have a table suggesting an allocation method for selected expense items. The tables are specific to reduce confusion concerning the logic for the allocation. Generalizations can be inferred from the examples.

We have not dealt with all possible expenses. The illustrations are provided to merely show typical items charged to each expense account and to guide allocation decisions for expenses common to all M-B dealerships. Even if a dealership incurs a non-listed expense, the tables should provide insight to correct allocation.

We usually suggest only one reasonable method for each expense item and are hopeful that the majority of dealers will follow it. Of course, there may be other methods a dealer feels are more reasonable and accurate for particular expense items; if so, they can be used.

Measure	Allocation Method
Employees	Department employees / total employees.
Employees Participating	Department participating employees / total participating employees
Compensation	Department wage and salaries / relevant wages and salaries
Terminals or **Ports**	Department terminals / total terminals
Time	Reasonable estimate of the time spent for a department / total time worked
Usage	Reasonable estimate of department use (e.g., supplies, services, equipment, etc.) / total use (expense)
Benefit	Reasonable estimate of department benefit (e.g., general advertising) / total benefit (expense)
Sales or **Gross Profit**	Department sales or gross profit / total sales or gross profit for departments benefited
Units	For new and pre-owned departments, retail units sold / total retail units
Value	Value of equipment used by department / total value
Vehicles	Vehicle assigned or used by department / total vehicles
Area - Unweighted	Reasonable estimate of the square footage used by department / total square footage
Area - Relative Value	The value of space assigned by each department based on importance, amenities, location, etc. / total value (expense) {See example under Rent}

EXPENSES - VARIABLE

Account 10 — Representative Compensation and Incentives

Description

Commissions and salaries to vehicle representatives.

Accounting Entries

Debits	Credits
• Sales commissions, incentives and salaries of new and pre-owned vehicle representatives. • Other compensation paid such as prizes, premiums, bonuses and spiffs. • Excess of guarantees over commissions earned. • Month-end accrual of current month earnings payable in a subsequent period.	• Reversal of the month-end accrual. • Chargebacks to compensation.

Comments

Incentives, prizes, etc. paid to dealership employees are subject to payroll taxes and should be recorded in the Payroll Journal. Tax counsel should be consulted for instructions.

Typical charges:

Account 10A - New Vehicle Department

New Retail Representative commissions, incentives and salaries.
Fleet Representative commissions, incentives and salaries.
Prizes to representatives on new vehicle sales.
Prospector fees on new vehicle sales.

Account 10B - Pre-Owned Vehicle Department

Pre-Owned Retail Representative commissions, incentives and salaries.
Prizes to representative on pre-owned vehicle sales.
Prospector fees on pre-owned vehicle sales.

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Representative commissions	For new vehicle sales	For pre-owned vehicle sales			
Commissions and fees to outsiders	For new vehicle sales	For pre-owned vehicle sales			
Salaries and guarantees	Time	Time			
Spiffs and premiums	For new vehicle sales	For pre-owned vehicle sales			

EXPENSES - VARIABLE

Account 12 **Finance & Lease Compensation**

Description

Compensation to F & L personnel.

Accounting Entries

Debits	Credits
• Commissions and incentives earned by F & L specialists on finance, lease, service contract and accessories. • Month-end accrual of amounts earned in the current month but payable in a subsequent period.	• Reversal of the month-end accrual. • Chargebacks to prior compensation.

Comments

Incentives, prizes, etc. paid to dealership employees are subject to payroll taxes and should be recorded in the Payroll Journal.

Allocation to the new or pre-owned vehicle departments should not be an issue as each commission is attributable to a specific vehicle and can be *assigned* to a department. However, volume bonuses and incentives can be allocated based on units.

Typical charges:

Account 12A - New Vehicle Department

F & L Manager commissions and incentives.
Assistant F & L Manager commissions and incentives.

Account 12B - Pre-Owned Vehicle Department

F & L Manager commissions and incentives.
Assistant F & L Manager commissions and incentives.

EXPENSES - VARIABLE

Account 13 — Delivery Expense

Description

Expenses of preparing vehicles for delivery.

Accounting Entries

Debits	Credits
• Internal selling price of labor and materials to prepare new vehicles for delivery in excess of factory reimbursement (if any). • Internal selling price of labor and materials to prepare pre-owned vehicles for delivery. • Internal cost of gifts and promotional items given to customers.	• Any pre-delivery expense collected from other dealers on vehicles sold or transferred. • Lease-end inspection fee reimbursements.

Comments

Each item of expense in this account should be allocated to the new or pre-owned department based on units if actual expenditures cannot be identified and assigned.

Included in this expense account are such items as inspections, lubrication, gasoline, oil, washing and travel expenses for employees delivering vehicles. If a large number of units are prepared in advance of their sale the total expense should be charged initially to Prepaid Expenses, Account 261 then debited to Account 13 at time of delivery.

EXPENSES - VARIABLE

Account 15 — Policy Expense - New/Pre-Owned

Description

Repairs to recently sold vehicles for which the customer is not charged.

Accounting Entries

Debits	Credits
• Expense for repairs and adjustments to new or pre-owned vehicles for which neither the customer nor the manufacturer will be charged.	• Warranty reimbursements from manufacturer for repairs previously charged to policy.

Comments

Labor and material charges to this account should be at internal selling prices. Expenses should be assigned to the new or pre-owned department based on the specific vehicle.

EXPENSES - OTHER

Account 19 — Compensation - Owners

Description

Salaries paid to shareholders and owners for general management efforts.

Accounting Entries

Debits	Credits
• Gross compensation, including vacation pay of the owner or owners. • Gross compensation paid to inactive owners.	

Comments

Owners do not include technical owners of qualifying shares acquired solely for the purpose of holding corporate office nor owners of small interests acquired as part of an employee incentive plan.

Owners who work full-time managing a department can have their salary debited to Compensation - Managers. Otherwise, all compensation should be in Account 19 and not reported under any other expense category.

EXPENSES - PERSONNEL

Account 20 — Compensation - Managers

Description

Salary and bonuses paid to general and department managers.

Accounting Entries

Debits	Credits
• Salaries and bonuses for employees such as: - General & Department Managers - Service and Parts Director - Business Manager & Controller - BDC Managers • Other compensation paid such as prizes and premiums.	• Reversal of the month-end accrual. • Chargebacks to prior compensation.

Comments

Compensation charged to this account should be allocated according to the duties of the individual. If an individual works in more than one department, the salary should be prorated to the respective departments as illustrated in the table below.

Incentives, prizes, etc. paid to dealership employees are subject to payroll taxes and should be recorded in the Payroll Journal.

Typical charges:

Account 20A - New Vehicle Department

General and General Sales Manager commissions, salaries and overrides on new vehicle sales.

Sales Manager incentives such as money payments, trips and prizes.

Account 20B - Pre-Owned Department

General and General Sales Manager commissions, salaries and overrides on pre-owned sales.

Sales Manager incentives.

Account 20C - Service Department

Service Manager salaries, incentives and commissions.

Service and Parts Director compensation applicable to service department sales or profits.

Account 20D - Parts Department

Parts and Assistant Parts Manager salaries, incentives and commissions.

Service and Parts Director compensation applicable to parts department sales or profits.

Account 20E - Body Shop Department

Body Shop Manager salaries, incentives and commissions.

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
General Manager BDC Manager	Time	Time	Time	Time	Time
General Sales Manager	Gross Profit or Units	Gross Profit or Units			
Service & Parts Director			Gross Profit	Gross Profit	

EXPENSES - PERSONNEL

Account 21 — Compensation - Advisors

Description

Salaries, commissions and bonuses to service and parts advisors.

Accounting Entries

Debits	Credits
• Salaries and commissions for service and parts advisors. • Performance bonuses to service and parts advisors.	

Comments

Service advisors should be viewed as selling both service and parts. Therefore, it is appropriate to allocate salaries equally between the two departments as illustrated below:

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Service Advisors			**50%**	**50%**	
Parts Advisors				**100%**	

EXPENSES - PERSONNEL

Account 22 — Compensation - Clerical

Description

Salaries and wages to clerks and office personnel.

Accounting Entries

Debits	Credits
• Gross compensation for clerical employees.	

Comments

Compensation charged to this account should be allocated according to the duties of the individual. If an individual works in more than one department, the salary should be prorated to the respective departments as illustrated in the table below.

Typical salary and wage charges:

Account 22A - New Vehicle Department
- Department title clerks
- Department sales secretaries
- Direct mail and follow-up clerks and assistants
- New non-selling F & L support staff

Account 22B - Pre-Owned Department
- Department title clerks
- Department sales secretaries
- Direct mail and follow-up clerks and assistants
- Pre-owned non-selling F & L support staff

Account 22C - Service Department
- Warranty clerks
- Service cashiers
- Service department cashiers

Account 22D - Parts Department
- Warranty clerks
- Parts department cashiers
- Parts department inventory control clerks

Account 22E - Body Shop Department
- Body shop secretaries
- Body shop cashiers

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Title Clerk	Units	Units			
Warranty Clerk			Warranty Sales	Warranty Sales	Warranty Sales
Cashiers			Sales	Sales	Sales
General Clerks	Gross Profit or Benefit	Gross Profit or Benefit	Gross Profit or Benefit	Gross Profit or Benefit	Gross Profit or Benefit

EXPENSES - PERSONNEL

Account 23 **Compensation - Other**

Description

Salaries, wages, and commissions to employees other than managers, representatives, technicians and office personnel.

Accounting Entries

Debits	Credits
• Compensation of employees not classified in Accounts 20-22.	• Cost of productive labor performed by personnel (other than technicians) which was charged to service cost of sales.

Comments

Compensation charged to this account should be allocated according to the duties of the individual. If an individual works in more than one department, the salary should be prorated to the respective departments as illustrated in the table below.

Typical salary and wage charges:

Account 23A - New Vehicle Department
Porters and car shifters

Account 23B - Pre-Owned Department
Porters and car shifters

Account 23C - Service Department
Dispatchers
Shop foreman (if not manager)
Porters
Tow truck driver

Account 23D - Parts Department
Shipping/Receiving clerks
Parts delivery drivers

Account 23E - Body Shop Department
Parts pick-up & delivery person (if exclusive body shop employee)
Tow truck driver
Body shop foreman (if not manager)

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Porters, Maintenance Staff	Time	Time	Time	Time	Time
Service Dispatcher			Sales	Sales	
Tow Truck Driver			Benefit	Benefit	Benefit
Courtesy Driver			Sales	Sales	
BDC Personnel (excluding Managers)	Time	Time	Time	Time	Time

EXPENSES - PERSONNEL

Account 24 **Leave - Vacation, Sick and Holiday**

Description

Compensation to employees not available for work.

Accounting Entries

Debits	Credits
• Gross compensation of productive personnel (not owners) when not available for productive work, such as: - Holiday Pay - Vacation Pay - Sick Leave - Training School Pay • Monthly accrual for vacation and time-off pay for productive personnel.	• Adjustment necessary to correct the accrual of this expense.

Comments

This account should include the vacation and time-off pay applicable to all dealership personnel.

Absentee wages should be allocated in the same fashion as regular wages and salaries.

Unproductive trainee hours should <u>not</u> be recorded in this account. See *Accounts 657A/B/C/E/S, 2657E and 3657S, (Unapplied Labor M-B/CV/smart/Other)* for proper recording.

EXPENSES - PERSONNEL

Account 25 — Taxes - Payroll

Description

Dealership contributions for various payroll taxes.

Accounting Entries

Debits	Credits
• Dealership portion of payroll taxes such as: - FICA - Federal Unemployment - State Unemployment - State Disability - Local employment credits	• Refunds of payroll taxes.

Comments

Allocate payroll taxes across departments based on the number of employees or compensation paid.

EXPENSES - PERSONNEL

Account 26 — Pension and Profit Sharing

Description

Contributions to pension, retirement, and profit sharing.

Accounting Entries

Debits	Credits
• Monthly payments or accrual for pension fund or profit sharing. • Compensation for retired employees in lieu of pension plan.	• Payroll deductions for employee portion of pension fund or profit sharing.

Comments

Both employer and employee contributions to the fund should be set up as outlined under the terms of the fund.

Allocate pension fund expense according to the number of employees participating or compensation if contributions depend on employee income.

EXPENSES - PERSONNEL

Account 27 — Insurance - Employees

Description

Employee benefit and insurance programs.

Accounting Entries

Debits	Credits
• Monthly payment or accrual for plans such as: - Life Insurance - Health Insurance - Welfare and Recreation Funds - Workers' Compensation Insurance	• Payroll deductions for employee portion of employee benefit plans.

Comments

The employee's share (payroll deductions) for benefit plans should be credited to this account.

Expenses should be allocated according to the number of employees participating in each particular coverage.

EXPENSES - PERSONNEL

Account 28 — Uniforms and Laundry

Description

Rental and purchase of uniforms plus general laundry services.

Accounting Entries

Debits	Credits
• Purchase or rental of uniforms, shop coats, etc. • Laundry service for uniforms, rags, etc. • Jackets or other dress items required for managers and representatives.	• Payroll deductions made from employees.

Comments

An accurate method of payroll deductions for uniform and laundry service should be established.

Allocate uniform expense based on employees. Laundry expense can be allocated based on usage.

EXPENSES - SEMI-FIXED

Account 31 **Tier 3 Brand Compliance Bonus**

Description

Tier 3 Bonus is earned by dealer as part of the Regional Dealer Advertising Program. Please see the Regional Dealer Advertising (RDA) program guide (located on the Mercedes-Benz New Vehicle Tier 3 Bonus Program website via NetStar) for full program eligibility details and requirements.

Accounting Entries

Debits	Credits
• Tier 3 Bonus assessments resulting from Category I or II infractions.	• Tier 3 Brand Compliance Bonus funds earned by the dealer upon placement of compliant Tier 3 marketing.

Comments

An authorized Mercedes-Benz dealer can qualify for Tier 3 Bonus Program monies contingent on the dealer's compliance with Mercedes-Benz new vehicle marketing within the "Mercedes-Benz Brand Communication Standards" (This document can be located on the Mercedes-Benz New Vehicle Tier 3 Bonus Program website via NetStar or at http://mercedesmarketing.com).

All Tier 3 Brand Compliance Bonus funds earned by the dealer will be credited monthly to the Consolidated Account Statement. This amount should be credited to Account 31, Tier 3 Brand Compliance Bonus.

Any Tier 3 Brand Compliance Bonus Program dollar assessments resulting from Category I or II infractions will be detailed on the Consolidated Account Statement. This amount should be debited to Account 31, Tier 3 Brand Compliance Bonus.

The Tier 3 Bonus Program is applicable to new M-B vehicles only and excludes Certified Pre-Owned, Pre-Owned, Military, Auction and European Delivery Vehicles. As such, bonus monies should <u>not</u> be allocated across all departments.

See Accounting Memo 10-5 for additional information.

EXPENSES - SEMI-FIXED

Account 32 — Other Advertising & Promotion

Description

General and departmental advertising and promotional expenses **other than** Tier 3 Mercedes-Benz marketing expenses.

Accounting Entries

Debits	Credits
• All advertising and promotional expenses **other than** Tier 3 Marketing. • Monthly write-off of prepaid advertising.	• Adjustments to advertising charges.

Comments

Typical expenses included in this account are:

- Dealer Group Branding Advertising
- Other manufacturer marketing expenses.
- Ad fees on other factory invoices
- Employment Ads

EXPENSES - SEMI-FIXED

Account 33 — Bad Debts

Description

Write-off of uncollectible receivables.

Accounting Entries

Debits	Credits
• Monthly provision or accrual for uncollectible customer receivables. • Actual customer accounts deemed uncollectible.	• Reversal of month-end accrual. • Collections of previously charged off accounts.

Comments

Bad debts do not need to be allocated but should be charged back to the originating department.

EXPENSES - SEMI-FIXED

Account 34 — Tier 3 Marketing Expense

Description

Expenses related to the placement of compliant Tier 3 Mercedes-Benz marketing within the context of the Mercedes-Benz New Vehicle Tier 3 Bonus Program. Please see the Regional Dealer Advertising (RDA) Program guide (located on the Mercedes-Benz New Vehicle Tier 3 Bonus Program website via NetStar or at http://mercedesmarketing.com) for full program eligibility details and requirements.

Account 34 is subject to audit during an MBUSA Sales Compliance Review to ensure eligibility under Tier 3 marketing expense program rules.

Accounting Entries

Debits	Credits
• Mercedes-Benz New Vehicle Tier 3 marketing expenses. • Monthly write-off of prepaid marketing.	• Adjustments to marketing expenses.

Comments

Actual expenses related to the placement of Tier 3 Mercedes-Benz marketing beyond the dealership premises, including but not limited to:

- Television
- Newspaper
- Radio
- Magazines
- Internet
  - Dealer websites
  - E-mail
  - Banner ads
  - Vehicle listings
  - Paid search
  - Social media sites
  - Mobile
- Direct Mail
- Telephone Yellow Pages
- Brochures
- Event sponsorships and promotional items relating to the event sponsorship
- Poster or handbills
- Auto show exhibits and expenses
- Promotional banners, pennants, etc.
- New vehicle announcement materials
- Theater and sports programs
- Digital media
- Local Events
- Out-of-Home

Charges can be allocated across departments based upon benefits. Marketing Expenses containing both New Vehicles and Pre-Owned messages should split the expense within their respective sections of the Dealer Financial Statement.

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Media, direct mail, signs	Benefit	Benefit	Benefit	Benefit	Benefit
Auto Show	Total				
Promotional Items	Usage	Usage	Usage	Usage	Usage
Banners	Actual	Actual			

Marketing expenses for *other* manufacturers should *not* be debited to this account. Use Account 32, Other Advertising and Promotion.

See Accounting Memo 10-5 for additional information.

EXPENSES - SEMI-FIXED

Account 35 — Training Credit

Description

Credit to be recorded as an offset against dealership training expense

Accounting Entries

Debits	Credits
	• Customer Ownership Training Credit.

Comments

See Accounting Memo 13-2 for additional information on the Customer Ownership Training Credit.

EXPENSES - SEMI-FIXED

Account 51 — **Company Vehicle/Demonstrator**
Account 52 — **Courtesy Vehicle Program (CVP)**

Description

Operating and repair expenses for various company vehicles.

Accounting Entries

Debits	Credits
• Expense of maintaining new (including Fleet Program vehicles) and pre-owned vehicles in salable condition. • Expense of operating and maintaining demonstrators and departmental vehicles. • Expense allowances to employees using their personal cars for company business or demonstration purposes. • Damage to demonstrators, new, pre-owned and company vehicles.	• Reimbursements by employees or owners for vehicle use. • Insurance reimbursements for vehicle damage.

Comments

Typical expenses included in these accounts are:

- License, sales/use tax and title fees
- Insurance premiums
- Gasoline and oil
- Washing and detailing
- General repairs and maintenance
- Safety inspections
- Allowance to representatives for use of personal cars for customer demonstrations
- Losses from accidents (uninsured portion)

All costs associated with providing Courtesy Vehicle Program vehicles to service customers should be charged to Account 52. Expense should be allocated across all departments based on the percentage of Gross Profit each department contributes to the store and thus should *not* be allocated solely to the service department.

Depreciation of company vehicles should be credited to Account 91.

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Courtesy Vehicle Program (Acct 52)	Gross Profit	Gross Profit	Gross Profit	Gross Profit	Gross Profit
Other Vehicles	Vehicles Assigned	Vehicles Assigned	Vehicles Assigned	Vehicles Assigned	Vehicles Assigned

See Accounting Memo 04-1 for additional information on the Courtesy Vehicle Program.

See Accounting Memo 11-1 for additional information.

EXPENSES - SEMI-FIXED

Account 60 — Office Supplies and Stationery

Description

Direct cost of stationery, forms, and office supplies.

Accounting Entries

Debits	Credits
• Expense (including shipping charges) of stationery and office supplies.	

Comments

Stationery and office supplies are normally expensed at the time of purchase; however, when purchases are made in lot quantities these expenses should be set up as a prepaid expense and prorated over future periods.

Typical expenses included in this account are:

- Bookkeeping ledgers and supplies
- Letterhead and stationery
- Envelopes
- General office supplies
- Invoices
- Repair orders
- Accounting forms
- Office equipment not capitalized

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Repair Orders			50%	50%	
Sales Invoices	Units	Units			
General Office	Usage	Usage	Usage	Usage	Usage

EXPENSES - SEMI-FIXED

Account 61 **Small Tools/Other Supplies**

Description

Various tools and supplies used in the fixed departments.

Accounting Entries

Debits	Credits
• Cost of supplies purchased for service, parts and body shop departments. • Purchase or rental of towels, wiping rags, car covers, etc. • Cost of small tools purchased.	• Volume discounts and rebates.

Comments

Included in this expense account are such items as:

- Solvents, cleaning and sweeping compounds
- Towels, car covers, wiping rags and floor mats
- Parts department bin labels
- Light bulbs and tubes
- Shipping supplies for parts department

Small tools with a value of less than a capitalization amount established by the dealership or having an estimated life of less than one year should be included in this account. Items included are:

- Wrenches
- Hand drills
- Drill bits
- Hammers
- Screwdrivers

Allocate supplies between service, parts and body shop based on usage.

EXPENSES - SEMI-FIXED

Account 62 — Floor Plan Interest

Description

Interest on loans to floor new and pre-owned vehicles.

Accounting Entries

Debits	Credits
• Finance institution floor plan interest expense paid or accrued on new and pre-owned vehicle inventories. • Interest on shareholder loans provided for flooring purposes.	• Reversal of the prior month accrual.

Comments

Interest on lease and rental vehicles should be debited to Lease & Rental Income/Expense, Account 809. Interest for Courtesy Vehicle Program vehicles is included in Account 52.

Floor plan interest does not require allocation unless new and pre-owned vehicles are carried on a single flooring line. If so, allocate based on average inventory values.

EXPENSES - SEMI-FIXED

Account 66 **Contributions**

Description

Donations of cash and products to charitable and educational groups.

Accounting Entries

Debits	Credits
• Cash and items of value contributed to charitable, political, educational and religious institutions.	

Comments

Allocate contributions to the initiating department or base on benefit.

EXPENSES - SEMI-FIXED

Account 67 — Policy Expense - Service/Parts/Body

Description

Labor and parts cost on repairs for which neither the customer nor factory is charged.

Accounting Entries

Debits	Credits
• Internal selling price of repairs, adjustments or replacements of defective service and body shop work for which neither the customer nor the manufacturer will pay.	

Comments

Returned parts or accessories should be recorded as a reversal of the original sale and the items restocked in inventory. If the returned parts or accessories are broken or obsolete, they should be written off in Inventory Adjustment, Account 675. If the amount submitted is not covered by the customer nor the manufacturer, Account 67, Policy Expense - Service/Parts/Body should be used.

EXPENSES - SEMI-FIXED

Account 68 **Outside Services**

Description

Various services provided by outside vendors.

Accounting Entries

Debits	Credits
• Expense of outside services (excluding legal and auditing) incurred by a specific department.	

Comments

Included in this account are expenses such as:

- Consultants
- BDC Consulting Services
- Protection service
- Armored car service
- Rubbish removal
- Credit reports
- Safe deposit rentals
- Outside janitorial service
- Management services and fees
- Automated service history programs
- Automated inventory control programs
- Shopping service

The expense of electronic accounting services should be charged to Data Processing, Account 79.

Building and grounds maintenance should be recorded in Repairs/Maintenance - Real Estate, Account 82.

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Security	Area	Area	Area	Area	Area
Maintenance	Area	Area	Area	Area	Area
Garbage Removal	Usage	Usage	Usage	Usage	Usage
Management Fees	Benefit	Benefit	Benefit	Benefit	Benefit
Inventory Service				Total	
Credit Reports	Units	Units			

EXPENSES - SEMI-FIXED

Account 69 **Entertainment**

Description

Entertainment expenses for business purposes.

Accounting Entries

Debits	Credits
• General travel and entertainment expenses for business purposes. • Sports tickets used for business purposes.	• Reimbursement of entertainment expenses.

Comments

Specific information is required for income tax purposes for each item in this account. All travel and entertainment expenditures should be supported by a properly documented expense voucher including dates, destination, purpose of trip, names of persons entertained, receipts and any other pertinent information.

Outside accounting and tax counsel should be obtained concerning the proper handling and deduction of travel and entertainment expenses.

***Please note "Entertainment" is included in "Travel & Entertainment" on Page 2, Line 33.**

EXPENSES - SEMI-FIXED

Account 70 **Travel**

Description

Travel expense for business purposes.

Accounting Entries

Debits	Credits
• General travel and entertainment expenses for business purposes. • 20 Group and dealer meeting travel.	• Reimbursements for travel expenses by manufacturer or employees.

Comments

Specific information is required for income tax purposes for each item in this account. All travel and entertainment expenditures should be supported by a properly documented expense voucher including dates, destination, purpose of trip, names of persons entertained, receipts and any other pertinent information.

Outside accounting and tax counsel should be obtained concerning the proper handling and deduction of travel and entertainment expenses.

Travel costs for new or pre-owned vehicle acquisition should be charged to the appropriate inventory account. Travel to training classes should be considered departmental training expense and debited to Account 77. Travel expenses should be allocated based on their benefit to departments.

***Please note "Travel" is included in "Travel & Entertainment" on Page 2, Line 33.**

EXPENSES - SEMI-FIXED

Account 72 **Legal and Accounting**

Description

Professional legal and accounting fees and related costs.

Accounting Entries

Debits	Credits
• Auditing or tax service fees. • Attorney's fees for dealership legal issues. • Monthly accrual of estimated legal and audit fees.	

Comments

This expense account includes such items as:

- Professional legal counsel
- Auditing services by an outside firm
- CPA tax counsel
- Notary bonds and seals
- Court costs and filing fees

Actual legal judgments against the dealership should be shown in Other Adjustments, Account 855.

Charges not directly attributable to a specific department should be allocated based upon benefit.

EXPENSES - SEMI-FIXED

Account 73 **Postage**

Description

General postage and express mail costs for invoices and other correspondence.

Accounting Entries

Debits	Credits
• Postage expense not related to sales promotion and parts shipment. • Express mail and delivery charges.	

Comments

Postage costs of direct mail pieces should be charged to Account 32, Other Advertising & Promotion.

EXPENSES - SEMI-FIXED

Account 74 **Telephone**

Description

Local and long distance telephone service and related costs.

Accounting Entries

Debits	Credits
• Telephone local and long distance expense. • 800 Number expense. • Intercom system rental and/or maintenance. • Cellular service expense. • Voice mail.	• Collections from individuals for personal toll calls. • Reversal of month-end accrual.

Comments

Advertising in the Yellow Pages and similar publications should *not* be included in this expense account but rather in Other Advertising & Promotion, Account 32.

Long distance and toll charges do not need to be allocated but can be charged directly to the responsible department.

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
General Service	Outlets	Outlets	Outlets	Outlets	Outlets
800 Service	Benefit	Benefit	Benefit	Benefit	Benefit

EXPENSES - SEMI-FIXED

Account 75 **Memberships/Dues/Publication**

Description

Association dues and business publication subscriptions.

Accounting Entries

Debits	Credits
• Initiation fees and dues paid to business and civic organizations. • Subscriptions for periodicals, business and trade publications. • Dealer associations' dues. • Parts and accessories price catalogs.	

Comments

Most publications can be directly assigned to departments rather than allocated. For allocation:

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Business Organization Dues	Benefit	Benefit	Benefit	Benefit	Benefit
NADA, State & Local Associations	Benefit	Benefit	Benefit	Benefit	Benefit
Customer Lounge Magazines			50%	50%	

Consult tax advice concerning the deductibility of membership dues and fees.

EXPENSES - SEMI-FIXED

Account 76 **Miscellaneous**

Description

Various small expenses incurred by the dealership.

Accounting Entries

Debits	Credits
• Any expense for which specific accounts have not been provided.	

Comments

Expenses charged to this account include such items as:

- Organizational meetings
- Holiday party
- Flowers
- Representative or other employee dinners
- Gifts
- Awards and plaques
- Employee overtime meals
- Classified employment ads and search fees

This account should not be used indiscriminately. It is suggested that a detailed analysis of charges to this account be prepared monthly for management review.

EXPENSES - SEMI FIXED

Account 77 **Training**

Description

Expense of training personnel in proper sales and production techniques.

Accounting Entries

Debits	Credits
• Direct expenses for training departmental personnel. • Travel and lodging for training programs.	

Comments

Included in this account are items such as:

- Visual Aids - videos, films and slides
- Sales Aid Kits - brochures, color charts, books, etc.
- Sales training material
- Technical training school fees
- Transportation, meals and lodging while attending training schools or conferences

Compensation paid while attending training schools or conferences should be charged to the respective employee payroll expense account Leave - Vacation, Sick and Holiday, Account 24.

Allocate training expense based upon departments benefited.

EXPENSES - SEMI-FIXED

Account 78 — Bank/Credit Company Service Fees

Description

Fees and discounts for credit cards and check guarantees.

Accounting Entries

Debits	Credits
• Charges and expenses for bank card and check guarantee services. • Handling fees for credit card services.	• Volume rebates and refunds.

Comments

Discounts for credit card usage should not be credited against sales. The total charge to the customer should be recorded in the appropriate sales category.

Allocate discounts based on the volume of charged sales. Service and parts should share repair order discounts based on sales.

EXPENSES - SEMI-FIXED

Account 79 **Data Processing**

Description

Expenses related to accounting and network communication systems.

Accounting Entries

Debits	Credits
• Expense of electronic accounting services. • DCS and network communication systems. • Monthly maintenance contracts for accounting systems.	

Comments

Data processing services purchased to directly benefit a department (parts inventory control programs, owner follow-up programs, etc.) can be charged to Outside Services, Account 68.

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Payroll System	Employees	Employees	Employees	Employees	Employees
General Accounting	Terminals or Benefit	Terminals or Benefit	Terminals or Benefit	Terminals or Benefit	Terminals or Benefit
F & L System	Gross Profit	Gross Profit			

EXPENSES - FIXED

Account 80 Rent

Description

Cost of owning or leasing land and facilities.

Accounting Entries

Debits	Credits
• Expense of owning, renting or leasing facilities used in dealership operations.	• Income received from subletting or renting any portion of the facilities.

Comments

Included in this account are such items as:

- Rent for buildings
- Rent for pre-owned car lots
- Rent for new or pre-owned vehicle storage areas
- Taxes and/or insurance (if included as part of lease)
- Principal payments on mortgages

Separate General Ledger Accounts can be established for rent of individual properties but are to be combined on the financial statement.

Rent should be allocated based on "Area-Relative Value" unless specific allocation can be made. The following table illustrates the use of relative value weights. The factor is assigned by the dealer on the basis of location, amenities, importance, etc.

Department	Square Feet Occupied	Relative Value Factor	Relative Square Foot Value	Percent	Rent Allocation
New Vehicle	3,500	2	7,000	46.7%	$14,010
Pre-Owned Vehicle	1,000	1.5	1,500	10.0%	$3,000
Service	3,000	1	3,000	20.0%	$6,000
Body Shop	2,000	1	2,000	13.3%	$3,990
Parts Department	1,500	1	1,500	10.0%	$3,000
General Office	700	0	Not used	0%	$0
Totals	11,700		15,000	100.00%	$30,000

Mortgage payments can be debited as a rent equivalent. However, the interest portion of the payment should be shown as Interest - Mortgage, Account 93.

When the dealership owns the facility, it is permissible to show a fair rental value in Account 80 and credit Other Income with an offsetting amount. This will enable the dealership to more properly measure operating profit.

EXPENSES - FIXED

Account 81 — Amortization - Leaseholds/Improvements

Description

Depreciation equivalent for improvements on leased property.

Accounting Entries

Debits	Credits
• Monthly amortization of buildings and improvements on leased property.	• Balance of account at year-end.

Comments

Allocate based on Area-Relative Value.

This account should *not* be used to amortize goodwill, non-compete covenants or other assets shown in Account 296. Amortization or write-off of these assets should be debited to Amortization - Other Assets, Account 806.

EXPENSES - FIXED

Account 82 — Repairs/Maintenance - Real Estate

Description

Repairs and general maintenance for dealership facilities.

Accounting Entries

Debits	Credits
• Maintenance and repair of buildings, structures and leaseholds.	

Comments

Improvements to facilities or expenditures that prolong the life or add to the value of facilities should be recorded as debits to Buildings & Improvements, Account 281, Leaseholds, Account 286, Commercial Vehicle Environment, Account 289 or smart Environment, Account 289S.

Examples of expenses in this category include:

- Landscaping
- Snow removal
- Yard maintenance
- Painting and roof repair

Allocate repairs on the same basis as rent unless they specifically benefit a department (e.g., repairing service doors).

EXPENSES - FIXED

Account 83 — Depreciation - Buildings/Improvements

Description

Allowance for depreciation of dealership facilities.

Accounting Entries

Debits	Credits
• Depreciation of owned facilities and improvements on dealership property.	

Comments

Allocate depreciation based on the value of property used in each department or by using Area - Relative Value.

See Account 80 for additional information.

EXPENSES - FIXED

Account 84 — Taxes - Real Estate

Description

State and local property taxes.

Accounting Entries

Debits	Credits
• Monthly accrual for property taxes on real estate and leased property dealership.	• Reversal of month-end accrual.

Comments

Allocate taxes on the same basis as rent.

EXPENSES - FIXED

Account 85 — Insurance - Buildings/Improvements

Description

Property insurance.

Accounting Entries

Debits	Credits
• Monthly provision for insurance on real estate, buildings and leaseholds.	• Reversal of month-end accrual.

Comments

Allocate insurance on the same basis as rent.

EXPENSES - SEMI-FIXED

Account 86 **Freight**

Description

Freight and postage for parts and accessories shipments.

Accounting Entries

Debits	Credits
• Cost of freight, express mail fees and postage on all incoming and outgoing shipments of parts, accessories or other merchandise.	• Collections from customers for freight, express and postage charges. • Payments from manufacturer for parts returned for warranty inspection.

Comments

Freight costs on incoming shipments of parts and accessories should not be charged to inventory account. However, costs applicable to vehicles, capital assets, or other non-inventory items should be debited to the appropriate asset account together with the original purchase price.

EXPENSES - FIXED

Account 87 Utilities

Description

Gas, electric, and other utility expenses.

Accounting Entries

Debits	Credits
• Expense of fuel, electricity, gas and water used by the dealership.	• Reversal of month-end accrual.

Comments

Follow allocation method for rent unless utility expenses clearly differ across departments.

EXPENSES - FIXED

Account 88 **Insurance - Other**

Description

Insurance other than for personnel and facilities.

Accounting Entries

Debits	Credits
• Insurance expense (paid or accrued) *excluding* real estate, employee benefits, life insurance where dealership is owner or beneficiary. • Accruals for self-insurance funds.	• Reversal of month-end accrual.

Comments

Include insurance premiums for coverage such as:

- Inventories
- Fire and theft
- Contents and equipment
- Garage liability
- Fidelity bonds
- Property damage
- Public liability
- Umbrella policies
- Business interruption
- Other

Prepaid premiums should be amortized over the life of the policy. Accruals should be made monthly.

Insurance for lease and rental vehicles should be debited to Account 809.

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Fidelity Bonds	Employees	Employees	Employees	Employees	Employees
Vehicle	Vehicles	Vehicles	Vehicles	Vehicles	Vehicles
Umbrella	Employees	Employees	Employees	Employees	Employees
Comprehensive Garage	Employees	Employees	Employees	Employees	Employees
Business Interruption	Benefit	Benefit	Benefit	Benefit	Benefit

EXPENSES - FIXED

Account 89 **Taxes - Other**

Description

Taxes not related to facilities, net income or personnel.

Accounting Entries

Debits	Credits
• All other taxes and licenses assessed to the dealership.	• Tax credits and rebates.

Comments

Included in this account are items such as:

- State and local taxes (non-income)
- Use taxes
- Gross receipts taxes
- Business licenses
- Personal property
- Intangible taxes
- Franchise taxes

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Personal Property	Usage	Usage	Usage	Usage	Usage
Gross Receipts	Sales	Sales	Sales	Sales	Sales
Business Licenses	Employees	Employees	Employees	Employees	Employees
Vehicle licenses and tags	Vehicles	Vehicles	Vehicles	Vehicles	Vehicles

EXPENSES - FIXED

Account 90 — Repairs/Maintenance - Equipment

Description

Repairs to equipment other than vehicles and facilities.

Accounting Entries

Debits	Credits
• Expense of repairing equipment used in the business by a specific department.	• Reimbursement of repair costs from insurance or employees.

Comments

This expense account includes items such as repairs to machinery and shop equipment, parts and accessories equipment, etc. Repair work performed by employees should be recorded on an internal repair order and all labor and parts charged at internal rates. Repairs and maintenance costs do not add to the value or prolong the life of the asset. When the value is increased or life prolonged, record the change as an increase in the appropriate fixed asset account.

EXPENSES - FIXED

Account 91 — Depreciation - Equipment

Description

Allowance for depreciation of equipment.

Accounting Entries

Debits	Credits
• Monthly provision for depreciation of dealership owned department equipment.	

Comments

Depreciation expensed through Account 91 is recorded as accumulated depreciation in Accounts 352, 353, 354, 355 and 357.

Depreciation of lease and rental vehicles should be shown as direct expenses in Accounts 809. Company vehicle depreciation should be debited to Account 91.

DEPARTMENT ALLOCATION					
EXPENSE ITEM	A	B	C	D	E
Furniture & Fixtures	Benefit	Benefit			
Company Vehicles	Usage or Vehicles	Usage or Vehicles	Usage or Vehicles	Usage or Vehicles	Usage or Vehicles
Shop Equipment			Value		Value

EXPENSES - FIXED

Account 92 **Rental - Equipment**

Description

Rental of office, service, and other equipment.

Accounting Entries

Debits	Credits
• Expense of leasing or renting equipment used by specific departments.	

Comments

This account includes the expenses of assets such as:

- Copiers and other office equipment
- Parts and shop equipment
- Lighting units
- Satellite dishes

EXPENSES - FIXED

Account 93 — Interest - Mortgages

Description

Interest payments on real estate mortgage.

Accounting Entries

Debits	Credits
• Interest accrued or paid on mortgages in Account 335.	• Reversal of month-end accrual.

Comments

Principal payments can be debited to Rent, Account 80.

See Account 80 for additional information.

EXPENSES - FIXED

Account 94 — Brand Standards Bonus – M-B

Description

Income earned on new vehicle retails through meeting the Brand Standards Bonus qualifying criteria.

Accounting Entries

Debits	Credits
• Adjustments to reduce accrued bonus to actual amount for quarter.	• Quarterly Facility Bonus income (or monthly accrual). • Adjustment to increase accrued bonus to actual amount for the quarter.

Comments

For those dealerships which earn the Brand Standards Bonus, the bonus, from the NetStar Dealer Floor Plan & Performance Bonus Report, will be allocated to Account 94.

See Accounting Memo 11-1 for additional information.

EXPENSES – SEMI-FIXED

Account 95 **Floor Plan Assistance**

Description

Income earned on new vehicle retails

Accounting Entries

Debits	Credits
• Adjustments to reduce accrued bonus to actual amount for quarter.	• Quarterly Floor Plan Assistance income (or monthly accrual). • Adjustment to increase accrued bonus to actual amount for the quarter.

Comments

The Floor Plan Assistance bonus, from the NetStar Dealer Floor Plan & Performance Bonus Report, will be allocated to Account 95.

See Accounting Memo 99-5 for additional information.

EXPENSES - OTHER

Account 97 — **Bonuses - Employees**
Account 98 — **Bonuses - Owners**

Description

Accruals for year-end bonuses based on total dealership performance.

Accounting Entries

Debits	Credits
• Provision for compensation of employees which is in addition to their agreed upon compensation. • Provision for compensation of owners and/or officers which is in addition to their agreed upon compensation.	• Adjustments to decrease accrued bonuses.

Comments

Bonuses are generally paid once a year. However, the provision for the amount should be made monthly.

Bonuses to owners and employees which are based upon dealership profit should be accrued monthly. Incentives and overrides not based upon dealership profit should be recorded in the applicable salary, wages or commission accounts. Bonuses paid a proprietor or partners should be charged to Drawings, Account 390.

EXPENSES - OTHER

Account 99 — Income Tax - Current Year

Description

Estimated income taxes on current year profits.

Accounting Entries

Debits	Credits
• Increases in estimated current year tax liability based upon year-to-date net profit.	• Decreases in estimated current year tax liability based upon year-to-date net profit.

Comments

This account is for C-corporations only and is not departmentalized.

Included in this account is accrued income tax liability for federal, state and local corporate income taxes. Accounting and tax advice should be obtained prior to preparing estimates. The liability in this account should always be calculated on the year-to-date net profit figure. Consult tax authorities regarding prepayments and estimated tax requirements.

ADJUSTMENTS TO INCOME
CONTENTS

Account	Account Name
800	Cash Discounts Earned
801	Interest Income
802	Cash Discounts Allowed
803	Interest Expense
804	Other Franchise Income
805	Other Income
806	Amortization - Other Assets
809	Lease/Rental/Other Vehicle Related Income/Expense
810	Export Adjustments
855	Other Adjustments

INTRODUCTION

Most dealerships generate sources of revenue and expenses that are either indirectly related or unconnected to dealership operations. The purpose of various adjustment accounts is to insulate operating profit from these factors. The accounts are reported at the bottom of Page 2:

ADDITIONS TO INCOME	Acct.	CURRENT MONTH	YEAR-TO-DATE	61
Cash Discounts Earned	800			62
Interest Income	801			63
Other Franchise Income	804			64
Other Income	805			65
Lease/Rent/Oth Vehicle	809			66
DEDUCTIONS FROM INCOME	Acct.	CURRENT MONTH	YEAR-TO-DATE	67
Cash Discounts Allowed	802			68
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Amortization - Other Assets	806			70
Export Adjustments	810			71
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ADJUSTMENTS TO INCOME

Account 800 — Cash Discounts Earned

Description

Invoice reductions due to prompt payment.

Accounting Entries

Debits	Credits
	• Cash discounts earned by paying vendor invoices by the specified discount date.

Comments

Trade discounts not dependent on prompt payment should be considered reductions in purchase prices and not recorded in this account.

Discounts related to parts stock order allowances and volume purchases should be recorded in Stock Order Allowance, Account 668 or Account 930.

Reductions in a vehicle costs (through price shifts or incentives) should *not* be included in this account but rather as adjustments to the appropriate cost of sales or incentive accounts.

ADJUSTMENTS TO INCOME

Account 801 **Interest Income**

Description

All interest earned by the dealership except finance reserve.

Accounting Entries

Debits	Credits
• Adjustments reducing expected interest income.	• Interest income from cash, marketable securities, receivables and investments.

Comments

Finance interest income from sales contracts is properly recorded in Accounts 500, 503, 512, 542, 550, 553, 556, 586, 589, 592, 594, 3500 and 3505.

Included in this account are interest payments on items such as:

- Dealer Reserve
- Notes receivable
- Money market funds
- Officer loans
- Accounts receivable
- Bonds
- Marketable securities

Accrued interest reflecting interest earned but not paid should be included in this account.

ADJUSTMENTS TO INCOME

Account 802 — Cash Discounts Allowed

Description

Price reductions given to customers for prompt payment.

Accounting Entries

Debits	Credits
• Cash discounts given to customers for paying dealership invoices by specified discount date.	

Comments

Volume discounts offered to wholesale and fleet accounts should be considered sales price reductions and recorded as credits to sales accounts. Cash discounts refer only to the benefit from prompt payment.

ADJUSTMENTS TO INCOME

Account 803 **Interest Expense**

Description

Interest expense for other than floor plan and mortgages.

Accounting Entries

Debits	Credits
• Interest on short and long term loans from financial institutions and owners. • Interest charges on corporate credit cards and vendor accounts.	• Credits and adjustment to interest paid.

Comments

This account includes interest on any loans and notes other than mortgages, floor plan and vehicle inventories:

- Shareholder and officer loans
- Capital loans
- Tax delinquencies
- Account payable carrying charges
- Other short and long term notes
- Credit cards

Interest expense for various vehicles should be recorded as debits as follows:

Expense Account	Liability Account	Description
809	313	Lease and rental vehicles
93	335	Mortgage interest
62	310 & 312	Floor plan interest
52	316	Courtesy Vehicle Program (CVP)

ADJUSTMENTS TO INCOME

Account 804 — Other Franchise Income

Description

Net income from other franchises for dealerships submitting exclusive statements.

Accounting Entries

Debits	Credits
• Net loss from non-M-B sales and expense accounts. • Chargebacks of prior incentive income.	• Net gain from non-M-B franchise sales and expense accounts. • Parts sale incentives and bonuses. • CSI bonuses.

Comments

This account is for dealerships that prepare an exclusive M-B financial statement but have a common accounting system with other franchises. The net amount of *other franchise* sales, cost of sales and expenses should be recorded in Account 804.

Bonuses and incentive payments from other manufacturers should be included in this account.

For incentives and price reductions on individual units, including model runouts, the cost of sales of affected units should be credited. A new vehicle volume bonus can also be shown as a reduction in Account 629.

ADJUSTMENTS TO INCOME

Account 805 **Other Income**

Description

Miscellaneous income for which no sales or gross profit account exists.

Accounting Entries

Debits	Credits
• Adjustments to income previously credited to this account.	• Miscellaneous income not otherwise provided for in the Chart of Accounts.

Comments

Included in this account are miscellaneous items such as:

- Vehicle license, title, doc and transfer fees
- M-B Affiliate Company Lease Program delivery fee
- Gains on dealer trades
- Property leases and sub-leases
- Storage charges (e.g., SL hardtops)
- Vending machines
- Sale of waste oil and scrap metal
- Recycling sales
- Gain on sale of fixed assets and securities
- Legal judgments
- Sales Contests (e.g., Winter Sales Challenge)

A detailed schedule of this account should be maintained for audit and tax purposes.

ADJUSTMENTS TO INCOME

Account 806 **Amortization - Other Assets**

Description

Amortization and impairment of goodwill, franchise value and non-compete clauses.

Accounting Entries

Debits	Credits
• Amortization expense and impairment.	• Adjustments to reduce write-offs.

Comments

Included in this account are miscellaneous items such as:

- Write-offs of non-compete covenants
- Goodwill and franchise value impairment
- Amortization of start-up and organizational costs

A detailed schedule of this account should be maintained for audit and tax purposes. Goodwill can only be written-off if it is determined that the value has been "impaired" from its prior level.

ADJUSTMENTS TO INCOME

Account 809 — Lease/Rental/Other Vehicle Related Income/Expense

Description

All revenues and expenses related to lease and rental vehicles.

Accounting Entries

Debits	Credits
• Expenses related to lease vehicles in service when the lease activity is part of dealership operations. • Operating depreciation expenses for daily rental vehicles. • Losses resulting from the sale of lease and rental vehicles when removed from service.	• Revenue related to vehicle lease and rental activity when part of dealership operations. • Gains on the sale of lease and rental vehicles when removed from service.

Comments

If the dealership decides to enter the lease business and elects to operate it as an integral part of the dealership, separate accounts may be necessary to handle all transactions of the activity. However, the separate accounts should be combined on the financial statement.

Lease and rental income refers to vehicle income only. Facility and property sub-leases should be shown as credits to Rent Expense, Account 80. Rental income from property and equipment should be recorded as Other Income, Account 805.

Vehicles placed in lease service should be recorded as inventory transfers not vehicle sales. Units retired from lease service should be transferred to the pre-owned vehicle inventory at estimated wholesale value. Any positive variance from the net book value should be included as income in this account.

Included in this account are such expense items as:

- Gasoline
- Maintenance and repairs
- Licenses, titles and taxes
- Salaries and commissions
- Depreciation
- Insurance
- Interest
- Pick-up and delivery
- Advertising
- Bad debts

ADJUSTMENTS TO INCOME

Account 810 **Export Adjustments**

Description

Chargebacks on vehicles exported outside the MBUSA market area.

Accounting Entries

Debits	Credits
• Chargebacks for exported vehicles equal to 8.5% of MSRP for all identified units. • Chargebacks of incentive monies previously paid for identified units.	• Adjustments to Chargebacks.

Comments

MBUSA is charged an extra territorial service commission by DAG on vehicles exported from the U.S. market. The export adjustment (up to 8.5% of MSRP) can be charged back to the selling dealer.

Chargebacks of market support allowances should be shown as adjustments to vehicle Cost of Sales depending on the type of charge. If other factory incentives were originally shown as a reduction in the cost of sales, the same account should be debited for the chargeback.

ADJUSTMENTS TO INCOME

Account 855 **Other Adjustments**

Description

Miscellaneous expenses and non-operating losses.

Accounting Entries

Debits	Credits
• All deductions of a miscellaneous nature not otherwise provided for in the Chart of Accounts. • Expenses and losses not related to dealership operations.	

Comments

Write-offs of customer accounts should be recorded as Bad Debts, Account 33.

Included in this account are items such as:

- Loss on dealer vehicle trades
- Security and investment losses
- Loss on sale of fixed assets
- Life insurance premiums paid on lives of owners
- Excess of premiums paid over the increase in cash surrender value of life insurance policies
- Moving expenses
- Fees or commissions paid loan brokers
- Casualty losses
- Bank fees and service charges
- Legal judgments against the dealership
- Cash shortage

A detailed schedule for this account should be provided and maintained for audit and tax purposes.

ACCOUNTING MEMOS
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99-16	Pre-Owned Trade-Ins
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ACCOUNTING MEMO 99-1

Subject: Personnel Counts
Date: 1/1/96 (Revised 1/1/03, 1/1/06, 1/1/07, 1/1/09, 1/1/10 & 1/1/12)

Proper classification of all personnel into the assigned groups will help ensure comparable operating ratios. Individual employees can be split between departments as indicated by their time or contribution. For example, a title clerk might be split between the new and pre-owned vehicle departments based on units sold. See further discussion of allocation methods within expense accounts.

Personnel Assignment					
Position	**New**	**Pre-Owned**	**Service**	**Parts**	**Body**
Owner	Owner *				
General Manager	GM *				
Department Managers	GSM Sales Manager BDC Manager	GSM Sales Manager BDC Manager	Service Mgr. Service & Parts Director BDC Manager	Parts Mgr. Service & Parts Director BDC Manager	Body Shop Manager BDC Manager
Representative - M-B, CV, smart, Other	Sales Fleet Sales	Sales			
Service Advisors - M-B, CV, smart, Other			Service **		Body
Technicians - M-B, CV, smart, Other			Service		Body
Parts Personnel - M-B, CV, smart, Other				Parts ***	
Clerical Personnel	Office Mgr. * Controller * Reception Title Clerks Sales Secretaries	Reception Title Clerks Sales Secretaries	Cashiers Warranty Clerks	Warranty Clerks	Warranty Clerks
Other	F & L Aftermarket Vehicle Prep Porters Car Shifters Phone Oper. * Maintenance * BDC Staff *	F & L Car Buyers Vehicle Prep Porters Car Shifters	Car Wash Drivers Porters Dispatcher Shop Foreman	Parts Truck Drivers	Tow Truck Driver Maintenance

* To be allocated across all departments
** Salaries to be allocated between service and parts but personnel listed in service
*** Includes Parts Advisors

ACCOUNTING MEMO 99-2

Subject: Labor Rates
Date: 1/1/96 (Revised 1/1/04, 1/1/08, 1/1/10 & 1/1/11)

Please fill in a Customer hourly labor rate, Warranty hourly labor rate and Internal hourly labor rate on Page 12.

21	Hourly Labor Rates	Customer	Warranty	Internal
22	Mechanical - M-B			
23	Mechanical - Maybach			
24	Mech - Commercial Vehicles			
25	Mechanical - smart			
26	Mechanical - Other			
27	Body Shop - M-B			
28	Body Shop - Maybach			
29	Body Shop - Commercial Vehicles			
30	Body Shop - smart			
31	Body Shop - Other			
32	**Effective Labor Rate - M-B**			
33	**Effective Labor Rate - CV**			
34	**Effective Labor Rate - smart**			

Comments

Exclusive M-B dealers should have no entries for "Other".

No accommodation is available for inputting variable rates for "Mechanical Other." Please list the primary rate even if a variable structure is used.

Dealerships reporting body shop labor sales should report their posted body shop labor rate and their approved warranty labor rates for M-B, Commercial Vehicles, smart and Other. No provision is made for variable Body Shop Labor Rates. Please list the primary rate even if more than one rate is used.

If more than one other vehicle line is reported on the financial statement, select the rates for the make generating the largest volume of labor.

For information on Effective Labor Rates, *see Memo 03-02.*

ACCOUNTING MEMO 99-3

Subject: M-B, Commercial Vehicles and smart Service Hours, Efficiency and Productivity
Date: 1/1/99 (Revised 1/1/07, 1/1/08, 3/1/09, 1/1/10, & 1/1/12)

Additional data reported on the bottom of Page 12 of the financial statement is intended to help analyze and more effectively manage the Service Department.

Total M-B Service Hours	Current Month	Year-To-Date	35
Available			36
Actual			37
Operation			38
Productivity			39
Efficiency			40
Total CV Service Hours	**Current Month**	**Year-To-Date**	41
Available			42
Actual			43
Operation			44
Productivity			45
Efficiency			46
Total smart Service Hours	**Current Month**	**Year-To-Date**	47
Available			48
Actual			49
Operation			50
Productivity			51
Efficiency			52

The merchandise of the service department is TIME; unsold available time represents a loss of sales revenue. Just as the parts department maintains a daily record of inventory, so too must the service department control its inventory - hours of skilled labor. Therefore, the key to an effective time control system is the accurate recording of available, actual and operation hours.

- Available Hours: Time technicians are physically present during approved work hours (excluding designated breaks, sick time, paid holidays and training hours).
- Actual Hours: Time technician spends to perform assigned work on a repair order (excluding breaks and time spent on another job).
- Operation Hours: Time established for a labor operation.

Efficiency and productivity controls are important tools in improving the Service Department's financial performance as well as the quality of work. Both controls monitor the effectiveness of service management.

Efficiency measures the performance of technicians, both individually and collectively, enabling increased return on fixed investment and offering technicians a higher earning potential. Efficiency compares operation time (from a Mercedes-Benz approved labor time guide) to the actual time it takes a technician to complete a job. The formula is:

(Operation Hours / Actual Hours) x 100 = Efficiency

The Mercedes-Benz standard for technician efficiency is 125%. Please refer to the *Operations Guidelines for Service and Parts* for additional information.

Productivity measures the success of service management in maintaining and promoting service volume and in controlling workshop scheduling, thus assuring the highest utilization of investment. Productivity compares the actual (clocked) time a technician works to available time. The formula is:

(Actual Hours / Available Hours) x 100 = Productivity

The Mercedes-Benz standard for productivity is 93%. Please refer to the *Operations Guidelines for Service and Parts* for additional information.

NOTE:

- Reynolds & Reynolds subscribers can obtain this information in the service application if set up with the Technician Dispatching application (3312 screen in Era, Technician Recap).

- ADP subscribers can reference the following reports for Service Hours:
  - Available - ETC (Electronic Timeclock) or ADP payroll
  - Actual - RSP Report Service Performance - Productivity option
  - Operation - RAP report or Service Performance - closed ROs option

For details on how to run these reports, contact your DMS vendor.

ACCOUNTING MEMO 99-5

Subject: Dealer Reserve (CV & smart)/Floor Plan Assistance
Accounts: 213A; 221A; 639; 95
Date: 1/1/96 (Revised 1/1/03, 1/1/08, 1/1/09, 1/1/10, 1/1/11 & 1/1/12, 1/1/13, 1/1/14, 1/1/16, 1/1/17)

The Dealer Reserve Program is intended to assist dealers in achieving an increased gross profit for new vehicles sales. The manufacturer reserves 3.00% and 5.50% of MSRP on new Commercial Vehicle and smart wholesales, respectively. For M-B, the Floor Plan Assistance will account for 1% of MSRP. The Floor Plan Assistance will be allocated to Account 95.

1. The dealership is invoiced for a new C300W with an MSRP of $40,625. Floor Plan is 1% of MSRP:

Account	Item	Debit	Credit
231A	New Vehicles - M-B PC	$37,781	
231A	New Vehicles - M-B PC (transportation)	$875	
310A	Notes Payable - New M-B		$38,656

2. The vehicle is sold to a retail customer for $42,000 cash. Floor Plan is $406:

Account	Item	Debit	Credit
202	Cash in Bank	$3,344	
427R	New M-B - Sales		$42,000
627R	New M-B - COS	$38,656	
231A	New Vehicles - M-B PC		$38,656
310A	Notes Payable - New M-B	$38,656	
95	Floor Plan Assistance		$406
213A	Floor Plan Assistance	$406	

A leased or financed vehicle would result in a contract in transit or vehicle receivable. Repayment of the Notes Payable will also result in a reduction in the Cash in Bank account.

3. Upon M-B retail sale of the vehicle, the Floor Plan included in the wholesale price will be considered "earned" by the retailing dealer and will be paid on a quarterly basis. Please refer to the "M-B Floor Plan & Performance Bonus" Report for the dollar amounts.

Account	Item	Debit	Credit
202	Cash in Bank	$406	
213A	Floor Plan Assistance		$406

Upon CV and smart retail sale of the vehicle, the Reserve included in the wholesale price will be considered "earned" by the retailing dealer and will be paid on a quarterly basis.

ACCOUNTING MEMO 99-8

Subject: LIFO
Accounts: 235, 236, 241; 697, 698, 699
Date: 1/1/96

LIFO stands for **Last In First Out**. In theory, the use of LIFO calculates cost of sales by assuming the most recently received unit is always sold. The accounting method is designed to preclude manufacturers from overstating profit when the (replacement) cost is increasing. LIFO allows them to deduct the cost of producing *another* unit rather than the one just sold.

In practice, LIFO adjustments are typically done at year-end using the following approach. Suppose for a dealer:

Inventory	1997	1998
New Cars	40	45
Value	$1,700,000	$2,000,000

There are three likely reasons inventory value is up: more cars; more options on cars; and higher costs of cars and options.

LIFO attempts to calculate how much of the change in inventory value was due to "inflation" in vehicle and option costs. An accountant or LIFO service estimates an inflation **Index** or **Factor** by comparing invoices or using a sophisticated accounting method. Once the index is known, it is applied to ending inventory to yield the LIFO adjustment. For example, if a 2% inflation index was appropriate:

Actual 1998 Inventory	$2,000,000	
LIFO Adjustment at 2%	$40,000	{2% of $2,000,000}

Once the adjustment (deduction) is calculated, the accounting entries are straightforward:

1. LIFO adjustment for new cars is calculated at $40,000:

Account	Item	Debit	Credit
235	LIFO Reserve - New Cars		$40,000
697	LIFO Adjustment - New Cars	$40,000	

This process is repeated annually and the LIFO reserve will grow each year unless inventory is reduced or prices drop. The tax deferral will last until the dealership elects off LIFO or the reserve is "recaptured." Recapture occurs when the corporation is liquidated or the IRS decides the dealership had not complied with LIFO regulations. Taxes are then due at current rates.

MBUSA recommends that dealers consult legal and tax advice regarding the use of LIFO. However, it is important to note that according to IRS regulations year-end (calendar or fiscal) statements submitted to the manufacturer must show LIFO adjustments and adjusted net profit. Moreover, it is recommended that adjustments should be shown within Cost of Sales Accounts - 697, 698 and 699 rather than within "Other Deductions".

ACCOUNTING MEMO 99-10

Subject: Market Support and Price Allowances
Accounts: 210, 231, 310
Date: 1/1/96 (Revised 1/1/03, 1/1/04, 1/1/08, 1/1/09, 1/1/13, 1/1/14, & 1/1/16)

Manufacturers occasionally provide adjustments, incentives or support on specific vehicles (e.g., a $2,000 rebate on a CLA250C).

All adjustments specific to individual vehicles and models should be considered a reduction in (credit to) the cost of sales.

1. Dealership sells a CLA250C (price: $33,000; inventory value: $34,000) with a price allowance of $2,000:

Account	Item	Debit	Credit
202	Cash in Bank		$1,000
1412R **1612R**	M-B CLA250C - Sales M-B CLA250C - Cost of Sales	 $34,000	$33,000
231A **310A**	New Vehicles - M-B N/P - New Vehicle/Demo - M-B	 $34,000	$34,000
1612R	M-B CLA250C - Cost of Sales		$2,000
210	Vehicle Accounts	$2,000	

The goal is to show cost of sales as *less* than the inventory value so that gross profit includes the $2,000 allowance. Gross profit on the sale will be ($1,000) + $2,000 = $1,000.

Note: Variable performance bonus incentives and floor plan assistance need to be shown within Account 95 and Accounts 962, 964, 965, and 968 to 971.

2. Manufacturer announces wholesale price adjustment retroactive to vehicles already shipped.

Account	Item	Debit	Credit
231A	New Vehicles - M-B		$1,500
210	Vehicle Accounts	$1,500	

The lower inventory value should be booked upon notification rather than waiting for sale of the affected vehicle.

ACCOUNTING MEMO 99-11

Subject: Finance & Lease Income
Accounts: 262, 264; 500, 501, 503, 504, 512, 513, 541, 542, 550, 551, 553, 554, 556; 700, 701, 703, 704, 712, 713, 741, 742, 750, 751, 753, 754, 756
Date: 1/1/96 (Revised 1/1/03, 1/1/07 & 1/1/10)

Dealerships earn income on various products and services sold to new and pre-owned vehicle buyers:

- Finance income on loans processed through the dealership
- Lease income and fees on leased arranged by the dealership
- Service contracts and maintenance agreements
- Insurance premiums for credit life or gap insurance

Note: Insurance income should be reported within the associated finance or lease account. For example, if the dealership earns $700 arranging a customer lease and also sells insurance for $220, the full $920 is reported as lease income.

The following example illustrates the proper accounting procedures for F & L.

A dealership sells a new S550V with the following addendum:

$1,000 in finance income based on % of contract

The dealership recognizes the income immediately although actual receipt will occur as the loan is repaid.

1. Initial sale:

Account	Item	Debit	Credit
500A	Finance Income		$1,000
264	F & L Receivables - Current	$250	
262	Due From Finance Companies	$750	

2. Monthly payments are received from Mercedes-Benz Finance (as they are paid by the customer):

Account	Item	Debit	Credit
202	Cash in Bank	$20	
264	F & L Receivables - Current		$20
264	F & L Receivables - Current	$20	
262	Due From Finance Companies		$20

The last two entries reflect a one-month portion of future payments due within the current year.

3. The customer trades in the car or otherwise terminates the loan after two years:

Account	Item	Debit	Credit
700A	Finance Chargebacks - M-B	$500	
264	F & L Receivables - Current		$250
262	Due From Finance Companies		$250

The previously reported income is now "charged back" reducing current period income on the financial statement.

4. Procedures for pre-owned vehicles are identical except for the accounts used.

ACCOUNTING MEMO 99-12

Subject: Service Contracts
Accounts: 202, 221C, 221E, 221S, 331, 502E, 502S, 505A, 505E, 505S, 514, 543, 555, 814E, 814S, 824E, 824S, 851
Date: 1/1/96 (Revised 1/1/03, 1/1/07, 1/1/08, 1/1/10, 1/1/12 & 1/1/15)

Service contracts and maintenance agreements sold to new Commercial Vehicles, smart or Other and pre-owned vehicle buyers provide the customer with various supplemental maintenance and component protection options. Two common options are the "extended limited warranty" and "prepaid maintenance program." The dealership earns income by selling the contracts above wholesale cost, as well as on the parts and labor reimbursed as contract claims are made. When the dealership itself underwrites a contract, the price should exceed the cost of prospective service needs. All service and parts provided to customers under these agreements must be shown as customer sales, not warranty sales.

1. The dealership sells a new 2500 Cargo Van along with a two-year maintenance agreement that provides a commission of $100:

Account	Item	Debit	Credit
202	Cash in Bank	$1,000	
2401R	2500 Cargo Van - Sales		$35,995
2601R	2500 Cargo Van - COS	$34,995	
502E	Service Contract Income - New CV		$100
221C	Other Receivables	$100	
231E	New Vehicles - CV		$35,995
310E	N/P New Vehicles/Demo - CV	$35,995	

When the contract is paid, Account 221C is credited and cash debited. A dealership underwriting the contract would replace the middle two entries with:

Account	Item	Debit	Credit
202	Cash in Bank	$700	
502E	Service Contract Income - New CV		$400
331	Other Payables		$300

2. The car receives service covered under the contract:

Account	Item	Debit	Credit
814E	Service Contract Labor - CV		$100
824E	R. O. - Service Contract - CV		$150
221E	Service Contract Claims - CV	$250	

3. Dealership receives payment:

Account	Item	Debit	Credit
202	Cash in Bank	$250	
221E	Service Contract Claims - CV		$250

ACCOUNTING MEMO 99-13

Subject: Reconditioning Cost - Pre-Owned Vehicles
Account: 251, 430, 447, 449, 630, 708, 647, 649, 669, 2613 & 2614
Date: 1/1/96 (Revised 1/1/03 & 1/1/13)

"Reconditioning" is often required to ready a pre-owned vehicle for sale. Proper accounting procedures allow calculations of comparable gross profits and reconditioning costs per retail unit.

1. Pre-Owned M-B car is taken in on trade, purchased or transferred from lease, rental or alternate transportation service:

Account	Item	Debit	Credit
251	Pre-Owned M-B	$30,000	
202	Cash in Bank		$30,000

Alternatively, Notes Payable - Pre-Owned Vehicles (312A) might be credited.

2. The service department makes repairs on the vehicle:

Account	Item	Debit	Credit
251	Pre-Owned - M-B	$1,000	
815	Internal Labor - M-B		$450
825	Parts - Internal M-B		$550

Note that the internal parts and labor are not charged to reconditioning cost at this time. Reconditioning is only debited upon *retail* sale.

3a. Car sold retail for $35,000:

Account	Item	Debit	Credit
430R	Pre-Owned M-B - Sales		$35,000
202	Cash in Bank	$35,000	
251	Pre-Owned M-B		$31,000
630R	Pre-Owned M-B - COS	$30,000	
708	Reconditioning M-B	$1,000	

3b. Car sold wholesale for $30,500:

Account	Item	Debit	Credit
202	Cash in Bank	$30,500	
444	Pre-Owned M-B Wholesale - Sales		$30,500
644	Pre-Owned M-B Wholesale - COS	$31,000	
251	Pre-Owned M-B		$31,000

Account 708 is not affected because the car was not retailed.

ACCOUNTING MEMO 99-16

Subject: Pre-Owned Trade-Ins
Accounts: 240B, 251, 312, 430, 630
Date: 1/1/99 (Revised 1/1/03, 1/1/09, 1/1/13, & 1/1/14)

Dealers often take trade-ins on new vehicle sales. This memo deals with such transactions and situations where the customer is given a trade-in allowance greater than the actual wholesale value of the vehicle.

Example 1: Trade-in allowance is at current wholesale value of vehicle.

1. The dealership sells a new C300W for its MSRP of $37,390. Floor Plan is 1% of MSRP or $374.
   As part of the transaction, the customer is allowed $15,000 for a clean two-year old Honda Accord. According to the Black Book, $15,000 is the current wholesale value of the Honda.

Account	Item	Debit	Credit
202	Cash in Bank	$2,022	
427R	New M-B - Sales		$37,390
627R **231A**	New M-B - COS New Vehicles - M-B PC	$35,368	 $35,368
310A	Notes Payable - New M-B	$35,368	
95	Floor Plan Assistance		$374
213A	Floor Plan Assistance	$374	
240B	Pre-Owned Vehicles - Other	$15,000	
312B	Notes Payable - Pre-Owned Other		$15,000

   A leased or financed vehicle would result in a contract in transit or vehicle receivable.

   If the pre-owned Honda is not floored, then cash is reduced by the amount of flooring shown above.

2. The Honda is reconditioned at the dealership for re-sale:

Account	Item	Debit	Credit
240B	Pre-Owned Vehicles - Other	$500	
455B **465B**	Internal Labor - Other Internal Parts - Other		$200 $300

3. The Honda is sold for $17,000:

Account	Item	Debit	Credit
202	Cash in Bank	$17,000	
434R	Pre-Owned Other - Sales		$17,000
240B	Pre-Owned Car Inventory - Other		$15,500
634R	Pre-Owned Other - COS	$15,500	

Example 2: Trade-in allowance *exceeds* current wholesale value of vehicle.

1. The dealership sells a new C300W for its MSRP of $37,390. Floor Plan is 1% of MSRP or $374.

   As part of the transaction, the customer is allowed $17,000 for a clean two-year old Honda Accord. According to the Black Book, $16,000 is the current wholesale value of the Honda.

Account	Item	Debit	Credit
202	Cash in Bank	**$1,022**	
427R	New M-B - Sales		$37,390
627R	New M-B - COS	$35,368	
627R	New M-B - COS (Over-Allowance)	**$1,000**	
231A	New Vehicle - M-B PC		$35,368
310A	Notes Payable - New M-B	$35,368	
95	Floor Plan Assistance		$374
213A	Floor Plan Assistance	$374	
240B	Pre-Owned Inventory - Other	$16,000	
312B	Notes Payable - Pre-Owned Other		$16,000

   The results of the entries are:

   - The true value of the trade-in is represented in inventory.
   - The gross profit on the new car sales is accurately reduced by the $1,000 over-allowance.

2. The Honda wholesaled for $16,000:

Account	Item	Debit	Credit
202	Cash in Bank	$16,000	
433B	Pre-Owned Wholesale Other - Sales		$16,000
633B	Pre-Owned Wholesale Other - COS	$16,000	
240B	Pre-Owned Inventory - Other		$16,000

ACCOUNTING MEMO 99-17

Subject: Certified Pre-Owned Vehicles and Warranties
Accounts: 234, 251, 447, 647, 669, 557, 757
Date: 1/1/99 (Revised 1/1/05, 1/1/08, 1/1/09, & 1/1/14)

Certified Pre-Owned (CPO) vehicles qualify for MBCPO Limited Warranty coverage by MBUSA, provided the vehicle is eligible (6 model years or newer with under 75,000 miles) and has been reconditioned to MBCPO standards by a Certified MBCPO dealership. The cost of this base Limited Warranty must be included in the total vehicle selling price and is not to be represented as a separate line item on the purchase order.

The sale of a CPO vehicle will not show the base MBCPO Limited Warranty as a separate sales item. However, MBCPO Extended Limited Warranties will be reported in their own accounts. These Extended Limited Warranties may be purchased by the customer at any time after the vehicle DDR, as long as there is New Vehicle Warranty or MBCPO Base Warranty remaining. See 3b below for more information on MBCPO Extended Limited Warranties.

For full program details, see the MBCPO Program Manual.

1. A pre-owned M-B car is purchased or taken in trade:

Account	Item	Debit	Credit
251	Pre-Owned M-B	$25,000	
202	Cash in Bank		$25,000

Alternatively, Notes Payable - Pre-Owned Vehicles (312A) might be credited.

2. The service department makes repairs on the vehicle and completes the certification process. The car is shifted to certified inventory at this point:

Account	Item	Debit	Credit
251	Pre-Owned M-B	$1,000	
815A	Internal Labor - M-B		$550
825A	Parts - Internal M-B		$450
251	Pre-Owned M-B	$750	
300	Accounts Payable (Warranty)		$750
251	Pre-Owned M-B		$26,595
234	Certified Pre-Owned M-B	$26,595	

Note that the internal parts and labor are not charged to reconditioning costs at this time. Reconditioning is only debited upon *retail* sale.

3a. The vehicle is sold to a retail customer for $30,000:

Account	Item	Debit	Credit
202	Cash in Bank	$30,000	
447	Certified Pre-Owned M-B Sales		$30,000
234	Certified Pre-Owned M-B		$26,595
647	Certified Pre-Owned Vehicles COS	$25,595	
669	Certified Pre-Owned Reconditioning	$1,000	

The financial statement combines accounts 647 and 669 and indicates a gross profit of $3,405 for this vehicle ($30,000 - $25,595 - $1,000). Account 669 is also shown as a memo on the financial statement.

3b. The vehicle is sold to a retail customer for $30,000. In addition, the customer purchases an extended limited warranty for $1,495 with a cost to the dealership of $ 940:

Account	Item	Debit	Credit
202	Cash in Bank	$31,495	
447	Certified Pre-Owned M-B Sales		$30,000
234	Certified Pre-Owned M-B		$26,595
647	Certified Pre-Owned Vehicle COS	$25,595	
669	Certified Pre-Owned Reconditioning	$1,000	
557	Certified Extended Warranty - Sales		$1,495
757	Certified Extended Warranty - COS	$940	
300	Accounts Payable		$940

Any finance income would be shown in the normal fashion using Accounts 556 and 756.

See Accounting Memo 99-11 for additional information.

ACCOUNTING MEMO 00-3

Subject: Total YTD M-B, Commercial Vehicles and smart Labor Hours by Category
Date: 1/1/00 (Revised 1/1/04, 1/1/08, 1/1/09 & 1/1/10)

The section below on Page 12 of the M-B Dealer Financial Statement is designed to capture both Total YTD Labor Hours by category for M-B vehicles, Commercial Vehicles and smart vehicles. Each MTD sales category will be divided by the appropriate effective labor rate to determine MTD labor hours by category. A YTD total will be calculated automatically on the statement.

35	**Total Labor Hours By Category**	**Current Month**	**Year-To-Date**
36	Customer Labor - Mechanical M-B		
37	Prepaid Maintenance Labor - M-B		
38	Extended Limited Warranty Labor - M-B		
39	Warranty Claim Labor M-B		
40	Internal Labor M-B		
41	**Total M-B Labor Hours**		
42	Consolidated Customer Pay Labor - M-B		
43	Total M-B Labor per RO		
44	Customer Labor - Mechanical - Commercial Vehicles		
45	Service Contract Labor - Commercial Vehicles		
46	Warranty Claim Labor - Commercial Vehicles		
47	Internal Labor - Commercial Vehicles		
48	**Total Commercial Vehicles Labor Hours**		
49	Customer Labor - Mechanical - smart		
50	Service Contract Labor - smart		
51	Warranty Claim Labor - smart		
52	Internal Labor - smart		
53	**Total smart Labor Hours**		

Total MTD sales by category are divided by the appropriate Effective Labor Rate - M-B to obtain these figures:

M-B MTD LABOR HOURS CALCULATIONS		
Hours by Labor Type	MTD Sales For Accounts	Divide by Labor Rate
Customer Mechanical M-B	811	Customer Effective Labor Rate - M-B
Prepaid Maintenance Labor M-B	814	Warranty Effective Labor Rate M-B
Extended Limited Warranty Labor M-B	844	Warranty Effective Labor Rate M-B
Warranty Claim Labor M-B	813	Warranty Effective Labor Rate M-B
Internal Labor M-B	815	Internal Effective Labor Rate M-B

MTD Consolidated Customer Pay M-B is calculated by the following:

Customer Mechanical - M-B + Prepaid Maintenance Labor - M-B + Extended Limited Warranty Labor - M-B + Express Labor - M-B + Express PPM Labor - M-B + Express Warranty Labor - M-B

MTD Total M-B Labor per M-B RO is calculated by the following:

MTD Total M-B Labor Hours ÷ MTD M-B RO Count

Total MTD sales by category are divided by the appropriate Effective Labor Rate - CV to obtain these figures:

COMMERCIAL VEHICLES MTD LABOR HOURS CALCULATIONS		
Hours by Labor Type	MTD Sales For Accounts	Divide by Labor Rate
Customer Mechanical - CV	811E	Customer Effective Labor Rate - CV
Service Contract Labor - CV	814E	Warranty Effective Labor Rate - CV
Warranty Claim Labor - CV	813E	Warranty Effective Labor Rate - CV
Internal Labor - CV	815E	Internal Effective Labor Rate - CV

Customer Mechanical - CV + Prepaid Maintenance Labor - CV + Extended Limited Warranty Labor - CV + Express Labor - CV + Express PPM Labor - CV + Express Warranty Labor - CV

Total MTD sales by category are divided by the appropriate Effective Labor Rate - smart to obtain these figures:

smart MTD LABOR HOURS CALCULATIONS		
Hours by Labor Type	MTD Sales For Accounts	Divide by Labor Rate
Customer Mechanical – smart	811S	Customer Effective Labor Rate – smart
Service Contract Labor – smart	814S	Warranty Effective Labor Rate – smart
Warranty Claim Labor – smart	813S	Warranty Effective Labor Rate - smart
Internal Labor - smart	815S	Internal Effective Labor Rate - smart

Customer Mechanical - smart calculation includes Express Labor - smart + Express PPM Labor – smart + Express Warranty Labor – smart.

All Effective Labor Rates must be entered on the correct line on Page 12 of the statement (Lines 32-34) in order for the MTD Labor Hours to be calculated.

See Accounting Memo 99-2 for additional information.

This way, the YTD Labor Hours will accurately reflect any changes in the dealership's labor rates.

ACCOUNTING MEMO 01-1

Subject: MBDEAL
Accounts: 596, 796,
Date: 1/1/01 (Revised 1/1/03, 1/1/04, 1/1/08, 1/1/09, 1/1/10, 1/1/11, 1/1/13, 1/1/14, 1/1/15, 1/1/16, 1/1/17)

(A) MBDEAL (previously known as Mercedes Vehicle Program "MVP") and Affiliate sales

The discount of 12.25% off MSRP remains in effect for 2017 and Commissions equal 6% of the selling price of the vehicle (MSRP less 12.25% discount). Upon completion of the sale and delivery of the vehicle, a DDR for the vehicle should be entered into NetStar or Vista with the appropriate control number. An EFT for the MBDEAL Commission and 1% Floor Plan Assistance will be generated from MBUSA to the dealership within 1-2 business days of the DDR submission.

The performance bonus/standards payout for the MBDEAL program will mirror the payout percentages for retail sales and will be paid on a quarterly basis. See Accounting Memos 13-1 through 08-7 and 08-9 for more information on the Mercedes-Benz Dealer Performance Bonus program and 2017 percentage payouts.

Dealers are required to validate MBDEAL control numbers, verify the name of the employee/retiree that issued the control number and the relevant purchaser information through NetStar prior to selling the vehicle. Failure to do so may result in chargeback of incentives and discounts and/or other penalties. Additional information on the MBDEAL Program is available through NetStar, Guides, "MBDEAL"

1. For an MBDEAL sale, the dealership DDRs the vehicle (assuming vehicle MSRP = $37,390):

Account	Item	Debit	Credit
221C	Other Receivables - Including Other Holdback	$1,969	
796	Commission Income		$1,969
213A	Floor Plan Assistance	$374	
95	Floor Plan Assistance		$374
230	Pre-Owned Vehicle Sales Bonus Receivable	$280	
968	Pre-Owned Vehicle Sales Bonus		$280
227	Customer Experience Sales Bonus Receivable	$280	
971	Customer Experience Sales Bonus		$280
255	Customer Experience Sales Bonus Receivable	$280	
964	Customer Experience Sales Bonus		$280
228	New Vehicle Sales Bonus Receivable	$280	
962	New Vehicle Sales Bonus		$280
229	Brand Standards Bonus Receivable	$748	
94	Brand Standards Bonus		$748
256	Training Bonus Receivable	$187	
970	Training Bonus		$187

2. EFT is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$4,400	
221C	Other Receivables - Including Other Holdback		$1,969
213A	Floor Plan Assistance		$374
230	Pre-Owned Vehicle Sales Bonus Receivable		$280
227	Customer Experience Sales Bonus Receivable		$280
228	New Vehicle Sales Bonus Receivable		$280
229	Brand Standards Bonus Receivable		$748
255	Customer Experience Service Bonus Receivable		$280
256	Training Bonus Receivable		$187

ACCOUNTING MEMO 03-2

Subject: Effective Labor Rate
Accounts: Memo Entry on Page 12
Date: 1/1/03 (Revised 1/1/07, 1/1/08 & 1/1/10)

In order to better manage the pricing strategy of the service department, the Dealer Financial Statement includes a memo account on Page 12 to record the year-to-date effective customer, warranty and internal pay rates. The effective labor rates will allow the Service Manager to evaluate the impact of specials, overlapping operations and grid pricing. The manager can also use the effective labor rate to identify billing errors and to ensure that the pricing policy is being consistently applied.

The effective labor rate is calculated as follows:

YTD Labor Dollars Sold ÷ YTD Labor Hours Sold = Effective Labor Rate

Example:

$2,225,439 ÷ 30,155 = $73.80

The effective labor rate should be calculated on a year-to-date basis for each of the three major pay rates (Customer, Warranty and Internal). This calculation can be automated within most DMS systems. Consult your Vendor Representative to see if your DMS system has the functionality to calculate this amount.

21	Hourly Labor Rates	Customer	Warranty	Internal
22	Mechanical - M-B			
23	Mechanical - Maybach			
24	Mech - Commercial Vehicles			
25	Mechanical - smart			
26	Mechanical - Other			
27	Body Shop - M-B			
28	Body Shop - Maybach			
29	Body Shop - Commercial Vehicles			
30	Body Shop - smart			
31	Body Shop - Other			
32	**Effective Labor Rate - M-B**			
33	**Effective Labor Rate - CV**			
34	**Effective Labor Rate - smart**			

ACCOUNTING MEMO 04-1

Subject: Courtesy Vehicle Program
Accounts: 52, 202, 221C, 227, 228, 229, 230, 233, 255, 309, 316
Date: 1/1/04 (Revised 1/1/08, 1/1/09, 1/1/10, 1/1/16, 1/1/17)

This procedure is broken into two sections:

- The first section (A) covers the procedure used when financing a New Courtesy Vehicle. It then details adding a vehicle to Pre-Owned Inventory once it's been removed from service;
- The second section (B) deals with the use of *non - M-B* vehicles.

A. Courtesy Vehicle - Purchased

1. New Courtesy Vehicle is purchased from MBUSA; assume a C300W4 with an MSRP of $34,000 and an allowance of $4,000:

Account	Item	Debit	Credit
233	Courtesy Vehicle Program	$25,580**	
221C	Other Receivables	$4,000	
213A	Floor Plan Assistance	$340	
227	Customer Experience Sales Bonus Receivable	$255	
228	New Vehicle Sales Bonus Receivable	$255	
229	Brand Standards Bonus Receivable	$680	
230	Pre-Owned Vehicle Sales Bonus Receivable	$255	
255	Customer Experience Service Bonus Receivable	$255	
256	Training Bonus Receivable	$170	
316	N/P Courtesy Vehicle Program*		$31,790*

* Dealer Invoice
** Invoice less allowance, floor plan, and bonus.

2. Assume the vehicle is kept in service for 12 months and depreciation is $300/month. The following entry is recorded monthly:

Account	Item	Debit	Credit
52	Courtesy Vehicle Program Expense	$300	
233	Courtesy Vehicle Program		$300

3. Courtesy Vehicle expenses are incurred:

Account	Item	Debit	Credit
52	Courtesy Vehicle Program Expense	$500	
202/309	Cash or Accounts Payable - Other		$500

Notes: All expenses related to the *operation of the vehicles* should be debited to Account 52, Courtesy Vehicle Program. Examples are gas, maintenance, licenses, insurance, depreciation and interest.

All expenses related to *providing transportation* should also be debited to Courtesy Vehicle Program

Expense. Examples of this nature are van and shuttle vehicles, taxis, limos, and car rental charges.

4. After 12 months, the dealership removes the vehicle from service and prepares to move it into pre-owned inventory. Its basis would be:

Original Basis	$26,180
Less: Depreciation	($3,600)
Adjusted Basis	$22,580

5. If the pre-owned manager appraises the vehicle at $22,000 compared to the adjusted basis of $22,580, an entry for the difference of $580 should be made:

Account	Item	Debit	Credit
52	Courtesy Vehicle Program Expense	$580	
233	Courtesy Vehicle Program		$580

6. The vehicle is transferred to pre-owned inventory at its appraised value:

Account	Item	Debit	Credit
251	Pre-Owned M-B Vehicles	$22,000	
233	Courtesy Vehicle Program		$22,000
312A	Notes Payable - Pre-Owned M-B		$22,000
316	N/P - Courtesy Vehicle Program	$22,000	

Note: The objectives are to transfer the vehicle to the pre-owned department at its fair market value and to correctly calculate the cost of service.

Information on allowances and program rules can be found in the new "2017 Courtesy Vehicle Program Guide" available on NetStar. Under the "Sales" tab, select "Courtesy Vehicle Program" from the subject drop-down menu.

B. Non-Mercedes-Benz Company Vehicle Process

1. An "*Other*" Company Vehicle is purchased:

Account	Item	Debit	Credit
285	Company Vehicles	$30,000	
314	Notes Payable - Other		$30,000

2a. Vehicle is depreciated on a monthly basis:

Account	Item	Debit	Credit
52	Courtesy Vehicle Program Expense	$300	
355	Company Vehicles - Accum. Deprec.		$300

2b. Vehicle expenses are incurred:

Account	Item	Debit	Credit
52	Courtesy Vehicle Program Expense	$400	
202/309	Cash or Accounts Payable - Other		$400

Expenses include gas maintenance, insurance, interest and license fees.

3. Vehicle is transferred to Pre-Owned - Other inventory at depreciated value:

Account	Item	Debit	Credit
240B	Pre-Owned Vehicles - Other	$27,000	
285	Company Vehicles		$27,000

ACCOUNTING MEMO 08-3

Subject: M-B Customer Experience Bonus
Accounts: 227, 255, 964, 971
Date: 1/1/08 (Revised 1/1/11, 1/1/13, 1/1/16, 1/1/17)

The Customer Experience Bonus is now separated into two bonuses, Customer Experience Sales Bonus and Customer Experience Service Bonus. Each bonus is 0.75% or 0.00% of MSRP based on each of the Sales and Service Customer experience scores for an overall potential of 1.50% of MSRP depending on level of achievement and should be accrued on a monthly basis viewable in the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar.

The Report will be distributed over NetStar on the third business day of each month by the MBUSA Treasury Department. This report will detail retail activity and bonus eligibility amounts for accrual purposes on dealer financial statements and also for payout amounts (during months when payouts are scheduled).

All Bonus components will be paid out in the first month of a quarter, based upon accrued bonus from eligible DDRs from the previous quarter. Payments will occur in the form of an electronic funds transfer (EFT). These amounts will appear as a credit to the Consolidated Account Statement while the EFT will appear as a debit.

If a dealer has met the bonus objectives during the quarter, the quarter-to-date figure documented on the Report will be paid via EFT within 5 business days of the retail close. If the objective for bonus eligibility at quarter's end has not been met, the bonus will be forfeited for all eligible vehicles retailed in the following quarter.

1. The dealership accrues monthly for anticipated bonus payment:

Account	Item	Debit	Credit
227	M-B Customer Experience Sales Bonus Receivable	$16,500	
971	M-B Customer Experience Sales Bonus		$16,500
255	M-B Customer Experience Service Bonus	$16,500	
964	M-B Customer Experience Service Bonus Receivable		$16,500

2. Bonus payment is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$33,000	
227	M-B Customer Experience Sales Bonus Receivable		$16,500
255	M-B Customer Experience Service Bonus Receivable		$16,500

ACCOUNTING MEMO 08-4

Subject: M-B New Vehicle Sales Bonus
Accounts: 228, 962
Date: 1/1/08 (Revised 1/1/09, 1/1/11, 1/1/13, 1/1/16, 1/1/17)

The New Vehicle Sales Bonus is 0.75% of MSRP depending on achievement and should be accrued on a monthly basis viewable in the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar.

The Report will be distributed over NetStar on the third business day of each month by the MBUSA Treasury Department. This report will detail retail activity and bonus eligibility amounts for accrual purposes on dealer financial statements and also for payout amounts (during months when payouts are scheduled).

All Bonus components will be paid out in the first month of a quarter, based upon accrued bonus from eligible DDRs from the previous quarter. Payments will occur in the form of an electronic funds transfer (EFT). These amounts will appear as a credit to the Consolidated Account Statement while the EFT will appear as a debit.

If a dealer has met the bonus objectives during the quarter, the quarter-to-date figure documented on the Report will be paid via EFT within 5 business days of the retail close. If the objective for bonus eligibility at quarter's end has not been met, the bonus will be forfeited for all eligible vehicles retailed in the following quarter.

1. The dealership accrues monthly for anticipated bonus payment:

Account	Item	Debit	Credit
228	New Vehicle Sales Bonus Receivable	$25,325	
962	M-B New Vehicle Sales Bonus		$25,325

2. Bonus payment is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$25,325	
228	New Vehicle Sales Bonus Receivable		$25,325

ACCOUNTING MEMO 08-7

Subject: Pre-Owned Premier/CPO Bonus
Accounts: 221C, 965
Date: 1/1/08 (Revised 1/1/11, 1/1/13, 1/1/14, & 1/1/15)

A $200 Transportation Assistance bonus will be available on eligible C3 purchases made via (DPP+ online, MBonDemand, or Dealer Appreciation sales). This bonus is earned and paid monthly.

A $250 C3 CPO bonus will be available on all eligible C3 purchases that are DDR'd as CPO. This bonus is earned and paid monthly via MSS. Note the C3 purchase does not have to be performed by the DDRing dealer. (E.g. Typical payment occurs with 75 day lag starting after month end.)

The Pre-Owned Premier Acquisition Bonus is available to dealerships who have hit their Brand Standards Performance component of the Dealer Standards Bonus. C3 purchases eligible for the Premier Acquisition Bonus will be reflected on the C3 Dealer Scorecard including Bonus earnings. Payment is made on a quarterly basis via EFT. (E.g. Typical payment schedule is as follows: 2 payments are made. 1st payment is made a month after the quarter has ended and 2nd payment is made 6 months later as a catch-up payment to account for payoffs.

Please see the C3 Remarketing Website located in NetStar in the C3 Remarketing Program section for full program rules and information.

1. The dealership accrues monthly for anticipated bonus payment:

Account	Item	Debit	Credit
221C	Other Receivables - including Other Holdback	$6,000	
965	Pre-Owned Premier/CPO Bonus		$6,000

2. Bonus payment is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$6,000	
221C	Other Receivables - including Other Holdback		$6,000

ACCOUNTING MEMO 08-8

Subject: Repair Order (RO) Count
Date: 1/1/08 (Revised 1/1/09, 1/1/10, 1/1/11 & 1/1/12)

It is important to enter the accurate count of ROs monthly on Page 12, Line 31-33. RO count is simply the number of separate ROs closed on a particular day for each vehicle that is in attendance at the service department, summed up to get a total month count. The count should include a total RO count for all three labor types - Customer Pay, Warranty and Internal.

NOTE:

ADP subscribers can reference report Service Performance - Closed RO. which is available from the webSuite Reports tab.

Reynolds & Reynolds subscribers can run report 6910 in Report Generator. Please refer to Reynolds online support.

For details on how to run these reports, contact your DMS vendor.

ACCOUNTING MEMO 08-9

Subject: Accounting for the M-B Dealer Performance Bonus
Accounts: 227, 228, 229, 230, 255, 961, 962, 963, 968, 971, 94
Date: 1/1/08 (Revised 1/1/09, 1/1/10, 1/1/11, 1/1/12, 1/1/13, 1/1/14, 1/1/16, 1/1/17)

A. Booking New Vehicle Retails Throughout the Month

The Dealer Performance Bonus Scorecard on NetStar shows the qualified bonus percents based upon the previous quarter's performance. Please refer to Chapter 5, "Reporting and Payment Information" in the Mercedes-Benz Dealer Performance Bonus Manual posted in the Guides section in the top right menu of NetStar. These percentages will be used to calculate the bonus on all eligible New Vehicle retails for the current quarter. See the below example for Q1 (January, February, and March qualified retails based on October, November, and December KPI performance).

Q1 2017 KPI Achievement (Applies to Q2 2017 Retails):	
CUSTOMER EXPERIENCE BONUS	0.00 of 1.50
TRAINING BONUS	0.00 of 0.50
NEW VEHICLE SALES BONUS	0.00 of 0.75
PRE-OWNED SALES BONUS	0.00 of 0.75
BRAND STANDARDS BONUS	2.00 of 2.00
TOTAL	2.00 of 5.50
Q1 2017 Leadership Bonus Qualification (Applies to Q2 2017 Retails):	N/A

To book New Vehicle retails, take MSRP (less Destination & Delivery and Gas Guzzler Tax) and multiply by the qualified bonus percent locked-in for the entire quarter:

			MSRP = $55,000
Component	**Acct. No.**	**Bonus %**	**Bonus $**
Brand Standards Bonus	94	2.00%	$1100
Customer Experience Sales Bonus	971	0.75%	$413
Customer Experience Service Bonus	964	0.75%	$413
Training Bonus	970	0.50%	$275
New Vehicle Sales Bonus	962	0.75%	$413
Pre-Owned Vehicle Sales Bonus	968	0.75%	$413
Total			$3,026

The bonus percentages change every quarter as per the Scorecard on NetStar.

B. Month-End Accruals from NetStar Reports

The "M-B Floor Plan and Performance Bonus" Report can be found in the "My Reports" section of the "Home" tab in NetStar. If you do not have access, please consult your systems SA (Security

Administrator).The "M-B Floor Plan & Performance Bonus" Report will continue to be posted each month on NetStar for month-end bonus accruals.

C. Dealer Financial Statement

The Mercedes-Benz Dealer Performance Bonus components are reflected on the bottom of the Page 2 Income Statement and at the top of the Page 1 Balance Sheet as shown below highlighted in yellow.

Income Statement:

44	Brand Standards Bonus - M-B	94				
45	Amort. - Leaseholds/Imprvmnts	81				
46	Repairs/Maint - Real Estate	82				
47	Deprec - Bldgs/Imprvmnts	83				
48	Taxes - Real Estate	84				
49	Insurance - Bldgs/Imprvmnts	85				
50	Interest - Mortgages	93				
51	Utilities	87				
52	Insurance - Other	88				
53	Taxes - Other	89				
54	Repairs/Maintenance - Equipment	90				
55	Depreciation - Equipment	91				
56	Rental - Equipment	92				
57	**TOTAL FIXED EXP. (Lines 43-56)**					
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**					
59	**TOTAL EXPENSES (Lines 7 & 58)**					
60	**OPERATING PROFIT OR LOSS**			Op%Sls		Op%Sls
61	Dealer Reserve (CV & smart)	639		PNVS		PNVS
62	Customer Experience Sales Bonus - M-B	971				
63	Customer Experience Service Bonus - M-B	964				
64	New Vehicle Sales Bonus - M-B	962				
65	Pre-Owned Veh. Sales Bonus -M-B	968				
66	Commercial Vehicles Bonus	966				
67	smart Performance Bonus	967				
68	Leadership Bonus	969				
69	Training Bonus	970				
70	Pre-Owned Premier/CPO Bonuses	965		Op%Sls		Op%Sls
71	**OP P/L AFT INCENTIVES/RESERVE**					

Balance Sheet:

ASSETS		ACCT	AMOUNT	Ln
Cash		200-02		1
Contracts in Transit		205		2
TOTAL CASH AND CONTRACTS (LINES 1 - 2)				3
Vehicle Accounts	PAST DUE	210		4
Service - Body - Parts Accounts	PAST DUE	220		5
TOTAL CUSTOMER RECEIVABLES (LINES 4 & 5)				6
Finance & Lease Receivables - Current		264		7
Prepaid Maintenance - M-B		221B		8
Extended Limited Warranty - M-B		219A		9
Service Contract Claims - Commercial Vehicles		221E		10
Service Contract Claims - smart		221S		11
Service Contract/Warranty Claims - Other		221D/263B		12
Warranty Claims - M-B	PAST DUE	263A		13
Warranty Claims - CV	PAST DUE	263E		14
Warranty Claims - smart	PAST DUE	263S		15
Dealer Reserve (CV & smart)/Floor Plan Assistance		221A/213A		16
Combined Bonuses Receivable		227-230 / 252-56		17
Other Receivables		221C		18
TOTAL RECEIVABLES (LINES 6-18)				19

Receivables for secondary pre-owned bonuses (CPO Bonuses) should be booked into Account 221C, Other Receivables - including Other Holdback.

D. Dealer Performance Bonus Scorecard Access

The Dealer Performance Bonus Scorecard is available through NetStar on the "Home" tab. The Scorecard updates throughout the month depending on source data availability. It measures all key performance indicators (KPI) for all components of the new program.

M-B Dealer Performance Bonus | CV Performance Bonus | smart Dealer Performance Bonus | AMG Elite Dealer Performance Bonus

[redacted]

Q4 2016 KPI Achievement (Applies to Q1 2017 Retails):

CUSTOMER EXPERIENCE BONUS	2.00 of 2.00 (Open)
NEW VEHICLE SALES BONUS	0.75 of 0.75 (Open)
PRE-OWNED SALES BONUS	0.75 of 0.75 (Open)
BRAND STANDARDS BONUS	2.00 of 2.00 (Open)
TOTAL	5.50 of 5.50 (Open)

Q4 2016 Leadership Bonus Qualification (Applies to Q1 2017 Retails): N/A

Q4 2016 Progressive Retail Bonus Qualification (Applies to Q1 2017 Retails): Yes

Q1 2017 KPI Achievement (Applies to Q2 2017 Retails):

CUSTOMER EXPERIENCE BONUS	0.00 of 1.50
TRAINING BONUS	0.00 of 0.50
NEW VEHICLE SALES BONUS	0.00 of 0.75
PRE-OWNED SALES BONUS	0.00 of 0.75
BRAND STANDARDS BONUS	2.00 of 2.00
TOTAL	2.00 of 5.50

Q1 2017 Leadership Bonus Qualification (Applies to Q2 2017 Retails): N/A

Quarter 1 (2017) KPIs

KEY PERFORMANCE INDICATORS	JAN ACT	FEB ACT	MAR ACT	Q1 QTD	OBJ (a)	OBJ (b)	STATUS	ACTION PLAN
CUSTOMER EXPERIENCE BONUS							0.00 of 1.50	
CUSTOMER EXPERIENCE - SALES								
NV SALES SURVEY-NET EMAIL PE...					80.0%	-		
SALES EXPERIENCE SCORE	982			982	975	-	▲	
CUSTOMER EXPERIENCE - SERVICE								
SERVICE SURVEY-NET EMAIL PEN...					80.0%	-		
SERVICE EXPERIENCE SCORE	933			933	948	-	▼	
TRAINING BONUS							0.00 of 0.50	
TRAINING CERTIFICATION	42.0%			-	85.0%	-	▼	
LEADERSHIP ACADEMY	100.0%			0.0%	85.0%	-	▼	
BRAND IMMERSION	0.0%			0.0%	85.0%	-	▼	
NEW PRODUCT LAUNCH					85.0%	-		
BUSINESS CRITICAL					85.0%	-		
NEW VEHICLE SALES BONUS							0.00 of 0.75	
QUALIFIER								
AOI (AREA OF INFLUENCE)				-	70%	-		
DMA (DESIGNATED MARKET AREA)				-	90%	-		
SALES EFFECTIVENESS				-	80.0%	-		
PRE-OWNED SALES BONUS							0.00 of 0.75	
OFF-LEASE QUALIFIERS								
LEAP CPO RETAILS	2			2	-	-		
SPECIAL VEHICLE GROUP	5			5	-	-		
OFF-LEASE PURCHASES	9			9	-	-		
BRAND STANDARDS BONUS							2.00 of 2.00	
FACILITY/AUTOHAUS2	YES			-	YES	-	▲	
ANNUAL FACILITY INSPECTION	YES			-	YES	-	▲	
						TOTAL BONUS EARNED (CURRENT QUARTER KPI's):	2.00 of 5.50	

Bonus is based on these qualifying items.

There are two ways to access the scorecard. All executive management job codes (Dealer Principal, GM, Controller and several other management job codes) were granted access automatically at login on January 3, 2008. In addition, each dealer's Security Administrator (SA) has the ability to grant access to anyone in the dealership.

ACCOUNTING MEMO 09-1

Subject: Estimated Bonus Profit Contribution (for pay plan discussions only)
Date: 1/1/09 (Revised 1/1/10 & 1/1/11 & 1/1/13, 1/1/14, 1/1/16, 1/1/17)

The section below can be found on Page 12 of the M-B Dealer Financial Statement.

The Estimated Bonus Profit Contribution is **for pay plan discussions** only and should **not** be interpreted as actual bonus results.

It is designed to capture all the gross profit and bonus components that can potentially be contributed by each department. It is intended to provide information for discussions regarding pay plans and profit implications relevant to each department within the dealership.

Estimated Bonus Profit Contribution			22
Dept.	Current Month	Year-To-Date	23
New Vehicle			24
Pre-Owned			25
Service			26
Parts			27
Body			28
FOR PAY PLAN DISCUSSIONS ONLY			29

The Estimated Bonus Profit Contribution for each department is calculated as follows:

New Vehicle Department:

NV GP + Floor Plan Assistance + Pre-Owned Vehicle Sales Bonus + Customer Experience Sales Bonus + Customer Experience Service Bonus + New Vehicle Sales Bonus + Brand Standards Bonus + Leadership Bonus + Training Bonus – NV Total Expense

Page 4: Line 2 + Page 4: Line 22 + Page 4: Line 65 + Page 4: Line 62 + Page 4: Line 63 + Page 4: Line 64 + Page 4: Line 44 + Page 4: Line 68 + Page 4: Line 69 – Page 4: Line 59 + Page 5: Line 2 + Page 5: Line 22 + Page 5: Line 65 + Page 5: Line 62 + Page 5: Line 63 + Page 5: Line 64 + Page 5: Line 44 + Page 5: Line 68 + Page 5: Line 69 – Page 5: Line 59 + Page 6: Line 2 + Page 6: Line 22 + Page 6: Line 65 + Page 6: Line 62 + Page 6: Line 63 + Page 6: Line 64 + Page 6: Line 44 + Page 6: Line 68 + Page 6: Line 69 – Page 6: Line 59

Pre–Owned Department:

Pre–Owned GP + Pre–Owned Premier/CPO Bonus – P/O Total Expense

Page 4: Line 2 + Page 4: Line 70 – Page 4: Line 59 + Page 5: Line 2 – Page 5: Line 59 + Page 6: Line 2 – Page 6: Line 59

Service Department:

Service GP – Service Total Expense

Page 4: Line 2 – Page 4: Line 59 + Page 5: Line 2 – Page 5: Line 59 + Page 6: Line 2 – Page 6: Line 59

Parts Department:

Parts GP – Parts Total Expense

Page 4: Line 2 – Page 4: Line 59 + Page 5: Line 2 – Page 5: Line 59 + Page 6: Line 2 – Page 6: Line 59

Body Shop Department:

Body Shop GP – Body Shop Total Expense

Page 4: Line 2 – Page 4: Line 59 + Page 5: Line 2 – Page 5: Line 59 + Page 6: Line 2 – Page 6: Line 59

ACCOUNTING MEMO 10-1

Subject: Commercial Vehicles Bonus
Accounts: 252, 966
Date: 1/1/10 (Revised 1/1/11)

The Commercial Vehicles Performance Bonus is up to 3.5% of MSRP depending on level of achievement and should be accrued on a monthly basis based upon the "Sprinter Dealer Reserve & Performance Bonus" Report posted monthly to NetStar.

The Report will be distributed over NetStar on the third business day of each month. This report will detail retail activity and bonus eligibility amounts for accrual purposes on dealer financial statements and also for payout amounts (during months when payouts are scheduled).

All Bonus components will be paid out in the first month of a quarter, based upon accrued bonus from eligible DDRs from the previous quarter. Payments will occur in the form of an electronic funds transfer (EFT). These amounts will appear as a credit to the Consolidated Account Statement while the EFT will appear as a debit.

If a dealer has met the bonus objectives during the last month of a quarter, the quarter-to-date figure documented on the Report will be paid via EFT within 5 business days of the retail close. If the objective for bonus eligibility at quarter's end has not been met, the bonus will be forfeited for all eligible vehicles retailed in the following quarter.

1. The dealership accrues monthly for anticipated bonus payment:

Account	Item	Debit	Credit
252	Commercial Vehicles Bonus Receivable	$29,700	
966	Commercial Vehicles Bonus		$29,700

2. Bonus payment is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$29,700	
252	Commercial Vehicles Bonus Receivable		$29,700

ACCOUNTING MEMO 10-2

Subject: Prepaid Maintenance - M-B
Accounts: 221B, 221C, 331, 814, 824
Date: 1/1/10

Prepaid maintenance agreements sold to new vehicle buyers provide the customers with various supplemental maintenance services, up to 50,000 miles. The dealership earns income by selling the prepaid maintenance contracts above dealer net, as well as on the parts and labor reimbursed as contract claims as contract claims are made. When the dealership itself underwrites a contract, the price should exceed the cost of prospective service needs. All service and parts provided to customers under these agreements must be shown as customer sales, not warranty sales.

1. The dealership sells a new E350W4 along with a three-year, 30,000 mile prepaid maintenance that provides a commission of $100.

Account	Item	Debit	Credit
202	Cash in Bank	$850	
405R	M-B E350W4 - Sales		$55,350
605R	M-B E350W4 - COS	$54,500	
502A	Prepaid Maintenance - New M-B		$100
221C	Other Receivables	$100	
231A	New Vehicles M-B		$54,500
310A	New PC/LT/Demo - M-B	$54,500	

When the contract is paid, Account 221C is credited and cash debited. A dealership underwriting the contract would replace the middle two entries with:

Account	Item	Debit	Credit
202	Cash in Bank	$700	
502A	Prepaid Maintenance - New M-B		$400
331	Other Payables		$300

2. The car receives service covered under the contract:

Account	Item	Debit	Credit
814	Prepaid Maintenance Labor - M-B		$100
824	R. O. - Prepaid Maintenance - M-B		$150
221B	Prepaid Maintenance - M-B	$250	

3. Dealership receives payment:

Account	Item	Debit	Credit
202	Cash in Bank	$250	
221B	Prepaid Maintenance - M-B		$250

ACCOUNTING MEMO 10-3

Subject: Extended Limited Warranties - M-B and 3rd Party Warranty Claimsn – M-B
Accounts: 202, 219A, 221C, 588A, 844, 845, 850, 852
Date: 1/1/10

Extended Limited Warranties sold to new vehicle buyers provide customers with an additional component of warranty protection that begins once the new car warranty expires. The warranty can be extended by one, two, or three additional years. The dealership earns income by selling the extended limited warranty contracts above dealer net, as well as on the parts and labor reimbursed as contract claims are made. When the dealership itself underwrites a contract, the price should exceed the cost of prospective service needs. All service and parts provided to customers under these agreements must be shown as customer sales, not warranty sales.

1. The dealership sells a new E350W4 along with a two-year, 100,000 mile Extended Limited Warranty that provides a commission of $1,255.

Account	Item	Debit	Credit
202	Cash in Bank	$850	
405R	M-B E350W4 - Sales		$55,350
605R	M-B E350W4 - COS	$54,500	
588A	Extended Limited Warranty - New M-B		$1,255
221C	Other Receivables	$1,255	
231A	New Vehicles M-B		$54,500
310A	New PC/LT/Demo - M-B	$54,500	

When the contract is paid, Account 221C is credited and cash debited. A dealership underwriting the contract would replace the middle two entries with:

Account	Item	Debit	Credit
202	Cash in Bank	$700	
588A	Extended Limited Warranty - New M-B		$400
331	Other Payables		$300

2. a. The car receives service covered under the contract: (ELW scenario)

Account	Item	Debit	Credit
844	Extended Limited Warranty Labor - M-B		$100
845	R. O. - Extended Limited Warranty - M-B		$150
219A	Extended Limited Warranty - M-B	$250	

b. The car receives service covered under the contract: (3rd Party Warranty scenario)

Account	Item	Debit	Credit
850	3rd Party Warranty Claim Labor - M-B		$100
852	3rd Party Warranty Claim P&A - M-B		$150
263A	Warranty Claim - M-B	$250	

3. Dealership receives payment:

Account	Item	Debit	Credit
202	Cash in Bank	$250	
219A	Extended Limited Warranty - M-B		$250

ACCOUNTING MEMO 10-4

Subject: Accounting for the Commercial Vehicles Dealer Performance Bonus
Accounts: 252 and 966
Date: 1/1/10 (Revised 1/1/16, 1/1/17)

A. Booking New Vehicle Retails Throughout the Month

The Commercial Vehicles Performance Bonus Scorecard on NetStar shows the qualified bonus percents based upon the previous quarter's performance. Please refer to the section entitled, "Reporting and Payment Information" in the Commercial Vehicles Performance Bonus Manual posted in the Guides section on top right menu of NetStar. These percentages will be used to calculate the bonus on all eligible New Vehicle retails for the current quarter. See the below example for Q1 (January, February, and March qualified retails based on October, November and December KPI performance).

Q1 2017 KPI Achievement (Applies to Q2 2017 Retails):	
TRAINING BONUS	0.00 of 0.50
CV VAN DEDICATION BONUS	0.00 of 1.00
DEALER SALES BONUS	0.00 of 2.00
TOTAL	**0.00 of 3.50**

To book New Vehicles retails, take MSRP (less Destination & Delivery and Gas Guzzler Tax) and multiply by the qualified bonus percent locked-in for the entire quarter.

The bonus percentages change every quarter as per the Scorecard on NetStar.

B. Month-End Accruals from NetStar Reports

The "Commercial Vehicle Dealer Reserve & Performance Bonus" Report can be found in the "My Reports" section of the "Home" tab in NetStar. If you do not have access, please consult your SA (Security Administrator).

The "Commercial Vehicles Dealer Reserve & Performance Bonus" Report will be posted each month on NetStar for month-end bonus accruals. In the summary section at the bottom of the report, please use the figures in category totals to enter onto your financial statement.

C. Dealer Financial Statement

The bonus components are reflected on the bottom of Page 2 Income Statement and at the top of the Page 1 Balance sheet as show below:

Income Statement:

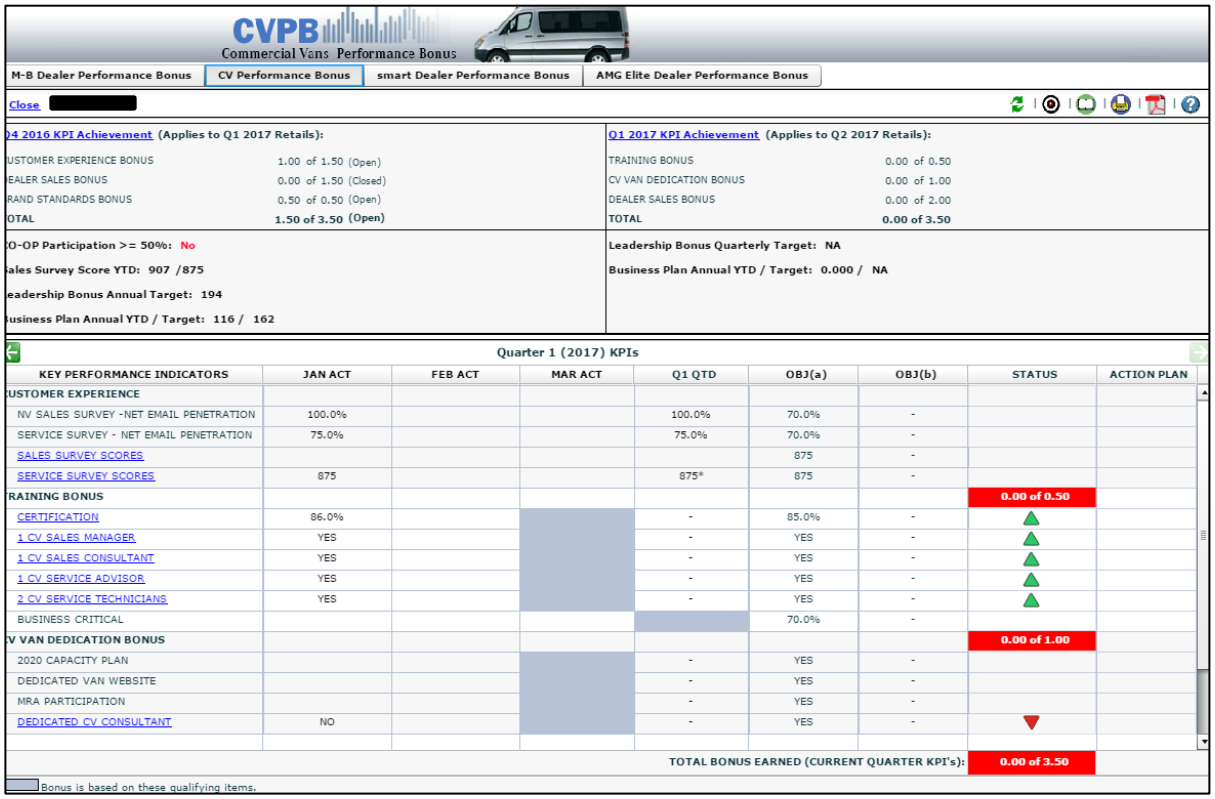
61	Dealer Reserve (CV & smart)	639		PNVS		PNVS
62	Customer Experience Sales Bonus - M-B	971				
63	Customer Experience Service Bonus - M-B	964				
64	New Vehicle Sales Bonus - M-B	962				
65	Pre-Owned Veh. Sales Bonus -M-B	968				
66	Commercial Vehicles Bonus	966				
67	smart Performance Bonus	967				
68	Leadership Bonus	969				
69	Training Bonus	970				
70	Pre-Owned Premier/CPO Bonuses	965		Op%Sls		Op%Sls
71	**OP P/L AFT INCENTIVES/RESERVE**					

Balance Sheet:

ASSETS		ACCT	AMOUNT	Ln
Cash		200-02		1
Contracts in Transit		205		2
TOTAL CASH AND CONTRACTS (LINES 1 - 2)				3
Vehicle Accounts	PAST DUE	210		4
Service - Body - Parts Accounts	PAST DUE	220		5
TOTAL CUSTOMER RECEIVABLES (LINES 4 & 5)				6
Finance & Lease Receivables - Current		264		7
Prepaid Maintenance - M-B		221B		8
Extended Limited Warranty - M-B		219A		9
Service Contract Claims - Commercial Vehicles		221E		10
Service Contract Claims - smart		221S		11
Service Contract/Warranty Claims - Other		221D/263B		12
Warranty Claims - M-B	PAST DUE	263A		13
Warranty Claims - CV	PAST DUE	263E		14
Warranty Claims - smart	PAST DUE	263S		15
Dealer Reserve (CV & smart)/Floor Plan Assistance		221A/213A		16
Combined Bonuses Receivable		227-230 / 252-56		17
Other Receivables		221C		18
TOTAL RECEIVABLES (LINES 6-18)				19

D. Commercial Vehicles Performance Bonus Scorecard Access

The Commercial Vehicles Performance Bonus Scorecard is available through NetStar on the "Home" tab. The Scorecard updates throughout the month depending on source data availability. It measures all key performance indicators (KPI) for all components of the program.



CVPB
Commercial Vans Performance Bonus

M-B Dealer Performance Bonus | CV Performance Bonus | smart Dealer Performance Bonus | AMG Elite Dealer Performance Bonus

Close [redacted]

4 2016 KPI Achievement (Applies to Q1 2017 Retails):	
USTOMER EXPERIENCE BONUS	1.00 of 1.50 (Open)
EALER SALES BONUS	0.00 of 1.50 (Closed)
RAND STANDARDS BONUS	0.50 of 0.50 (Open)
OTAL	1.50 of 3.50 (Open)

Q1 2017 KPI Achievement (Applies to Q2 2017 Retails):	
TRAINING BONUS	0.00 of 0.50
CV VAN DEDICATION BONUS	0.00 of 1.00
DEALER SALES BONUS	0.00 of 2.00
TOTAL	0.00 of 3.50

O-OP Participation >= 50%: No
ales Survey Score YTD: 907 /875
eadership Bonus Annual Target: 194
usiness Plan Annual YTD / Target: 116 / 162

Leadership Bonus Quarterly Target: NA
Business Plan Annual YTD / Target: 0.000 / NA

Quarter 1 (2017) KPIs

KEY PERFORMANCE INDICATORS	JAN ACT	FEB ACT	MAR ACT	Q1 QTD	OBJ(a)	OBJ(b)	STATUS	ACTION PLAN
USTOMER EXPERIENCE								
NV SALES SURVEY -NET EMAIL PENETRATION	100.0%			100.0%	70.0%	-		
SERVICE SURVEY - NET EMAIL PENETRATION	75.0%			75.0%	70.0%	-		
SALES SURVEY SCORES					875	-		
SERVICE SURVEY SCORES	875			875*	875	-		
RAINING BONUS							0.00 of 0.50	
CERTIFICATION	86.0%			-	85.0%	-	▲	
1 CV SALES MANAGER	YES			-	YES	-	▲	
1 CV SALES CONSULTANT	YES			-	YES	-	▲	
1 CV SERVICE ADVISOR	YES			-	YES	-	▲	
2 CV SERVICE TECHNICIANS	YES			-	YES	-	▲	
BUSINESS CRITICAL					70.0%	-		
V VAN DEDICATION BONUS							0.00 of 1.00	
2020 CAPACITY PLAN				-	YES	-		
DEDICATED VAN WEBSITE				-	YES	-		
MRA PARTICIPATION				-	YES	-		
DEDICATED CV CONSULTANT	NO			-	YES	-	▼	
						TOTAL BONUS EARNED (CURRENT QUARTER KPI's):	0.00 of 3.50	

Bonus is based on these qualifying items.

There are two ways to access the scorecard. All executive management job codes (Dealer Principal, GM, Controller and several other management job codes) were granted access automatically at login in on January 5, 2010. In addition, each dealer's Security Administrator (SA) has the ability to grant access to anyone in the dealership.

ACCOUNTING MEMO 10-5

Subject: Mercedes-Benz New Vehicle Tier 3 Bonus Program
Account: 31
Date: 1/1/10, (revised 1/1/12, 1/1/13, 1/1/14, 1/1/15, 1/1/16, 1/1/17)

Effective February 1, 2016, Mercedes-Benz USA, LLC and the Mercedes-Benz Dealer Board agreed to increase the donation funded via a hold-back from the current T3BP bonus payout of $5. The net effect to the monthly T3BP payout decreased from $445 to $440 per wholesale.*

**Please see the Regional Dealer Advertising (RDA) Program guidelines (located on the Mercedes-Benz New Vehicle Tier 3 Bonus Program website via NetStar or at http://mercedesmarketing.com) for full eligibility details and requirements.*

Background
As of January 1, 2016, $700 of the wholesale price of Mercedes-Benz vehicles will be held within a marketing account established at MBUSA to fund the Regional Marketing Fund (RMF). Of this $700, MBUSA will continue to utilize $300 per wholesale to fund a Local Communications Program (Tier 2). The remaining $400 is returned to the dealer, along with an additional $40 bonus funded by MBUSA's budgeted T3BP Marketing Account, upon placement of compliant Tier 3 marketing communications – MBUSA will continue to donate $15.00 per wholesale to *Laureus USA*, with no impact to the $440 T3BP payout.

Accounting Guidance
The $700 RMF assessment is included in the "Dealer Net Price" invoiced to the dealer and should therefore be accounted as part of the vehicle inventory cost, not separately as an expense.

The T3BP required new vehicle compliant marketing spend is $240 per wholesale. These expenses related to the placement of Mercedes-Benz new vehicle marketing should be recorded in Account 34, Tier 3 Marketing Expenses.

All Tier 3 Bonus funds earned by the dealer will be credited monthly to the Consolidated Account Statement. This amount should be recorded in Account 31, Tier 3 Brand Compliance Bonus.

Any Tier 3 Bonus Program strike assessment resulting from Category I or II infractions will be detailed on the Miscellaneous Parts Statement. This assessment amount should be debited to Account, 31, Tier 3 Brand Compliance Bonus.

1. Dealership is invoiced for a new vehicle including a $700 RMF assessment:

Account	Item	Debit	Credit
231A	New Vehicles - M-B PC	$40,500	
231A	New Vehicles - M-B (transportation)	$875	
310A	Notes Payable - New M-B		$41,375

2. Dealership places Mercedes-Benz advertisements in newspaper:

Account	Item	Debit	Credit
34	Tier 3 Marketing Expenses	$15,000	
300	Accounts Payable - Trade Creditors		$15,000

3. Dealership receives a monthly Tier 3 Bonus as detailed on the Consolidated Account Statement ($440 X 40 vehicles):

Account	Item	Debit	Credit
202	Cash in Bank	$17,600	
31	Tier 3 Brand Compliance Bonus		$17,600

4. Dealership is assessed a $17,600 bonus assessment as detailed on the Consolidated Account Parts Statement due to a Category I or II infraction:

Account	Item	Debit	Credit
202	Cash in Bank		$17,600
31	Tier 3 Brand Compliance Bonus	$17,600	

ACCOUNTING MEMO 11-1

Subject: Brand Standards Bonus
Accounts: 963, 94
Date: 1/1/11 (revised 1/1/13, 1/1/14, 1/1/16, 1/1/17)

The Brand Standards Bonus is 2.0% of MSRP and should be accrued on a monthly basis based upon the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar. The Brand Standards requirements are broken up into the following five criteria components on the scorecard: Facility/Autohaus[2], Capacity, and Annual Facility Inspection.

The Report will be distributed over NetStar on the third business day of each month by the MBUSA Treasury Department. This report will detail retail activity and bonus eligibility amounts for accrual purposes on dealer financial statements and also for payout amounts (during months when payouts are scheduled).

All Bonus components will be paid out in the first month of a quarter, based upon accrued bonus from eligible DDRs from the previous quarter. Payments will occur in the form of an electronic funds transfer (EFT). These amounts will appear as a credit to the Consolidated Account Statement while the EFT will appear as a debit.

If a dealer has met the bonus objectives during the quarter, the quarter-to-date figure documented on the Report will be paid via EFT within 5 business days of the retail close. If the objective for bonus eligibility at quarter's end has not been met, the bonus will be forfeited for all eligible vehicles retailed in the following quarter.

1. The dealership accrues monthly for anticipated bonus payment:

Account	Item	Debit	Credit
229	Brand Standards Bonus Receivable	$7,500	
94	Brand Standards Bonus		$7,500

2. Bonus payment is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$7,500	
229	Brand Standards Bonus Receivable		$7,500

ACCOUNTING MEMO 12-1

Subject: smart Performance Bonus
Accounts: 253, 967
Date: 1/1/12 (revised 1/1/17)

The smart Performance Bonus is 1.0% of MSRP depending on achievement and should be accrued on a monthly basis based upon the "smart Dealer Reserve & Performance Bonus" Report posted monthly to NetStar.

The Report will be distributed over NetStar on the third business day of each month. This report will detail retail activity and bonus eligibility amounts for accrual purposes on dealer financial statements and also for payout amounts (during months when payouts are scheduled).

All Bonus components will be paid out in the first month of a quarter, based upon accrued bonus from eligible DDRs from the previous quarter. Payments will occur in the form of an electronic funds transfer (EFT). These amounts will appear as a credit to the Consolidated Account Statement while the EFT will appear as a debit.

If a dealer has met the bonus objectives during the quarter, the quarter-to-date figure documented on the Report will be paid via EFT within 5 business days of the retail close. If the objective for bonus eligibility at quarter's end has not been met, the bonus will be forfeited for all eligible vehicles retailed in the following quarter.

1. The dealership accrues monthly for anticipated bonus payment:

Account	Item	Debit	Credit
253	smart Performance Bonus Receivable	$15,000	
967	smart Performance Bonus		$15,000

2. Bonus payment is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$15,000	
253	smart Performance Bonus Receivable		$15,000

ACCOUNTING MEMO 12-2

Subject: Accounting for the smart Performance Bonus
Accounts: 253 and 967
Date: 1/1/12 (Revised 1/1/17)

A. Booking New Vehicle Retails Throughout the Month

The smart Performance Bonus Scorecard on NetStar shows the qualified bonus percents based upon the previous quarter's performance. Please refer to the section entitled, "Reporting and Payment Information" in the smart Performance Bonus Manual posted in the Guides section on top right menu of NetStar. These percentages will be used to calculate the bonus on all eligible New Vehicle retails for the current quarter. See the below example for Q4 (October, November and December qualified retails based on July, August and September KPI performance).

Q4 2016 KPI Achievement (Applies to Q1 2017 Retails):

BRAND STANDARD BONUS	1.00 of 1.00 (Open)
TOTAL	**1.00 of 1.00 (Open)**

To book New Vehicles retails, take MSRP (less Destination & Delivery and Gas Guzzler Tax) and multiply by the qualified bonus percent locked-in for the entire quarter.

The bonus percentages change every quarter as per the Scorecard on NetStar.

B. Month-End Accruals from NetStar Reports

The "smart Dealer Reserve & Performance Bonus" Report can be found in the "My Reports" section of the "Home" tab in NetStar. If you do not have access, please consult your SA (Security Administrator).

The "smart Dealer Reserve & Performance Bonus" Report will be posted each month on NetStar for month-end bonus accruals. In the summary section at the bottom of the report, please use the figures in category totals to enter onto your financial statement.

C. Dealer Financial Statement

The bonus components are reflected on the bottom of Page 2 Income Statement and at the top of the Page 1 Balance sheet as show below:

Income Statement:

61	Dealer Reserve (CV & smart)	639		PNVS		PNVS
62	Customer Experience Sales Bonus - M-B	971				
63	Customer Experience Service Bonus - M-B	964				
64	New Vehicle Sales Bonus - M-B	962				
65	Pre-Owned Veh. Sales Bonus -M-B	968				
66	Commercial Vehicles Bonus	966				
67	smart Performance Bonus	967				
68	Leadership Bonus	969				
69	Training Bonus	970				
70	Pre-Owned Premier/CPO Bonuses	965		Op%Sls		Op%Sls
71	OP P/L AFT INCENTIVES/RESERVE					

Balance Sheet:

ASSETS		ACCT	AMOUNT	Ln
Cash		200-02		1
Contracts in Transit		205		2
TOTAL CASH AND CONTRACTS (LINES 1 - 2)				3
Vehicle Accounts	PAST DUE	210		4
Service - Body - Parts Accounts	PAST DUE	220		5
TOTAL CUSTOMER RECEIVABLES (LINES 4 & 5)				6
Finance & Lease Receivables - Current		264		7
Prepaid Maintenance - M-B		221B		8
Extended Limited Warranty - M-B		219A		9
Service Contract Claims - Commercial Vehicles		221E		10
Service Contract Claims - smart		221S		11
Service Contract/Warranty Claims - Other		221D/263B		12
Warranty Claims - M-B	PAST DUE	263A		13
Warranty Claims - CV	PAST DUE	263E		14
Warranty Claims - smart	PAST DUE	263S		15
Dealer Reserve (CV & smart)/Floor Plan Assistance		221A/213A		16
Combined Bonuses Receivable		227-230 / 252-56		17
Other Receivables		221C		18
TOTAL RECEIVABLES (LINES 6-18)				19

D. smart Performance Bonus Scorecard Access

The smart Performance Bonus Scorecard is available through NetStar on the "Home" tab. The Scorecard updates throughout the month depending on source data availability. It measures all key performance indicators (KPI) for all components of the program.

M-B Dealer Performance Bonus | CV Performance Bonus | smart Dealer Performance Bonus

Full Screen View Dealer 12345

Q3 2015 KPI Achievement (Applies to Q4 2015 Retails):		Q4 2015 KPI Achievement (Applies to Q1 2016 Retails):	
CUSTOMER EXPERIENCE BONUS	1.00 of 1.50 (Open)	BRAND STANDARD BONUS	1.00 of 1.00 (Open)
DEALER SALES BONUS	1.00 of 1.00 (Closed)		
SMART FRANCHISE BONUS	0.00 of 1.00 (Closed)		
TOTAL	2.00 of 3.50 (Open)	TOTAL	1.00 of 1.00 (Open)
Leadership Bonus Annual Target: 44		Leadership Bonus Annual Target: 44	

Quarter 4 (2015) KPIs (Open)

KEY PERFORMANCE INDICATORS	OCT ACT	NOV ACT	DEC ACT	Q4 QTD	OBJ(a)	OBJ(b)	STATUS	ACTION PLAN
BRAND STANDARD BONUS							1.00 of 1.00	
DEDICATED BRAND MANAGER			YES	-	YES	-	▲	
						TOTAL BONUS EARNED (CURRENT QUARTER KPI's):	1.00 of 1.00	

Bonus is based on these qualifying items.

100%

There are two ways to access the scorecard. All executive management job codes (Dealer Principal, GM, Controller and several other management job codes) were granted access automatically at login in on July 1, 2011. In addition, each dealer's Security Administrator (SA) has the ability to grant access to anyone in the dealership.

ACCOUNTING MEMO 13-1

Subject: M-B Pre-Owned Vehicle Sales Bonus
Accounts: 230, 968
Date: 1/1/13 (Revised: 1/1/16, 1/1/17)

The Pre-Owned Vehicle Sales Bonus is 0.75%of MSRP depending on achievement and should be accrued on a monthly basis based upon the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar.

The Report will be distributed over NetStar on the third business day of each month by the MBUSA Treasury Department. This report will detail retail activity and bonus eligibility amounts for accrual purposes on dealer financial statements and also for payout amounts (during months when payouts are scheduled).

All Bonus components will be paid out in the first month of a quarter, based upon accrued bonus from eligible DDRs from the previous quarter. Payments will occur in the form of an electronic funds transfer (EFT). These amounts will appear as a credit to the Consolidated Account Statement while the EFT will appear as a debit.

If a dealer has met the bonus objectives during the quarter, the quarter-to-date figure documented on the Report will be paid via EFT within 5 business days of the retail close. If the objective for bonus eligibility at quarter's end has not been met, the bonus will be forfeited for all eligible vehicles retailed in the following quarter.

1. The dealership accrues monthly for anticipated bonus payment:

Account	Item	Debit	Credit
230	M-B Pre-Owned Vehicle Sales Bonus Receivable	$74,895	
968	M-B Pre-Owned Vehicle Sales Bonus		$74,895

2. Bonus payment is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$74,895	
230	M-B Pre-Owned Vehicle Sales Bonus Receivable		$74,895

ACCOUNTING MEMO 13-2

Subject: Customer Ownership Training Credit
Accounts: 77
Date: (Revised 1/1/13, 1/1/14, 1/1/15)

Dealers will receive a $40 Customer Ownership Training Credit for each eligible DDR.

- All new vehicle Mercedes-Benz sales are eligible to receive this training credit.
- All CPO Mercedes-Benz sales are eligible to receive this credit, including:
  - Special Demo Program Vehicles
  - Courtesy Vehicle Program Vehicles

Payment of this credit will be bi-monthly via MSS (Market Support System), recorded as an Mkt Incentive Credit on the Consolidated Account Statement.

To offset this credit, as of November 1, 2013; dealers started to see a charge on the new vehicle invoice of $40 per unit as part of MBUSA's initiative to create a sustainable and scalable training charge model. This is in direct support of our #1 corporate initiative elevating the customer experience.

This Customer Ownership Training Charge effectively serves as an offset against the existing Customer Ownership Training Credit that dealers receive through the Consolidated Statement. Note that the training credit will be expanded to apply to the same group of vehicles that the new training charge applies to.

The $40 Customer Ownership Training Charge will be billed as follows:

- New Vehicles – Charge will be applied on the invoice of each new passenger car, light truck, and commercial vehicle wholesaled to an MB dealer with exception to military sales. smart vehicles are not included.
- Certified Pre-Owned Vehicles – Charge will occur once the vehicle is retailed (DDR'd). At the end of the month the $40 charge will appear on your consolidated statement in conjunction with the CPO Base warranty charge.

The following is an example of how a new vehicle transaction should be recorded on the Dealer Financial Statement.

1. Dealer is invoiced for new E350W4:

Account	Item	Debit	Credit
231A	New Vehicles M-B	$51,850	
310A	Notes Payable – New Vehicles		$51,850

2. Vehicle sold to retail customer for $55,000, the $40 Customer Ownership Training Charge should be recorded in the Cost of Sale account:

Account	Item	Debit	Credit
231A	New Vehicles M-B		$51,850
310A	Notes Payable – New Vehicles	$51,850	
202	Cash in Bank	$3,150	
405R	M-B E350W4 - Sales		$55,000
605R	M-B E350W4 - COS	$51,810	
605R	M-B E350W4 - COS	$40	

3. The following is an example of how a CPO transaction should be recorded on the Dealer Financial Statement. The vehicle is sold to a retail customer for $30,000:

Account	Item	Debit	Credit
202	Cash in Bank	$30,000	
447	Certified Pre-Owned M-B Sales		$30,000
234	Certified Pre-Owned M-B		$26,595
647	Certified Pre-Owned Vehicle COS	$26,555	
647	Certified Pre-Owned Vehicle COS	$40	

ACCOUNTING MEMO 13-3

Subject: Leadership Bonus Program
Accounts: 254, 969
Date: (Revised 1/1/13, 1/1/14, 1/1/15, 1/1/16, 1/1/17)

M-B Leadership Bonus Program:

A dealership must achieve all of the following in order to qualify for Leadership Bonus participation in 2017:

- Green status in both Customer Experience Scores (NV Sales & Service)
- Achieve Training Bonus
- Achieve Brand Standard Bonus (2.0%) – Non-Autohaus Dealers are excluded from Leadership Bonus participation
- Meet StockPro Criteria – Dealers must be enrolled, contracted, installed, and fully participating in the program
- Must be Dealer in Good Standing

Please note dealers that do not participate in the Dealer Performance Bonus Program cannot participate in the Leadership Bonus Program. In addition, dealers that are receiving a Dealer Performance Bonus Program new point or buy/sell payment "bye" and/or receiving a Dealer Performance Bonus accommodation do not automatically qualify as meeting the requirements noted above. A dealer receiving a "bye" and/or accommodation must meet all of the requirements of the program in order to qualify for participation. A dealer must also be a "Dealer in Good Standing" which is defined as a signed dealer agreement and improvement addendums if applicable, and no outstanding litigation against MBUSA in order to participate in the program.

Once dealer qualification has been assessed, the Service and Sales CEx scores are combined into a Customer Experience Index (CEI) score. The CEI scores are ranked and the top 80% of the network, that has met all qualification criteria, will achieve leadership bonus. If a dealership does not meet all the qualifiers, it will not be eligible to be ranked for the top 80% in CEI scores.

The 2017 Leadership Bonus will be calculated based on unearned funds accumulated from Q2 2017 through Q1 2018 (4 quarters) divided by earned retail sales including Courtesy Vehicle Program (CVP) vehicles from Q2 2017 through Q1 2018 (4 quarters). Payout will occur in April 2018.

CV Leadership Bonus Program:

For 2017, MBUSA is once again reinvesting certain unearned funds from the Dealer Performance Bonus into a Leadership Bonus pool to be paid to qualifying dealers in addition to those funds within the Program parameters. Eligible units (i.e., accrued at 3.5% vs. actual payout) will be tracked by dealer and put into an account for accumulation into a Leadership Bonus pool that will be paid annually to qualifying dealers.

Leadership Bonus Achievement:

To qualify for the Leadership Bonus, a dealer must achieve the following:

- Quarterly New Vehicle Sales Performance greater than or equal to 120% of objective.

Bonus Calculation:

- Unearned funds will be divided by the number of vans retailed by qualifying dealers – this will determine the per unit payout.
- For qualified dealers, the Leadership Bonus amount is based on their eligible sales, which includes Courtesy Vehicle Program (CVP) sales, multiplied the per unit payout.
- Payment will occur in April 2018 once the 2017 CV Dealer Performance Bonus Program year has closed and payment per eligible unit is approved by MBUSA Executive Management.

Please note, dealers that do not participate in the CV Dealer Performance Bonus Program cannot participate in the Leadership Bonus Program.

ACCOUNTING MEMO 14-1

Subject: Express Labor & Parts (M-B, CV & smart)
Accounts: 401A, 403A, 493A, 401E, 403E, 493E, 401S, 403S, 493S, 404A, 408A, 494A, 404E, 408E, 494E, 404S, 408S, 494S
Date: 1/1/14 (revised 1/1/15)

The section below on Page 9, Page 10, and Page 11 of the M-B Dealer Financial Statement is designed to capture both Current Month and YTD metrics for Express Labor M-B, Express PPM Labor M-B, Express Warranty Labor M-B, Express Labor CV, Express PPM Labor CV, Express Warranty Labor CV, Express Labor smart, Express PPM Labor smart, Express Warranty Labor smart, Express Parts M-B, Express PPM Parts M-B, Express Warranty Parts M-B, Express Parts CV, Express PPM Parts CV, Express Warranty Parts CV, Express Parts smart, Express PPM Parts smart, & Express Warranty Parts smart.

	SALES	GROSS PROFIT	GP%Sls	Acct	TRANS.	
1				811		Customer Labor - Mechanical - M-B
2				814		Prepaid Maintenance Labor - M-B
3				844		Extended Limited Warranty Labor - M-B
4				813		Warranty Claim Labor - M-B
5				850		3rd Party Warranty Claim Labor - M-B
6				815		Internal Labor - M-B
7				401A		Express Labor - M-B
8				403A		Express PPM Labor - M-B
9				493A		Express Warranty Labor - M-B
10		( )		657A		Unapplied Labor - M-B
11						**TOTAL LABOR - M-B (Lines 1-10)**

	SALES	GROSS PROFIT	GP%Sls	Acct	TRANS.	
22				821		R.O. - Mechanical - M-B
23				824		R.O. - Prepaid Maintenance - M-B
24				845		R.O. - Extended Limited Warranty - M-B
25				823		Warranty Claim - P&A - M-B
26				852		3rd Party Warranty Claim P&A - M-B
27				825		Internal - M-B
28				826		R.O. - Body Shop - M-B
29				827		Counter Retail - M-B
30				828		Wholesale - M-B
31				829		Accessories and Promotional Items - M-B
32				842		Wholesales - Body Shop Certified
33				843		Tires - M-B
34				404A		Express Parts - M-B
35				408A		Express PPM Parts - M-B
36				494A		Express Warranty Parts - M-B
37		( )		675A		Inventory Adjustments - M-B
38						**TOTAL PARTS - M-B (Lines 22-37)**

42	SALES	GROSS PROFIT	GP%Sls	Acct	TRANS.	
43				811E		Customer Labor - Mechanical - Commercial Vehicles
44				814E		Service Contract Labor - Commercial Vehicles
45				813E		Warranty Claim Labor - Commercial Vehicles
46				815E		Internal Labor - Commercial Vehicles
47				401E		Express Labor - CV
48				403E		Express PPM Labor - CV
49				493E		Express Warranty Labor - CV
50		( )		657E		Unapplied Labor - Commercial Vehicles
51						**TOTAL LABOR - CV (Lines 43-50)**

42	SALES	GROSS PROFIT	GP%Sls	Acct	TRANS.	
55				821E		R.O. - Mechanical - Commercial Vehicles
56				824E		R.O. - Service Contract - Commercial Vehicles
57				823E		Warranty Claim - P&A - Commercial Vehicles
58				825E		Internal - Commercial Vehicles
59			`	404E		Express Parts - CV
60				408E		Express PPM Parts - CV
61				494E		Express Warranty Parts - CV
62				826E		R.O. - Body Shop - Commercial Vehicles
63				827E		Counter Retail - Commercial Vehicles
64				828E		Wholesale - Commercial Vehicles
65				829E		Accessories & Promotional Items - CV
66				843E		Tires - Commercial Vehicles
67		( )		675E		Inventory Adjustments - Commercial Vehicles
68				492E		Assets Taken on Trade/Tires/Promo Gifts - CV
69						**TOTAL PARTS - CV (Lines 55-68)**

41	SALES	GROSS PROFIT	GP%Sls	Acct	TRANS.	
42				811S		Customer Labor - Mechanical - smart
43				814S		Service Contract Labor - smart
44				813S		Warranty Claim Labor - smart
45				815S		Internal Labor - smart
46				401S		Express Labor - smart
47				403S		Express PPM Labor - smart
48				493S		Express Warranty Labor - smart
49		( )		657S		Unapplied Labor - smart
50						TOTAL LABOR - SMART (Lines 42-49)

41	SALES	GROSS PROFIT	GP%Sls	Acct	TRANS.	
54				821S		R.O. - Mechanical - smart
55				824S		R.O. - Service Contract - smart
56				823S		Warranty Claim - P&A - smart
57				825S		Internal - smart
58				826S		R.O. - Body Shop - smart
59				827S		Counter Retail - smart
60				828S		Wholesale - smart
61				829S		Accessories & Promotional Items - smart
62				930S		Stock Order Allowance - smart
63				842S		Wholesale Body Shop - smart
64				843S		Tires - smart
65		( )		675S		Inventory Adjustments - smart
66				492S		Assets Taken on Trade/Tires/Promo Gifts - smart
67				404S		Express Parts - smart
68				408S		Express PPM Parts - smart
69				494S		Express Warranty Parts - smart
70						TOTAL PARTS - SMART (Lines 54-69)

Labor sales should be costed on an actual basis rather than as a percentage of sales. However, if technicians are paid on a percentage basis, cost can be computed by multiplying the customer labor rate by the number of hours applicable to the operation and applying the appropriate percentage. Technician time for each repair order should be recorded using a daily time ticket or time clock. When technicians are paid on an "hourly or guaranteed" basis, the cost should be calculated by multiplying the mechanics hourly wage times the hours applicable to the operation. If the guarantee exceeds productive earnings, the excess should be debited to Unapplied Labor, Account 657. Parts sales should be costed individually rather than by the percentage method.
Parts previously written off as obsolete should have zero cost when sold. However, the sales of these parts should be recorded in the proper sales account. Purchase discounts allowed for prompt payment should not affect inventory cost but rather be credited to Cash Discounts Earned, Account 800. Discounts related to *other* parts stock order allowances should be recorded in Stock Order Allowance - Other, Account 668B.

ACCOUNTING MEMO 15-1

Subject: Dealer Employee One Purchase Program (DE1) (formerly Dealer Employee Purchase Program (DEPP))
Accounts: 597, 797,
Date: 1/1/01 (Revised 1/1/03, 1/1/04, 1/1/08, 1/1/09, 1/1/10, 1/1/11, 1/1/13, 1/1/14, 1/1/15, 1/1/16, 1/1/17)

Dealer Employee One Purchase Program (DE1) (formerly Dealer Employee Purchase Program (DEPP))

Dealer employees are entitled to two (2) DE1 control numbers per calendar year. In order to be eligible to participate in the Mercedes-Benz DE1, employees must be certified within the Mercedes-Benz Standards of Excellence (SOE) Certification Program. Details regarding this are available at The Learning Link at learn.mbusa.com. Complete details of the Dealer Employee One Purchase Program (DE1) are available through NetStar, Sales, "DE1."

Upon completion of the sale and delivery of the vehicle, a DDR for the vehicle should be entered into NetStar or Vista by selecting the Sales Program "Fleet" and then Sales Plan "Executive Allowance Bonus." The CAN number (020649) and the control must be entered. Failure to use a valid CAN and control number on the DDR will result in the dealer not receiving the DE1 commission. The Fleet Incentive associated with the model sold is paid through the Market Support System (MSS).

Dealer commissions for DE1 sales will continue to be $750 per vehicle. The DE1 Commission is paid on a bi-monthly basis through the Market Support System (MSS).

The standards/ performance bonus percentage will mirror the Mercedes-Benz Dealer Performance Bonus program and will be paid on a quarterly basis. After the first quarter, subsequent bonus percentages will be based on the dealership's performance. See Accounting Memos 13-1 through 08-7 and 08-9 for more information on the Mercedes-Benz Dealer Performance Bonus program and 2017 percentage payouts.

1. For the Dealer Employee One Purchase Program (DE1), the dealership DDRs the vehicle (assuming vehicle MSRP = $37,390):

Account	Item	Debit	Credit
221C	Other Receivables - Including Other Holdback	$750	
797	Commission Income		$750
213A	Floor Plan Assistance	$374	
95	Floor Plan Assistance		$374
230	Pre-Owned Vehicle Sales Bonus Receivable	$281	
968	Pre-Owned Vehicle Sales Bonus		$281
227	Customer Experience Sales Bonus Receivable	$281	
971	Customer Experience Sales Bonus		$281
255	Customer Experience Service Bonus Receivable	$281	
964	Customer Experience Service Bonus		$281
228	New Vehicle Sales Bonus Receivable	$281	
962	New Vehicle Sales Bonus		$281

229	Brand Standards Bonus Receivable	$748	
94	Brand Standards Bonus		$748
256	Training Bonus Receivable	$187	
970	Training Bonus		$187
777	Fleet/Corp Sales Program - M-B COS	$2,500	
210	Vehicle Accounts		$2,500

2. EFT is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$3,182	
221C	Other Receivables - Including Other Holdback		$750
213A	Floor Plan Assistance		$374
230	Pre-Owned Vehicle Sales Bonus Receivable		$281
227	Customer Experience Sales Bonus Receivable		$281
255	Customer Experience Service Bonus Receivable		$281
228	New Vehicle Sales Bonus Receivable		$281
229	Brand Standards Bonus Receivable		$748
256	Training Bonus Receivable		$187

ACCOUNTING MEMO 16-1

Subject: Training Bonus Program
Accounts: 256, 970
Date: 1/1/16 (Revised 1/1/17)

M-B Training Bonus Program:

For 2017, the Training Bonus is 0.50% of MSRP and should be accrued on a monthly basis based upon the "M-B Floor Plan & Performance Bonus" Report posted monthly to NetStar. The Training requirements are broken up into the following five qualifiers on the scorecard: Training Certification, Leadership Academy, Brand Immersion, New Product Launch, and Business Critical.

The Report will be distributed over NetStar on the third business day of each month by the MBUSA Treasury Department. This report will detail retail activity and bonus eligibility amounts for accrual purposes on dealer financial statements and also for payout amounts (during months when payouts are scheduled).

All Bonus components will be paid out in the first month of a quarter, based upon accrued bonus from eligible DDRs from the previous quarter. Payments will occur in the form of an electronic funds transfer (EFT). These amounts will appear as a credit to the Consolidated Account Statement while the EFT will appear as a debit.

If a dealer has met the bonus objectives during the quarter, the quarter-to-date figure documented on the Report will be paid via EFT within 5 business days of the retail close. If the objective for bonus eligibility at quarter's end has not been met, the bonus will be forfeited for all eligible vehicles retailed in the following quarter.

1. The dealership accrues monthly for anticipated bonus payment:

Account	Item	Debit	Credit
256	Training Bonus Receivable	$3,000	
970	Training Bonus		$3,000

2. Bonus payment is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$3,000	
256	Training Bonus Receivable		$3,000

ACCOUNTING MEMO 16-2

Subject: Dealer Employee One PLUS Purchase Program (DE1+)
Accounts: 597, 797
Date: 1/1/16 (Revised 1/1/17)

Dealer Employee One PLUS Purchase Program (DE1+)

Dealer employees are entitled to one (1) DE1+ control number per calendar year. The DE1+ program enables the dealership to nominate an employee for one active DE1+ purchase/lease at any given time to select eligible full-time employees of an authorized Mercedes-Benz, smart and/or Sprinter dealerships who must be enrolled in the TEAM, completed "Take Ten" and SOE training requirements to participate in DE1 and/or DE1+. (See Account Memo 15-1)

Upon completion of the sale and delivery of the vehicle, a DDR for the vehicle should be entered into NetStar or Vista by selecting the Sales Program "Fleet" and then Sales Plan "Executive Allowance Bonus." The CAN number (021415) and the control must be entered. Failure to use a valid CAN and control number on the DDR will result in the dealer not receiving the DE1+ commission. The Fleet Incentive associated with the model sold is paid through the Market Support System (MSS).

Dealer commissions for DE1+ sales will continue to be $750 per vehicle. The DE1+ Commission is paid on a bi-monthly basis through the Market Support System (MSS).

The standards/ performance bonus percentage will mirror the Mercedes-Benz Dealer Performance Bonus program and will be paid on a quarterly basis. After the first quarter, subsequent bonus percentages will be based on the dealership's performance. See Accounting Memos 13-1 through 08-7 and 08-9 for more information on the Mercedes-Benz Dealer Performance Bonus program and 2017 percentage payouts.

1. For the Dealer Employee One Purchase Program (DE1+), the dealership DDRs the vehicle (assuming vehicle MSRP = $37,390):

Account	Item	Debit	Credit
221C	Other Receivables - Including Other Holdback	$750	
797	Commission Income		$750
213A	Floor Plan Assistance	$374	
95	Floor Plan Assistance		$374
230	Pre-Owned Vehicle Sales Bonus Receivable	$281	
968	Pre-Owned Vehicle Sales Bonus		$281
227	Customer Experience Sales Bonus Receivable	$281	
971	Customer Experience Sales Bonus		$281
255	Customer Experience Service Bonus Receivable	$281	
964	Customer Experience Service Bonus		$281
228	New Vehicle Sales Bonus Receivable	$281	
962	New Vehicle Sales Bonus		$281
229	Brand Standards Bonus Receivable	$748	
94	Brand Standards Bonus		$748
256	Training Bonus Receivable	$187	
970	Training Bonus		$187

777	Fleet/Corp Sales Program - M-B COS	$3,750	
210	Vehicle Accounts		$3,750

2. EFT is received from MBUSA:

Account	Item	Debit	Credit
202	Cash in Bank	$3,182	
221C	Other Receivables - Including Other Holdback		$750
213A	Floor Plan Assistance		$374
230	Pre-Owned Vehicle Sales Bonus Receivable		$281
227	Customer Experience Sales Bonus Receivable		$281
255	Customer Experience Service Bonus Receivable		$281
228	New Vehicle Sales Bonus Receivable		$281
229	Brand Standards Bonus Receivable		$748
256	Training Bonus Receivable		$187

GLOSSARY OF ACCOUNTING & FINANCIAL TERMS

A-A

Absorption	Percent of overhead expenses covered by gross profit from service, body shop and parts departments.
Accounting System	An organized method of recording transactions of a business and reporting operating results in a predetermined format.
Account Payable	Payment due vendors, trade customers and trade creditors for products or services already received by dealership.
Account Receivable	Money owed the dealership for products or services already delivered.
Accruals	Expenses which have been incurred but not yet paid. Also, income which has been earned but not received in cash.
Accumulated Depreciation	The accumulated total of amounts charged to a depreciation expense.
Actual Time	Hours spent by technicians to perform assigned work on repair orders.
Additional Paid-ln Capital	Amounts of cash or other property from owners/officers above the par or assigned value of stock.
Additions to Income	Income derived from sources other than department activities.
Aftermarket Products	Those parts, accessories and restyling products added to new sold vehicles that were not sold as part of the package on which the negotiated vehicle sale price was based.
Allowance for Doubtful Accounts	Estimated amount of accounts and notes receivable that may not be collected
Amortization	Equivalent of depreciation for intangibles and leasehold improvements.
Amortization of Leaseholds	Periodic charges to allocate the cost of capital improvements on leased property. Leasehold improvements may be written off over the period of the lease or the life of the asset whichever is shortest.
Appraisal	Establishing an actual cash value of a pre-owned vehicle or non-automotive item.
Area of Influence (AOI)	Geographical area in which a dealership is expected to sell and service vehicles.
Assets	All items of value - tangible or intangible - owned by a business.

A-C

Available Time	Time technicians are physically present excluding W-Fixed time for sick leave, holidays and training.
Bad Debt	Expense taken when a receivable is judged uncollectible.
Balance Sheet	Listing of assets, liabilities and net worth as of a given date.
BDC	A Business Development Center (Customer Contact Center) with defined processes to manage customer contracts, execute consistent customer experience and to maximize business opportunities.
Blue-Sky	Also known as Goodwill. That part of the total purchase price of jointly acquired assets that exceeds the amounts that can reasonably be assigned to the individual assets. Purchase price in excess of tangible asset value.
Book Value	The wholesale value of a pre-owned vehicle as determined by a recognized wholesale appraisal guide book or the vehicle's depreciated value at any given time. Also, the current net worth of the dealership.
Brand Standards Bonus	Bonus payments to M-B dealers on new vehicle retails for meeting pre-determined Brand Standards requirements.
Breakeven	Estimated volume of new vehicle units required to reach zero operating profit.
Buy/Sell Agreement	The legal contract outlining the sale of a dealership.
Capital Stock	The aggregate value (par or assigned) of issued shares of stock of a corporation less the value held in the corporation's treasury.
Cash Position	Sum of cash, receivables and vehicle equity (vehicle inventory value - flooring debt).
Cash Requirement	Amount of cash required to have an adequate cash-to-expense relationship.
Clearing Account	A General Ledger account in which the sum of all debits and credits should agree, leaving a zero balance.
Commercial Vehicles Bonus	Bonus payments per qualified retail unit for meeting Commercial Vehicles performance standards.
Contingent Liability	A liability which may or may not cause an expense to be incurred by the dealership (e.g. recourse finance contracts, service contracts).

C-D

Contracts in Transit	Amount of cash to be received by the dealership from retail finance contracts approved by banks and other finance institutions.
Control Account	A General Ledger account, the balance of which is the total of one class of accounts carried in a subsidiary ledger.
Cost of Sales	The amount paid for merchandise or services sold to customers in the normal course of business (e.g., parts cost, technician wages).
Credit	To record an entry on the right-hand side (credit side) of an account.
Credit Life	Life insurance that pays the remaining balance of a vehicle finance note in the event of the customer's death.
Current Assets	Cash, receivables, inventories and other assets which are reasonably expected to be converted into cash, sold or consumed during the next 12 months of operation.
Current Liabilities	Debts and obligations of a business which are due and payable within the next 12 months.
Current Portion	Principal payments on long-term loans due and payable within the next 12 months.
Current Ratio	A measure of how much liquidity a company has, this is simply the current assets less floor plan divided by the current liabilities less floor plan.
Curtailment	The partial reduction or pay-down of the amount of wholesale financing (floor plan) owed on a specific vehicle.
Customer Deposit	Down payment or deposit made by car buyer prior to delivery or service customer prior to repair.
Customer Experience Bonus	Bonus payments per qualified retail unit for meeting Customer Experience parameters.
Dealer Reserve	Portion of invoice earned at time of retail sale.
Debit	To record an entry on the left-hand side (debit side) of an account.
Debt to Worth Ratio	Ratio comparing total liabilities to the capital invested by owners. It is a measure of risk but also may indicate dealer's ability to secure additional creditor capital. (Also known as Debt to Equity)
Deductions From Income	Expenses incurred in connection with activities other than department operations.
Deposits in Transit	Deposits made as of the last day of the month but which did not appear on the bank statement for that month.

D-F

Depreciation	Regular charges to the original cost of property and equipment to reflect the loss of value due to time, usage, wear and tear and obsolescence.
Discount	Reduction from retail price. Dealers often take or offer discounts as a reward for paying invoices early.
DOC	Daily Operating Control; a daily (computer generated) report giving details of previous day's sales and operations.
Dividends	Portion of profits paid to the stockholders of a corporation.
EPV	Expected planning volume for one-year period.
Efficiency	Ratio of technicians' flat rate or operation hours to actual hours.
Equity	Excess of assets over liabilities (also known as Net Worth).
Expenses	The costs of doing business other than the cost of goods and services sold in the normal course of business.
Finance and Lease Income	Income earned as a result of retail vehicle sales being financed, leased and/or insured through the dealership.
Finance Receivables - Current	Portion of the reserve income free of contingencies, due and payable.
Finance Receivables - Deferred	Portion of reserve income held by finance institutions as a contingency against the outstanding liability.
Fixed Assets	Assets required for operation and not purchased for resale in the normal course of business.
Fixed Coverage	Same as absorption; the extent to which fixed department gross profit covers all fixed overhead.
Fixed Departments	Service, parts and body shop departments which provide more regular sources of sales than vehicle department.
Fixed Expenses	Expense not directly caused by higher sales; more specifically, those expenses related to facilities and equipment. See also semi-fixed expense.
Fixed Net Loss	Gross profit from service, body and parts less fixed overhead expense (also known as burden or net operating cost).
Floor Plan	Financing arranged from financial institutions to accommodate vehicle inventories (also known as wholesale financing).

F-L

Frozen Capital	The amount that actual inventory and accounts receivable exceed accepted levels to conduct business. Frozen Capital is generally associated with used vehicle and parts inventories and service and parts receivables.
General Ledger	Book of final entries to which journal totals are posted and summarized.
Goodwill	Premium above tangible net worth. See Blue Sky.
Goodwill Impairment	Reduction when a valuation determines that the value Goodwill has declined to an amount less than its carrying value on the balance sheet. It is improper to simply amortize Goodwill on an annual basis.
Gross Profit	The difference between sales and cost of sales.
Holdback	Amount withheld by factory from new vehicle invoice.
Internal Sales	Service and parts used internally by the dealership (also known as interdepartmental sales).
Inventory Adjustment	Credit to inventory value to reflect actual market value of vehicles or parts (also known as write-down).
Journals	The book of original entry in which the source documents (invoices, repair orders, etc.) are recorded and summarized as to account classifications.
Leadership Bonus	Bonus payment to M-B, CV, and smart dealers based on their respective Leadership Bonus programs.
Leaseholds	The cost of improvements to leased property (land, buildings) as well as any premium paid to acquire a lease.
Leverage	The extent to which the dealer uses "other people's money" (liabilities) rather than his or her own money. Measured by the Debt-to-Equity ratio.
Liabilities	All amounts owed by the business.
LIFO Reserve	Cumulative deduction for LIFO reflecting the difference between actual cost of inventory and cost based on a historical base period.
LIFO Deduction	Accounting expense taken to reflect the inflationary increase in the cost of inventory.
Liquidity Ratio	Ability to meet short term financial responsibilities. For specific assets, how quickly they can be converted into cash.

L-O

Long Term Liabilities	Debts of a business which are not due and payable within the next twelve months. Generally documented by formal contracts such as notes, mortgages and bonds.
Maintenance Contract	Agreement enhancing factory warranty of providing repairs not covered by warranty.
Majority Ownership	Ownership of greater than 50% of equity.
Minority Ownership	Less desirable ownership of less than 50% of equity.
Mortgages	Notes payable secured by mortgages on real properties, such as land, buildings and building improvements.
Net Book Value	Cost of asset less accumulated depreciation for an asset or total assets.
Net Cash Position	Total Cash and Contracts plus Vehicle Receivables plus Vehicle Inventory minus Customer Deposits and Notes Payable Vehicles indicating available liquidity at the dealership.
Net Cash Requirement	Amount of cash necessary to cover monthly expenses. The requirement is set at the beginning of the year by MBUSA.
Net Profit	Total sales and additions to income less total cost of sales, total expenses and deductions from income.
Net Worth	Total assets less total liabilities. Net worth represents original and subsequent investments plus profits retained in the business.
New Vehicle Sales Bonus	Bonus payments to M-B dealers for meeting predetermined objectives.
Office Manager	Key individual in dealership operations and generating sound financial data.
Officer Loan	Liability of dealership to owner(s). For tax reasons, dealers often "lend" money to dealerships rather than making additional equity investments.
Open Account	Unsecured accounts receivable or accounts payable which are normally due within 30 days.
Operating Expenses	Expenses that are necessary to departmental operations.
Operating Profit	Total sales less total cost of sales and total expenses. Hence, the profit derived from the normal operating departments of the dealership.
Operation Hours	Time established to perform service procedures (also known as "flat rate hours").

O-R

Other Assets	Assets such as long term receivables and investments which are owned by a business but not likely to be converted into cash in the next year.
Out of Trust	A bad financial condition resulting from not paying off the wholesale finance (flooring) liability when a collateral vehicle is sold.
Over Allowance	Sales technique where a customer's pre-owned car is taken as a trade-in for more than wholesale value.
Overhead Expense	Personnel, semi-fixed and fixed expenses only partially related to the volume of sales and production.
Parts and Service Receivables	Amount due from retail/wholesale customers for purchases made on open account.
Par Value	The value printed on the face of the security certificate for a corporation.
Past Due	Receivable that has not been paid more than 30 days from original due date.
Planning Potential	Expected unit volume or allocation of new cars based on production, market size and past sales performance.
PNVS	Per New Vehicle Sold.
Pre-Owned Premier/ CPO Bonuses	Bonus payments to M-B dealers on pre-owned retails for meeting predetermined pre-owned sales objectives.
Policy Expense	Service and/or parts given to customers, the expense of which is absorbed by the dealership.
Prepaid Expenses	Expenses which have been paid but which apply to future periods.
Productivity	Ratio of technicians' actual hours to available hours.
Pro Forma Statement	A forecasted financial statement developed to forecast sales and profits and project working capital and capitalization needs.
Pre-Owned Vehicle Sales Bonus	Bonus payments to M-B dealers for meeting predetermined objectives.
Ratio	Statistical relationship between two or more financial terms.
Reconditioning	Mechanical repairs and detailing on pre-owned vehicles to prepare them for retail sale.
Recourse	Agreement between dealer and finance institution wherein the dealer is obligated to guarantee the unpaid balance of a contract.

R-T

Repossession	Forfeit of vehicle by customer who fails to make loan or lease payments.
Retail	To sell products and services directly to individual customers.
Retail Selling Ratio	The number of pre-owned vehicles sold retail during a period divided by the number of new vehicles sold retail.
Retained Earnings	Corporation profits accumulated in prior years which are retained in the dealership.
Reserve	Money set aside to provide for possible future liabilities of the dealership. See also unrelated Dealer Reserve.
RO	Repair order in service department (also known as ticket).
ROA	Return on assets; net profit divided by total assets.
ROI	Return on investment; net profit divided by net worth. Also called Return on Equity (ROE).
Sales	The amount charged for products or services sold to customers in the normal course of business.
Sales Efficiency	Comparison of actual retail sales to expected sales if at national penetration levels by segment.
Salespeople Productivity	A measurement of a salespeople's ability to deliver new and/or pre-owned vehicles on a monthly basis.
S-Corporation	Federal tax classification for corporations where any profit is taxed personally to shareholders rather than to the corporation.
Selling Expenses	Variable expenses directly related to sales and which increase automatically when sales rise (e.g., commissions).
Stock Order Allowance	Discount or allowance earned by dealership by purchasing parts via regular stock order.
Subsidiary Account	Accounting record of the detail supporting a control account in the general ledger.
Sublet	Service or body work performed by outside vendor (usually because dealership isn't equipped to do it).
Tangible Net Worth	Net Worth excluding “Other Assets” or Goodwill if noted.
Treasury Stock	Shares of stock repurchased by corporation from shareholders.
Trial Balance	Listing of all account balances in which the total of debit amounts is equal to credit amounts.

T-W

True Turn	Parts inventory turnover based on stock orders only.
Turn	Frequency with which inventory is sold or receivables collected.
UIO	Units in operation; number of registered vehicles in a dealership's market area.
Utilization	Ratio of technicians' actual hour to available hours excluding W-Fixed hours (e.g., vacations, training).
Unapplied Labor	Amounts paid mechanics but not billable to specific RO's; usually idle or lost time.
Upside Down	A bad condition where the market value of a pre-owned vehicle is less than the loan balance or lease payoff.
Variable Departments	New and pre-owned vehicle departments.
Variable Expenses	Expenses directly related to vehicle sales (e.g., sales commissions).
Variable Net Profit	Gross profit in new and pre-owned departments less selling expenses.
Vehicle Equity	Contracts in Transit + Vehicle A/R + Vehicle Inventory (before LIFO) - Vehicle Notes Payable.
W- Fixed Time	Technician hours lost to holidays, vacations and training.
W-Variable Time	"Wasted" technician time; hours technicians were available but not spent servicing vehicles.
Warranty Claim	Money due dealership for repairs covered by factory warranty.
Wholesale	Cars and trucks sold at auction or to independent wholesalers rather to retail customers. Also, parts sold to other dealers or businesses.
Work in Process	Labor on repair orders that are incomplete at end of month.
Working Capital	Total current assets (including LIFO reserve) less total current liabilities; net amount of liquid assets necessary to carry out day-to-day operations.
Working Capital Requirement	Net amount of liquid assets necessary to carry out operations. Based upon cash, inventory and receivable needs.
Write-down	Reduction in pre-owned vehicle or parts inventory value to market value.

Financial Ratio Definitions

Current Ratio

$$\frac{\text{Current Assets + LIFO Reserves – Notes Payable Vehicles (including CVP)}}{\text{Current Liabilities – Notes Payable Vehicles (including CVP)}}$$

$$\frac{\text{Assets: Line 60 + Assets: Lines 29, 39 \& 47 – Liabilities: Lines 7-14, 16}}{\text{Liabilities: Line 34 – Liabilities: Lines 7-14, 16}}$$

Liquidity Ratio

$$\frac{\text{Cash + Receivables}^{1}\text{ + Vehicle Equity – Notes Payable Vehicles (including CVP)}}{\text{Current Liabilities – Notes Payable Vehicles (including CVP)}}$$

$$\frac{\text{Assets: Lines 3, 21, 28 \& 38 – Liabilities: Lines 7-14, 16}}{\text{Liabilities: Line 34 – Liabilities: Lines 7-14, 16}}$$

Vehicle Equity

Contracts in Transit + Vehicle A/R + New & Pre-Owned Vehicle Inventory (before LIFO) – Notes Payable Vehicles (including CV)

Assets: Lines 2, 4, 28 & 38 – Liabilities: Lines 7-14, 16

Working Capital

Current Assets + LIFO Reserves – Current Liabilities

Assets: Line 60 + Assets: Lines 29, 39 & 47 – Liabilities: Line 34

Working Capital Requirement

Sum of the following:

Average Month	Factor	Page: Lines
Cash Expense	125%	2:61 + 2:73 + 2:80 (Deduction) – 2:45 – 2:47 – 2:55
Customer Receivable	35%	9:1, 7-9, 13, 19-20, 22, 28-30, 32-33, 40, 43-45, 53-54, 56-58, 60, 10: 43, 52-53, 55, 62-64, 66, 72-73, 75 11: 42, 51-52, 54, 58-60, 63-64, 73-74, 76
Factory Receivable	35%	9:2-5, 14, 23-25, 41, 10: 44-45, 56-57, 11: 43-44, 55-56
Dealer Reserve & Bonuses	300%	2:22, 44, 61-70
P/O Retail COS	50%	8:61, 10:26, 11:26
P/O Wholesale COS	25%	8:62-64, 10: 27-28, 11:27-28
Parts COS	150%	9:22-30, 32-37, 39-47, 10: 55-64, 66-67 11:54-60, 62-65, 67-69
Accessories & Other COS	100%	9:31, 48-49, 10:65, 68, 11:61, 66
Prepaid on Expense[2]	30%	2:42 + 2:57 + 2:80 (Deduction) – 2:45 – 2:47 – 2:55
– Accounts Payable	–80%	2:59 + 2:73 + 2:80 (Deduction) – 2:45 – 2:47 – 2:55
– Accrued Liabilities	–25%	2:59 + 2:73 + 2:80 (Deduction) – 2:45 – 2:47 – 2:55

[1] Except Vehicle Receivables already included in Vehicle Equity
[2] Prepaid based on Semi-Fixed & Fixed plus Other Interest less Depreciation & Amortization

Net Cash Position

Add:

Total Cash & Contracts	Line 3
Vehicle Accounts	Line 4
Total New Vehicle Inventory (before LIFO)	Line 28
Total Pre-Owned Vehicle Inventory (before LIFO)	Line 38

Less:

Customer Deposits	Line 3
N/P - New Vehicle/Demo - M-B	Line 7
N/P - New Vehicle/Demo - Commercial Vehicles	Line 8
N/P - New Vehicle/Demo - smart	Line 9
N/P - New Vehicle/Demo - Other	Line 10
N/P - Pre-Owned - M-B	Line 11
N/P - Pre-Owned/Demo - Commercial Vehicles	Line 12
N/P - Pre-Owned/Demo - smart	Line 13
N/P - Pre-Owned/Demo - Other	Line 14
N/P - Courtesy Vehicle Program	Line 16

NCP Requirement Average Monthly Total Expense Page 2: Line 59

Debt-to-Equity (Unadjusted)

$$\frac{\text{Total Liabilities}}{\text{Net Worth}} \qquad \frac{\text{Liabilities: Line 40}}{\text{Net Worth: Line 79}}$$

Debt-to-Equity (Adjusted)

$$\frac{\text{Total Liabilities} - \text{N/P Owners} + .33*(\text{LIFO Reserves})}{\text{Net Worth} + \text{N/P Owners} - \text{A/R Owners} + .67*(\text{LIFO Reserves})}$$

$$\frac{\text{Liabilities: Line 40} - \text{Line 36} + .33*(\text{Assets: Lines 29, 39 \& 47})}{\text{NW: Line 79} + \text{Liab: Line 36} - \text{Assets: Line 74} + .67*(\text{Assets: Lines 29, 39 \& 47})}$$

Debt-to-Equity (Net)

$$\frac{\text{Total Liabilities} - \text{Notes Payable Vehicles}}{\text{Net Worth}}$$

$$\frac{\text{Total Liabilities: Line 40} - \text{Liabilities: Line 7-14, 16 (including CVP)}}{\text{Net Worth: Line 79}}$$

Return on Investment (ROI)

$$\frac{\text{Net Profit Before Tax (Annualized)}}{\text{Net Worth} + .67*(\text{LIFO Reserves}) - \text{YTD Net Profit}}$$

$$\frac{\text{Page 2: Line 78 YTD} * [12 / (\text{\# of months})]}{\text{NW: Line 79} + .67*(\text{Assets: Lines 29, 39 \& 47}) - \text{Page 2: Line 78 YTD}}$$

Return on Assets (ROA)

$$\frac{\text{Net Profit Before Tax (Annualized)}}{\text{Total Assets} + \text{LIFO Reserves}}$$

$$\frac{\text{Page 2: Line 78 YTD} * [12 / (\text{\# of months})]}{\text{Assets: Line 80} + (\text{Assets: Line 29, 39 \& 47})}$$

Operating Profit Margin

$$\frac{\text{Operating Profit after Reserve and Bonuses}}{\text{Total Sales}} \qquad \frac{\text{Page 2: Line 71}}{\text{Page 2: Line 1}}$$

Fixed Coverage & Breakeven

Fixed Coverage

$$\frac{\text{Fixed Department Gross Profit}}{\text{Fixed Overhead Expense}} \qquad \frac{\text{Page 9: Line 64, Page 10: Line 79, Page 11, Line 80}}{\text{Page 2: Line 58}}$$

Fixed Net Loss Fixed Department Gross Profit – Fixed Overhead Expense

Page 9: Line 64, Page 10: Line 79, Page 11: Line 80 – Page 2: Line 58

Variable Net Profit New & Pre-Owned Vehicle Gross Profit (including F&L&SC Income) + Dealer Reserve (CV & smart)/Floor Plan & Bonuses – Variable Expense

Page 8: Line 82 + Page 10: Line 40 + Page 11: Line 39+ Page 2: Lines 22, 44, 61-70 – Page 2: Line 7

Variable Net Profit Per New Unit (VNPPU)

$$\frac{\text{Variable Net Profit}}{\text{Total New Units Sold}}$$

Breakeven Fixed Net Loss ÷ Variable Net Profit Per New Unit

Inventory Days Supply

Units

$$\frac{\text{Units in Inventory} * 30}{\text{Average Month Unit Sales}}$$

Parts

$$\frac{\text{Inventory \$} * 30}{\text{Average Month Parts Cost of Sales}}$$

Receivables Days Outstanding:

Customer

$$\frac{\text{Customer Receivables Service/Body/Parts} * 30}{\text{Average Month Customer Sales}}$$

Warranty

$$\frac{\text{Warranty Receivables} * 30}{\text{Average Month Warranty Labor \& Parts Sales}}$$

M-B Labor Hours

Per M-B Customer RO

$$\frac{\text{M-B Labor Sales / Effective Customer Labor Rate}}{\text{RO Count}}$$

Efficiency Operation Hours ÷ Actual Hours Page 12: Line 38 ÷ Page 12: Line 37

Productivity Actual Hours ÷ Available Hours Page 12: Line 37 ÷ Page 12: Line 36

Other Ratios

Selling Ratio

$$\frac{\text{Pre-Owned M-B Retail Units}}{\text{New M-B Retail Units}}$$

Page 8: Line 61
Page 8: Lines 31, 33

Parts-to-Labor M-B Parts Sales ÷ M-B Labor Sales Page 9: Line 38 ÷ Page 9: Line 11

CHART OF ACCOUNTS
ASSETS

ACCT	CASH & CONTRACTS
200	Petty Cash Fund
201	Cash Sales
202	Cash in Bank
205	Contracts in Transit
	RECEIVABLES
210	Vehicle Accounts
213A	Floor Plan Assistance
219A	Extended Limited Warranty - M-B
220	Service, Parts and Body Accounts
221A	Dealer Reserve (CV & smart)
221B	Prepaid Maintenance - M-B
221C	Other Receivables - Including Other Holdback
221D	Service Contract Claims - Other
221E	Service Contract Claims - Commercial Vehicles
221S	Service Contract Claims - smart
227	Customer Experience Sales Bonus
228	New Vehicle Sales Bonus
229	Brand Standards Bonus
230	Pre-Owned Vehicle Sales Bonus
252	Commercial Vehicles Bonus
253	smart Performance Bonus
254	Leadership Bonus
255	Customer Experience Service Bonus
256	Training Bonus
263A	Warranty Claims - M-B
263B	Warranty Claims - Other
263E	Warranty Claims - Commercial Vehicles
263S	Warranty Claims - smart
264	Finance & Lease Receivables - Current
340	Allowance for Doubtful Accounts
	INVENTORIES
214	Demonstrators Vehicles
231A	New Vehicles - M-B P/C
231B	New Vehicles - Other
231E	New Vehicles - Commercial Vehicles
231S	New Vehicles - smart
232	New Vehicles - M-B L/T
233	Courtesy Vehicle Program (CVP)
234	Pre-Owned Certified - M-B
234S	Pre-Owned Certified - smart
235	LIFO Reserve - New Vehicles
236	LIFO Reserve - Pre-Owned Vehicles
238E	Pre-Owned Certified - Commercial Vehicles
240B	Pre-Owned Vehicles - Other
240S	Pre-Owned Vehicles - smart
241	LIFO Reserve - Parts & Accessories
242A	Parts and Accessories - M-B
242B	Parts and Accessories - Other
242E	Parts and Accessories - Commercial Vehicles
242S	Parts and Accessories - smart
244	Gas, Oil and Grease
245	Paint and Body Shop Materials
246	Sublet Repairs
247	Work in Process - Labor
248	Other Inventory
251	Pre-Owned M-B
251E	Pre-Owned Commercial Vehicles
292	Tires
332	Allowance, Parts Inventory Adjustment

ACCT	OTHER CURRENT ASSETS
260	Securities
261	Prepaid Expenses
262	Due From Finance Companies
277	Lease and Rental Vehicles - Net
	FIXED ASSETS
280	Land & Improvements
281	Buildings & Improvements
282	Machinery & Shop Equipment
283	Parts & Accessories Equipment
284	Furniture, Fixtures & Signs
285	Company Vehicles
286	Leaseholds
287	Other
289	Commercial Vehicle Environment
289S	smart Environment
350	Land & Improvements - Accumulated Depreciation
351	Buildings & Improvements - Accumulated Depreciation
352	Machinery & Shop Equipment - Accumulated Depreciation
353	Parts & Accessories Equipment - Accumulated Depreciation
354	Furniture, Fixtures & Signs - Accumulated Depreciation
355	Company Vehicles - Accumulated Depreciation
356	Leaseholds - Accumulated Amortization
357	Other - Accumulated Amortization
359	Commercial Vehicle Environment - Accumulated Depreciation
359S	smart Environment - Accumulated Depreciation
	OTHER NON-CURRENT ASSETS
290	Deposits on Contracts
291	Life Insurance - Cash Value
293	Notes & Accounts Receivable - Officers & Owners
294	Advances to Employees
295	Notes & Accounts Receivable - Other
296	Other Non-Franchise Assets
299	Notes & Accounts Receivable - Investments in Affiliated Companies

CHART OF ACCOUNTS
LIABILITIES & NET WORTH

ACCT	ACCOUNTS PAYABLE
300	Trade Creditors
305	Customer Deposits
309	Accounts Payable - Other
	CURRENT NOTES PAYABLE
310A	N/P - New Vehicles/Demo - M-B
310B	N/P - New Vehicles/Demo - Other
310E	N/P - New Vehicles/Demo - Commercial Vehicles
310S	N/P - New Vehicles/Demo - smart
312A	N/P - Pre-Owned Vehicles/Demo - M-B
312B	N/P - Pre-Owned Vehicles/Demo - Other
312E	N/P - Pre-Owned Vehicles/Demo - Commercial Veh.
312S	N/P - Pre-Owned Vehicles/Demo - smart
313	N/P - Lease & Rental Vehicles
314	N/P - Other
315	Current Portion - Long Term Debt
316	N/P - Courtesy Vehicle Program (CVP)
	ACCRUED LIABILITIES
320	Interest Payable
321	Salaries, Wages & Commissions Payable
322	Insurance Payable
323	Payroll Taxes Payable
324	Sales Taxes Payable
325	Other Taxes Payable
326	Deferred Income Taxes
327	Income Taxes Payable
328	Employee Bonuses Payable
329	Owner Bonuses Payable
330	Pension Fund/Profit Sharing Payable
331	Other Payables
	LONG TERM LIABILITIES
334	Long Term Debt
335	Mortgages Payable - Real Estate
336	Notes Payable - Owners/Officers
339	Notes Payable - Affiliated Companies

ACCT	OWNER'S EQUITY: NET WORTH
360A	Capital Stock - Corporations Only “C”
360B	Capital Stock - Subchapter “S”
365	Treasury Stock
370A	Retained Earnings - Corporations Only “C”
370B	Retained Earnings - “C” Corp (Prior to Subchapter “S”)
375	Dividends
377	Previously Taxed Income - Subchapter “S”
378	Other Adjustments - Subchapter “S”
379	Accumulated Adjustment Account - Subchapter “S”
380	Investments
381A	Additional Paid in Capital - “C” Corporations Only
381B	Additional Paid in Capital - Subchapter “S”
390	Drawings
399	Profit/Loss - Current Year

CHART OF ACCOUNTS
SALES & COST OF SALES

Sales	CoS	Description
402R/L	602R/L	M-B E400S4
405R/L	605R/L	M-B E300W4
406R/L	606R/L	M-B S600V
407R/L	607R/L	M-B S550V
410R/L	610R/L	AMG C63W
411R/L	611R/L	M-B E300W
413R/L	613R/L	M-B C300W4
416R/L	616R/L	M-B SL550R
424R/L	624R/L	M-B C300W
432R/L	632R/L	AMG E43W4
435R/L	635R/L	AMG E63W4
442R/L	642R/L	M-B S550V4
491R/L	691R/L	AMG GLE63W4
495R/L	695R/L	AMG SL63R
496R/L	696R/L	M-B C300C
497R/L	697R/L	AMG C63C
499R/L	699R/L	M-B E550A
509R/L	709R/L	AMG GLE63C4S
510R/L	710R/L	RESERVED FOR FUTURE USE
519R/L	719R/L	M-B C300C4
521R/L	721R/L	M-B GLS550W4
523R/L	723R/L	AMG CLA45C4
529R/L	729R/L	M-B E550C
532R/L	732R/L	M-B GLE350W
533R/L	733R/L	M-B GLE350W4
538R/L	738R/L	M-B CLS550C4
565R/L	765R/L	M-B CLS550C
572R/L	772R/L	AMG S65V
575R/L	775R/L	AMG SL65R
576R/L	776R/L	AMG G63W4
581R/L	781R/L	M-B GLS450W4
584R/L	784R/L	M-B GLS350D4
599R/L	799R/L	M-B G550W4
1401R/L	1601R/L	AMG C43C4
1403R/L	1603R/L	AMG C63AS
1409R/L	1609R/L	AMG G65W4
1410R/L	1610R/L	M-B GLC300D4
1411R/L	1611R/L	AMG GTS
1412R/L	1612R/L	M-B CLA250C
1413R/L	1613R/L	M-B CLA250C4
1414R/L	1614R/L	AMG GLS63W4
1415R/L	1615R/L	AMG C43W4
1417R/L	1617R/L	AMG C63WS
1418R/L	1618R/L	AMG C63CS
1421R/L	1621R/L	M-B E400A
1423R/L	1623R/L	M-B E400C
1424R/L	1624R/L	M-B E400C4
1425R/L	1625R/L	AMG E63W4S
1426R/L	1626R/L	AMG E63S4S
1427R/L	1627R/L	AMG GTR
1428R/L	1628R/L	RESERVED FOR FUTURE USE
1429R/L	1629R/L	M-B CLS400C
1430R/L	1630R/L	M-B CLS400C4
1432R/L	1632R/L	AMG CLS63C4S
1433R/L	1633R/L	M-B S550A
1434R/L	1634R/L	AMG S63A4
1435R/L	1635R/L	M-B S550C4
1436R/L	1636R/L	MAYBACH S600X
1438R/L	1638R/L	AMG S63V4
1439R/L	1639R/L	AMG S63C4
1440R/L	1640R/L	AMG S65C
1441R/L	1641R/L	AMG S65A
1442R/L	1642R/L	M-B SL450R
1443R/L	1643R/L	M-B B-Class Electric Drive
1444R/L	1644R/L	M-B GLE300D4
1445R/L	1645R/L	AMG GLE43W4
1447R/L	1647R/L	AMG GLC43W4
1448R/L	1648R/L	M-B GLA250W
1449R/L	1649R/L	M-B GLA250W4
1450R/L	1650R/L	AMG GLA45W4
1451R/L	1651R/L	M-B GLC300C4
1452R/L	1652R/L	M-B C300D4
1453R/L	1653R/L	M-B C350WE
1454R/L	1654R/L	AMG C43A4
1455R/L	1655R/L	M-B S550VE
1456R/L	1656R/L	MAYBACH S550X4
1457R/L	1657R/L	M-B SLC300R
1458R/L	1658R/L	M-B GLE550E4
1459R/L	1659R/L	AMG GLE63W4S
1460R/L	1660R/L	AMG GLE43C4
1461R/L	1661R/L	M-B GLC300W
1462R/L	1662R/L	M-B GLC300W4
1463R/L	1663R/L	M-B C300A
1464R/L	1664R/L	M-B C300A4
1465R/L	1665R/L	AMG C63A
1466R/L	1666R/L	RESERVED FOR FUTURE USE
1467R/L	1667R/L	RESERVED FOR FUTURE USE
1468R/L	1668R/L	RESERVED FOR FUTURE USE
1469R/L	1669R/L	AMG GTA
1470R/L	1670R/L	AMG GTCA
1471R/L	1671R/L	MAYBACH S650A
1472R/L	1672R/L	RESERVED FOR FUTURE USE
1473R/L	1673R/L	AMG SLC43R
1474R/L	1674R/L	RESERVED FOR FUTURE USE
1475R/L	1675R/L	RESERVED FOR FUTURE USE
1476R/L	1676R/L	AMG GT
1477R/L	1677R/L	AMG GLC43C4
1478R/L	1678R/L	M-B G550W44
1479R/L	1679R/L	RESERVED FOR FUTURE USE
1480R/L	1680R/L	RESERVED FOR FUTURE USE
1481R/L	1681R/L	RESERVED FOR FUTURE USE
1482R/L	1682R/L	RESERVED FOR FUTURE USE
1483R/L	1683R/L	RESERVED FOR FUTURE USE
1484R/L	1684R/L	RESERVED FOR FUTURE USE
1485R/L	1685R/L	RESERVED FOR FUTURE USE
1486R/L	1686R/L	RESERVED FOR FUTURE USE
1487R/L	1687R/L	RESERVED FOR FUTURE USE
1488R/L	1688R/L	RESERVED FOR FUTURE USE
1489R/L	1689R/L	RESERVED FOR FUTURE USE

Sales	CoS	Description
2401R/L	2601R/L	2500 Cargo Van
2402R/L	2602R/L	3500 Cargo Van
2403R/L	2603R/L	2500 Passenger Van
2404R/L	2604R/L	3500 Cab Chassis
2406R/L	2606R/L	3500 Mini Bus
2407R/L	2607R/L	Metris VS20 Passenger Van
2408R/L	2608R/L	Metris VS20 Cargo Van
2415R/L	2615R/L	Metris Worker Cargo Van
2416R/L	2616R/L	Metris Worker Passenger Van
2417R/L	2617R/L	Sprinter Worker Cargo Van
2418R/L	2618R/L	RESERVED FOR FUTURE USE
2410R/L	2610R/L	Fleet - Commercial Vehicles
2411R/L	2611R/L	CVP - Commercial Vehicles

Sales	CoS	Description
3401R/L	3601R/L	smartC (Coupe)
3403R/L	3603R/L	smartA (Cabriolet)
3406R/L	3606R/L	smartCE (Electric Drive – Coupe)
3409R/L	3609R/L	smart Reserved for future use
3410R/L	3610R/L	smart - Courtesy Vehicle Program
3411R/L	3611R/L	smart - Fleet Corporate Sales Program
3415R/L	3615R/L	smartAE (Electric Drive – Cabriolet)
3416R/L	3616R/L	RESERVED FOR FUTURE USE

CHART OF ACCOUNTS
SALES & COST OF SALES

SALES	COS	NEW VEHICLE DEPARTMENT (Cont'd)
500A	700A	Finance Income & Chargebacks - M-B P/C
500B	700B	Finance Income & Chargebacks - Other
500E	700E	Finance Income & Chargebacks - Commercial Vehicles
500S	700S	Finance Income & Chargebacks - smart
501A	701A	Lease Income & Refunds - M-B P/C
501B	701B	Lease Income & Refunds - Other
501E	701E	Lease Income & Refunds - Commercial Vehicles
501S	701S	Lease Income & Refunds - smart
502A	702A	Prepaid Maintenance Income & Refunds - M-B P/C
502B	702B	Service Contract Income & Refunds - Other
502E	702E	Service Contract Income & Refunds – Commercial Vehicles
502S	702S	Service Contract Income & Refunds - New smart
550	750	Finance Income & Chargebacks - M-B L/T
551	751	Lease Income & Refunds - M-B L/T
552	752	Prepaid Maintenance Income & Refunds - M-B L/T
586A	786A	Finance Income - Aftermarket Products - New M-B P/C
586B	786B	Finance Income - Aftermarket Products - New Other
586E	786E	Finance Income - Aftermarket Products - New Commercial Vehicles
586S	786S	Finance Income - Aftermarket Products - New smart
589	789	Finance Income - Aftermarket Products - New M-B L/T
587A	787A	Lease Income - Aftermarket Products - New M-B P/C
587B	787B	Lease Income - Aftermarket Products - New Other
587E	787E	Lease Income - Aftermarket Products - New Other Commercial Vehicles
587S	787S	Lease Income - Aftermarket Products - New smart
590	790	Lease Income - Aftermarket Products - New M-B L/T
588A	788A	Extended Limited Warranty Income & Refunds - New M-B P/C
591	791	Extended Limited Warranty Income & Refunds - New M-B L/T
596	796	Mercedes-Benz Drive Employee Appreciation and Loyalty Program (MBDEAL)
597	797	Dealer Employee One Purchase Program (DE1)
3412S	3612S	Insurance & Other Products - New smart

SALES	COS	NEW VEHICLE DEPARTMENT (Cont'd)
	645	Tourist Commissions
	695A	New Vehicle Repossession Losses
	695E	New Vehicle Repossession Losses - Commercial Vehicles
	695S	New Vehicle Repossession Losses – smart
	697	LIFO Adjustments - New Vehicles
	697E	LIFO Adjustments - New Commercial Vehicles
	697S	LIFO Adjustments - New Vehicles smart

CHART OF ACCOUNTS
PRE-OWNED VEHICLE SALES & COST OF SALES

SALES	COS	PRE-OWNED VEH. DEPARTMENT
430R	630L	Pre-Owned M-B Retail - M-B P/C
430L	630R	Pre-Owned M-B Lease - M-B P/C
433A	633A	Wholesale - M-B
433B	633B	Wholesale - Other
433E	633E	Wholesale - Commercial Vehicles
433S	633S	Wholesale - smart
434R	634R	Pre-Owned Other - Retail
434L	634L	Pre-Owned Other - Lease
447R	647R	Certified Pre-Owned M-B Vehicles - Retail
447L	647L	Certified Pre-Owned M-B Vehicles - Lease
449R	649R	Pre-Owned M-B Retail - M-B L/T
449L	649L	Pre-Owned M-B Lease - M-B L/T
503A	703A	Finance Income & Chargebacks - P/O M-B P/C
503B	703B	Finance Inc. & Chargebacks - Pre-Owned Other
503E	703E	Finance Inc. & Chargebacks - Pre-Owned Commercial Vehicles
503S	703S	Finance Inc. - Pre-Owned smart
504A	704A	Lease Income & Refunds - Pre-Owned M-B P/C
504B	704B	Lease Income & Refunds - Pre-Owned Other
504E	704E	Lease Income & Refunds - Pre-Owned Commercial Vehicles
504S	704S	Lease Income - Pre-Owned smart
505A	705A	SC Income & Refunds - Pre-Owned M-B P/C
505B	705B	SC Income & Refunds - Pre-Owned Other
505E	705E	SC Income & Refunds - Pre-Owned Commercial Vehicles
505S	705S	SC Income & Refunds - Pre-Owned smart
540R/L	740R/L	Pre-Owned Vehicles - Maybach
541	741	P/O Vehicle Fin. Inc./Chargebacks - Maybach
542	742	P/O Vehicles Lease Income/Refunds - Maybach
543	743	Service Contract Income/Refunds - Pre-Owned Maybach
553	753	Finance Income & Chargebacks - P/O M-B L/T
554	754	Lease Income & Refunds - Pre-Owned M-B P/C
555	755	SC Income & Refunds - Pre-Owned M-B L/T
556	756	Finance Income & Chargebacks - CPO M-B
557	757	CPO Extended Limited Warranties & Refunds
557S	757S	ELW smart
557E	757E	CPO Extended Limited Warranties – Commercial Vehicles
592A	792A	Finance Income - Aftermarket Products - M-B P/C
592B	792B	Finance Income - Aftermarket Products - Other
592E	792E	Finance Income - Aftermarket Products - Commercial Vehicles
592S	792S	Finance Income - Aftermarket Products - smart

SALES	COS	PRE-OWNED VEH. DEPARTMENT (Cont'd)
593A	793A	Lease Income - Aftermarket Products - M-B P/C
593B	793B	Lease Income - Aftermarket Products - Other
593E	793E	Lease Income - Aftermarket Products - Commercial Vehicles
593S	793S	Lease Income - Aftermarket Products - smart
594	794	Finance Income - Aftermarket Products - M-B L/T
595	795	Lease Income - Aftermarket Products - M-B L/T
2405R	2605R	Pre-Owned Commercial Vehicles - Retail
2405L	2605L	Pre-Owned Commercial Vehicles - Lease
2412R	2612R	Pre-Owned Certified Commercial Vehicles - Retail
2412L	2612L	Pre-Owned Certified Commercial Vehicles - Lease
	2613	Pre-Owned Reconditioning - Commercial Vehicles
	2614	Pre-Owned Certified Reconditioning – Commercial Vehicles
3413R	3613R	Pre-Owned smart - Retail
3413L	3613L	Pre-Owned smart - Lease
3414R	3614R	Pre-Owned certified smart - Retail
3414L	3614L	Pre-Owned certified smart - Lease
3505	3705	Finance Income - Aftermarket Products - Maybach- P/O
3506	3706	Lease Income - Aftermarket Products - Maybach – P/O
	634	Inventory Adjustments
	634E	Inventory Adjustments - Commercial Vehicle
	634S	Inventory Adjustments - smart
	669	Pre-Owned Reconditioning - Certified M-B
	669S	Pre-Owned Reconditioning - Certified smart
	696	Pre-Owned Vehicle Repossession Losses
	696E	Pre-Owned Vehicle Repossession Losses - Commercial Vehicles
	696S	Pre-Owned Vehicle Repossession Losses - smart
	698	LIFO Adjustments - Pre-Owned Vehicles
	698E	LIFO Adjustments - Pre-Owned Vehicles - Commercial Vehicles
	698S	LIFO Adjustments - Pre-Owned Vehicles -smart
	708	Pre-Owned Veh. Reconditioning - M-B
	708S	Pre-Owned Veh. Reconditioning - smart
		INCENTIVES/RESERVE
	639	Dealer Reserve (CV & smart)
	971	Customer Experience Sales Bonus - M-B
	964	Customer Experience Service Bonus - M-B
	962	New Vehicle Sales Bonus - M-B
	965	Pre-Owned Premier/CPO Bonuses
	966	Commercial Vehicles Bonus
	967	smart Performance Bonus
	968	Pre-Owned Vehicle Sales Bonus - M-B
	969	Leadership Bonus
	970	Training Bonus

CHART OF ACCOUNTS
SALES & COST OF SALES

SALES	COS	SERVICE DEPARTMENT
401A	601A	Express Labor - M-B
403A	603A	Express PPM Labor - M-B
401E	601E	Express Labor - CV
403E	603E	Express PPM Labor - CV
401S	601S	Express Labor - smart
403S	603S	Express PPM Labor - smart
450B	650B	Customer Labor - Mechanical - Other
451B	651B	Service Contract Labor - Other
454B	654B	Warranty Claim Labor - Other
455B	655B	Internal Labor - Other
456	656	Sublet Repairs
456E	656E	Sublet Repairs - Commercial Vehicles
456S	656S	Sublet Repairs - smart
458	658	Gas, Oil & Grease
458E	658E	Gas, Oil & Grease - Commercial Vehicles
458S	658S	Gas, Oil & Grease – smart
493A	693A	Express Warranty Labor - M-B
493E	693E	Express Warranty Labor - CV
493S	693S	Express Warranty Labor - smart
	657A	Unapplied Labor - M-B
	657B	Unapplied Labor - Other
	657E	Unapplied Labor - Commercial Vehicles
	675S	Unapplied Labor - smart
811	911	Customer Labor - Mechanical - M-B
811E	911E	Customer Labor - Mechanical - Commercial Vehicles
811S	911S	Customer Labor - Mechanical - smart
813	913	Warranty Claim Labor - M-B
813E	913E	Warranty Claim Labor - Commercial Vehicles
813S	913S	Warranty Claim Labor - smart
814	914	Prepaid Maintenance Labor - M-B
814E	914E	Service Contract Labor - Commercial Vehicles
814S	914S	Service Contract Labor - smart
815	915	Internal Labor - M-B
815E	915E	Internal Labor - Commercial Vehicles
815S	915S	Internal Labor - smart
816	916	Customer Labor - Mechanical - Maybach
818	918	Warranty Claim Labor - Maybach
819	919	Service Contract Labor - Maybach
820	920	Internal Labor - Maybach
844	944	Extended Limited Warranty Labor - M-B
850	950	3rd Party Warranty Claim Labor - M-B
851	951	Service Contract Income

SALES	COS	PARTS DEPARTMENT
404A	604A	Express Parts - M-B
408A	608A	Express PPM Parts - M-B
404E	604E	Express Parts - CV
408E	608E	Express PPM Parts - CV
404S	604S	Express Parts - smart
408S	608S	Express PPM Parts - smart
460B	660B	R.O. - Mechanical - Other
461B	661B	R.O. - Service Contract - Other
462B	662B	R.O. - Body Shop - Other
464B	664B	Warranty Claim - P&A - Other
465B	665B	Internal - Other
466B	666B	Counter Retail - Other
467B	667B	Wholesale - Other
480B	680B	Accessories - Other
492	692	Assets Taken on Trade
492E	692E	Assets Taken on Trade - Commercial Vehicles
492S	92S	Assets Taken on Trade – smart
494A	694A	Express Warranty Parts - M-B
494E	694E	Express Warranty Parts - CV
494S	694S	Express Warranty Parts - smart
	668B	Stock Order Allowance - Other
	675A	Inventory Adjustments - M-B
	675B	Inventory Adjustments - Other
	675E	Inventory Adjustments - Commercial Vehicles
	675S	Inventory Adjustments - smart
	699	LIFO Adjustment - Parts
	699E	LIFO Adjustments - Parts - Commercial Vehicles
	699S	LIFO Adjustments - Parts - smart
821	921	R.O. - Mechanical - M-B
821E	921E	R.O. - Mechanical - Commercial Vehicles
821S	921S	R.O. - Mechanical - smart
823	923	Warranty Claim - P&A - M-B
823E	923E	Warranty Claim - P&A - Commercial Vehicles
823S	923S	Warranty Claim - P&A - smart
824	924	R.O. - Prepaid Maintenance - M-B
824E	924E	R.O. - Service Contract - Commercial Vehicles
824S	924S	R.O. - Service Contract - smart
825	925	Internal - M-B
825E	925E	Internal - Commercial Vehicles
825S	925S	Internal - smart
826	926	R.O. - Body Shop - M-B
826E	926E	R.O. - Body Shop - Commercial Vehicles
826S	926S	R.O. - Body Shop - smart
827	927	Counter Retail - M-B
827E	927E	Counter Retail - Commercial Vehicles
827S	927S	Counter Retail - smart
828	928	Wholesale - M-B
828E	928E	Wholesale - Commercial Vehicles
828S	928S	Wholesale - smart
829	929	Accessories and Promotional Items - M-B
829E	929E	Accessories and Promotional Items - Commercial Vehicles
829S	929S	Accessories and Promotional Items - smart
830	930	R.O. - Mechanical - Maybach
	930S	Stock Order Allowance - smart
832	932	Warranty Claim P&A - Maybach
833	933	R.O. - Service Contract - Maybach
834	934	Internal - Maybach
835	935	R.O. - Body Shop - Maybach
836	936	Counter Retail- Maybach
837	937	Accessories - Maybach

	842	942	Wholesale - Body Shop
	842S	942S	Wholesale - smart
	843	943	Tires - M-B
	843E	943E	Tires - Commercial Vehicles
	843S	943S	Tires - smart
	845	945	R.O. - Extended Limited Warranty - M-B
	852	952	3rd Party Warranty Claim P&A - M-B

CHART OF ACCOUNTS
SALES & COST OF SALES

SALES	COS	BODY SHOP DEPARTMENT
452B	652B	Customer Body Shop Labor - Other
453B	653B	Customer Body Parts Transfer - Other
455C	655C	Internal Body Shop Labor
455E	655E	Internal Body Shop Labor - Commercial Vehicles
455S	655S	Internal Body Shop Labor - smart
456C	656C	Sublet Repairs - Body Shop
459	659	Paint and Body Shop Materials
459E	659E	Paint and Body Shop Materials - Commercial Vehicles
459S	659S	Paint and Body Shop Materials - smart
	657C	Unapplied Labor - Body Shop
	2657E	Unapplied Labor - Body Shop - Commercial Vehicles
	3657S	Unapplied Labor - Body Shop - smart
838	938	Customer Body Shop Labor - M-B
838E	938E	Customer Body Shop Labor - Commercial Vehicles
838S	938S	Customer Body Shop Labor - smart
839	939	Customer Body Shop Labor - Maybach
840	940	Customer Body Shop Parts Transfer - M-B
840E	940E	Customer Body Shop Parts Transfer - Commercial Vehicles
840S	940S	Customer Body Shop Parts Transfer - smart
841	941	Customer Body Shop Parts Transfer - Maybach
2456E	2656E	Sublet Repairs - Body Shop - Commercial Vehicles
3456S	3656S	Sublet Repairs - Body Shop - smart

CHART OF ACCOUNTS
EXPENSES & ADJUSTMENTS TO INCOME

ACCT	VARIABLE EXPENSES
10	Representative Compensation and Incentives
12	Finance & Lease Compensation
13	Delivery Expense
15	Policy Expense - New/Pre-Owned
	PERSONNEL EXPENSES
20	Compensation - Managers
21	Compensation - Advisors
22	Compensation - Clerical
23	Compensation - Other
24	Leave - Vacation, Sick & Holiday
25	Taxes - Payroll
26	Pension and Profit Sharing
27	Insurance - Employees
28	Uniforms and Laundry
	SEMI-FIXED EXPENSES
31	Tier 3 Brand Compliance Bonus
32	Other Advertising & Promotion
33	Bad Debts
34	Tier 3 Marketing Expenses
35	Training Credit
51	Company Vehicle/Demonstrator
52	Courtesy Vehicle Program (CVP)
60	Office Supplies and Stationery
61	Small Tools/Other Supplies
62	Floor Plan Interest
66	Contributions
67	Policy Expense Service/Parts/Body
68	Outside Services
69	Entertainment
70	Travel
72	Legal and Accounting
73	Postage
74	Telephone
75	Memberships/Dues/Publication
76	Miscellaneous
77	Training
78	Bank/Credit Company Service Fees
79	Data Processing
86	Freight
95	Floor Plan Assistance

ACCT	FIXED EXPENSES
80	Rent
81	Amortization - Leaseholds/Improvements
82	Repairs/Maintenance - Real Estate
83	Depreciation - Buildings/Improvements
84	Taxes - Real Estate
85	Insurance - Buildings/Improvements
87	Utilities
88	Insurance - Other
89	Taxes - Other
90	Repairs/Maintenance - Equipment
91	Depreciation - Equipment
92	Rental - Equipment
93	Interest - Mortgages
94	Brand Standards Bonus
	OTHER EXPENSES
19	Compensation - Owners
97	Bonuses - Employees
98	Bonuses - Owners
99	Income Tax - Current Year
	ADJUSTMENTS TO INCOME
800	Cash Discounts Earned
801	Interest Income
802	Cash Discounts Allowed
803	Interest Expense
804	Other Franchise Income
805	Other Income
806	Amortization - Other Assets
809	Lease/Rental/Other Vehicle Related Income/Expense
810	Export Adjustments
855	Other Adjustments

<&DCD <&DYR <&DMT

Mercedes-Benz USA, LLC

2017
Dealer Financial Statement
Balance Sheet

DEALER NAME AND ADDRESS	STMT PERIOD	
<&DNM	FROM	<&FDT
<&DAD <&DCT <&DST	TO	<&TDT
DEALER CODE: <&DCD File:	BY	<&SYS

Type: <&STP

ASSETS			ACCT	AMOUNT	Ln	LIABILITIES	ACCT	AMOUNT
Cash			200-02	<&M00001	1	**ACCOUNTS PAYABLE**		
Contracts in Transit			205	<&M00003	2	Accounts Payable - Trade Creditors	300	<&M00097
TOTAL CASH AND CONTRACTS (LINES 1 - 2)				<&M00004	3	Customer Deposits	305	<&M00098
Vehicle Accounts	PAST DUE	<&{M00005}	210	<&M00006	4	Accounts Payable - Other	309	<&M00099
Service - Body - Parts Accounts	PAST DUE	<&{M00007}	220	<&M00008	5	**TOTAL ACCOUNTS PAYABLE (LINES 2 - 4)**		<&M04601
TOTAL CUSTOMER RECEIVABLES (LINES 4 & 5)				<&M00009	6	**CURRENT NOTES PAYABLE**		
Finance & Lease Receivables - Current			264	<&M00012	7	N/P - New Vehicles/Demo - M-B	310A	<&M00100
Prepaid Maintenance - M-B			221B	<&M00013	8	N/P - New Vehicles/Demo - Commercial Vehicles	310E	<&M04602
Extended Limited Warranty - M-B			219A	<&M04587	9	N/P - New Vehicles/Demo - smart	310S	<&M06237
Service Contract Claims - Commercial Vehicles			221E	<&M04588	10	N/P - New Vehicles/Demo - Other	310B	<&M00101
Service Contract Claims - smart			221S	<&M06221	11	N/P - Pre-Owned Vehicles/Demo - M-B	312A	<&M00102
Service Contract/Warranty Claims - Other			221D/263B	<&M00014	12	N/P - Pre-Owned Vehicles/Demo - Commercial Vehicles	312E	<&M04603
Warranty Claims - M-B	PAST DUE	<&{M01878}	263A	<&M00015	13	N/P - Pre-Owned Vehicles/Demo - smart	312S	<&M06238
Warranty Claims - CV	PAST DUE	<&{M04918}	263E	<&M04589	14	N/P - Pre-Owned Vehicles/Demo - Other	312B	<&M00103
Warranty Claims - smart	PAST DUE	<&{M06222}	263S	<&M06223	15	N/P - Lease/Rental Vehicle	313	<&M00104
Dealer Reserve (CV & smart)/Floor Plan Assistance			221A/213A	<&M00017	16	N/P - Courtesy Vehicle Program (CVP)	316	<&M02046
Combined Bonuses Receivable			227-230 / 252-56	<&M04590	17	N/P - Other	314	<&M00105
Other Receivables			221C	<&M00018	18	Current Portion - Long Term Debt	315	<&M00106
TOTAL RECEIVABLES (LINES 6-18)				<&M00019	19	**TOTAL CURRENT NOTES PAYABLE (LINES 7 - 18)**		<&M00107
Less: Allowance for Doubtful Accounts			340	<&M00010	20	**ACCRUED LIABILITIES**		
TOTAL NET RECEIVABLES (LINE 19 MINUS 20)				<&M02718	21	Interest Payable	320	<&M00108
Demonstrator Vehicles	UNITS	<&{M02897}	214	<&M02898	22	Salaries/Wages/Commissions Payable	321	<&M00109
New Vehicles - M-B	UNITS	<&{M02827}	231A/232	<&M02828	23	Insurance Payable	322	<&M00110
New Vehicles - CV	UNITS	<&{M04591}	231E	<&M04592	24	Payroll Taxes Payable	323	<&M00111
New Vehicles - smart	UNITS	<&{M06224}	231S	<&M06225	25	Sales Taxes Payable	324	<&M00112
New Vehicles - Other	UNITS	<&{M00026}	231B	<&M00027	26	Income Taxes Payable	327	<&M00113
Courtesy Vehicle Program (CVP)	UNITS	<&{M02041}	233	<&M02042	27	Deferred Income Taxes	326	<&M00114
TOTAL NEW VEH./DEMO INVENTORY (LINES 22 - 27)				<&M00028	28	Other Taxes Payable	325	<&M00115
LIFO Reserve - New Vehicles			235	(<&M00029)	29	Employee Bonuses Payable	328	<&M00116
TOTAL NEW VEH. INVENTORY - NET (LINES 28 & 29)				<&M00030	30	Owner Bonuses Payable	329	<&M00117
Pre-Owned M-B	<&{M02717}	P/O <&{M02719}	251	<&M02720	31	Pension Fund/Profit Sharing Payable	330	<&M00118
Pre-Owned Certified M-B	<&{M02049}	UNITS <&{M02050}	234	<&M02051	32	Other Payables	331	<&M00119
Pre-Owned Commercial Veh	<&{M04593}	OVER <&{M04594}	251E	<&M04595	33	**TOTAL ACCRUED LIABILITIES (LINES 21 - 32)**		<&M00120
Pre-Owned Certified CV	<&{M07001}	60 <&{M07010}	238E	<&M06994	34	**TOTAL CURRENT LIABILITIES (LINES 5, 19 & 33)**		<&M00121
Pre-Owned - smart	<&{M06226}	DAYS <&{M06227}	240S	<&M06228	35	Long Term Debt	334	<&M00122
P-O Certified - smart	<&{M06229}	<&{M06230}	234S	<&M06231	36	N/P - Owners/Officers	336	<&M00123
Pre-Owned Veh - Other	<&{M00034}	<&{M00035}	240B	<&M00036	37	N/P - Affiliated Companies	339	<&M00124
TOTAL PRE-OWNED VEH. INVENTORY (LINES 31-37)				<&M00037	38	Mortgages Payable - Real Estate	335	<&M00125
LIFO Reserve - Pre-Owned Vehicle			236	(<&M00038)	39	**TOTAL LONG TERM LIABILITIES (LINES 35 - 38)**		<&M00126
TOTAL PRE-OWNED VEH. INVENTORY - NET (LINES 38 & 39)				<&M00039	40	**TOTAL LIABILITIES (LINES 34 & 39)**		<&M00127
Parts and Accessories - M-B	$	<&{M02673}	242A	<&M00040	41	**NET WORKING CAPITAL**		
P & A - Comm Veh	OVER	<&{M04596}	242E	<&M04597	42	ACTUAL / D.O.R.A. REQ.		Current Month =
Parts and Accessories - smart	180	<&{M06232}	242S	<&M06233	43	$ <&M00128 / $ <&M00129		<&M02052
Parts and Accessories - Other	DAYS	<&{M02674}	242B	<&M00041	44	ACTUAL / **NET CASH POSITION** / REQ.		Current Month =
TOTAL PARTS AND ACCESSORIES (LINES 41 - 44)				<&M00042	45	$ <&M02821 / $ <&M02822		<&M02824
Allowance, Parts Inventory Adjustment			332	(<&M00043)	46	**OWNER'S EQUITY: NET WORTH**		
LIFO Reserve - Parts and Accessories			241	(<&M00044)	47	**CORPORATIONS ONLY "C"**		
TOTAL PARTS AND ACCESSORIES - NET (LINES 45 - 47)				<&M00045	48	Capital Stock	360A	<&M00130
Tires, Gas, Oil and Grease			244/292	<&M00046	49	Additional Paid in Capital	381A	<&M00131
Paint and Body Shop Materials			245	<&M00047	50	Retained Earnings	370A	<&M00132
Sublet Repairs			246	<&M00048	51	Treasury Stock	365	<&M00133
Work in Process - Labor			247	<&M00049	52	Dividends	375	<&M00134
Other Inventory			248	<&M00050	53	**CORPORATIONS SUBCHAPTER "S"**		
TOTAL OTHER INVENTORIES (LINES 49 - 53)				<&M00051	54	Capital Stock	360B	<&M00135
TOTAL INVENTORIES (LINES 30, 40, 48 & 54)				<&M00052	55	Additional Paid in Capital	381B	<&M00136
Securities			260	<&M00053	56	Retained Earnings "C" Corp.	370B	<&M00137
Due From Finance Companies			262	<&M00054	57	Previously Taxed Income	377	<&M00138
Prepaid Expenses			261	<&M02040	58	Other Adjustments	378	<&M00139
Lease & Rental Vehicles - Net	UNITS	<&{M01971}	277	<&M00061	59	Accumulated Adjustment Account	379	<&M00140
TOTAL CURRENT ASSETS (LINES 3, 21, 55 - 59)				<&M00062	60	**PROPRIETORSHIPS OR PARTNERSHIPS**		
FIXED ASSETS	ACCT	COST	ACCT	ACCUM DEPR	61	Investments	380	<&M00141
Land & Improvements	280	<&M00063	350	<&M00064	62	Drawings	390	<&M00142
Bldngs & Improvements	281	<&M00066	351	<&M00067	63	**CURRENT EARNINGS After INCOME TAXES**		
Mach & Shop Eqpt	282	<&M00069	352	<&M00070	64	NEW UNITS / PRE-OWNED / PROFIT		
P & A Equipment	283	<&M00072	353	<&M00073	65	MB R/L / CV R/L / smart R/L / OTH R/L / R/L / WHL / (LOSS)		
Furn/Fixt/Signs	284	<&M00075	354	<&M00076	66	JAN <&M00143 <&M04604 <&M06239 <&M00144 <&M00145 <&M00146 <&M00147		
Company Vehicles	285	<&M00078	355	<&M00079	67	FEB <&M00148 <&M04605 <&M06240 <&M00149 <&M00150 <&M00151 <&M00152		
Leaseholds	286	<&M00081	356	<&M00082	68	MAR <&M00153 <&M04606 <&M06241 <&M00154 <&M00155 <&M00156 <&M00157		
Other	287	<&M00084	357	<&M00085	69	APR <&M00158 <&M04607 <&M06242 <&M00159 <&M00160 <&M00161 <&M00162		
Commercial Veh Envir	289	<&M04598	359	<&M04599	70	MAY <&M00163 <&M04608 <&M06243 <&M00164 <&M00165 <&M00166 <&M00167		
smart Envir	289S	<&M06234	359S	<&M06235	71	JUN <&M00168 <&M04609 <&M06244 <&M00169 <&M00170 <&M00171 <&M00172	399	<&M00208
TOTAL - NET FIXED ASSETS (LINES 62 - 71)				<&M00087	72	JUL <&M00173 <&M04610 <&M06245 <&M00174 <&M00175 <&M00176 <&M00177		
Life Insurance - Cash Value			291	<&M00088	73	AUG <&M00178 <&M04611 <&M06246 <&M00179 <&M00180 <&M00181 <&M00182		
Notes & Accounts Receivable - Officers/Owners/Other			293/295	<&M00089	74	SEP <&M00183 <&M04612 <&M06247 <&M00184 <&M00185 <&M00186 <&M00187		
Notes & Accounts Receivable - Investments-Affiliated Co.			299	<&M00090	75	OCT <&M00188 <&M04613 <&M06248 <&M00189 <&M00190 <&M00191 <&M00192		
Advances to Employees			294	<&M00092	76	NOV <&M00193 <&M04614 <&M06249 <&M00194 <&M00195 <&M00196 <&M00197		
Deposits on Contracts			290	<&M00093	77	DEC <&M00198 <&M04615 <&M06250 <&M00199 <&M00200 <&M00201 <&M00202		
Other Non-Franchise Assets			296	<&M00094	78	TOT <&M00203 <&M04616 <&M06251 <&M00204 <&M00205 <&M00206 <&M00207		
TOTAL OTHER ASSETS (LINES 73 - 78)				<&M00095	79	**TOTAL NET WORTH (LINES 48 - 62 & 71)**		<&M00209
TOTAL ASSETS (LINES 60, 72 & 79)				<&M00096	80	**TOTAL LIABILITIES & NET WORTH (LINES 40 & 79)**		<&M00210

Form M-B 630 09/16

Mercedes-Benz USA, LLC

Type: <&STP

STATEMENT OF INCOME AND EXPENSE

<&DCD <&DYR <&DMT

Ln No		Acct No.	TOTAL DEALERSHIP CURRENT MONTH	GP%Sales	YEAR-TO-DATE	GP%Sales
1	**SALES**		<&M00211	<&M00212	<&Y00211	<&Y00212
2	**GROSS PROFIT**		<&M00213	PNVS	<&Y00213	PNVS
3	Representative Comp./Incentives	10	<&M00214	<&M00215	<&Y00214	<&Y00215
4	Finance & Lease Compensation	12	<&M00216	<&M00217	<&Y00216	<&Y00217
5	Delivery Expense	13	<&M00218	<&M00219	<&Y00218	<&Y00219
6	Policy Expense - New/Pre-Owned	15	<&M00220	<&M00221	<&Y00220	<&Y00221
7	**TOTAL VARIABLE EXP. (Lines 3-6)**		<&M00224	<&M00225	<&Y00224	<&Y00225
8	Compensation - Managers	20	<&M00226	Exp%GP <&M00227	<&Y00226	Exp%GP <&Y00227
9	Compensation - Advisors	21	<&M00228	<&M00229	<&Y00228	<&Y00229
10	Compensation - Clerical	22	<&M00230	<&M00231	<&Y00230	<&Y00231
11	Compensation - Other	23	<&M00232	<&M00233	<&Y00232	<&Y00233
12	Leave - Vac., Sick & Hol.	24	<&M00234	<&M00235	<&Y00234	<&Y00235
13	Taxes - Payroll	25	<&M00236	<&M00237	<&Y00236	<&Y00237
14	Uniforms and Laundry	28	<&M00238	<&M00239	<&Y00238	<&Y00239
15	Insurance - Employees	27	<&M00240	<&M00241	<&Y00240	<&Y00241
16	Pension and Profit Sharing	26	<&M00242	<&M00243	<&Y00242	<&Y00243
17	**TOTAL PERSONNEL EXP. (Lines 8-16)**		<&M00244	<&M00245	<&Y00244	<&Y00245
18	Tier 3 Brand Compliance Bonus	31	<&M01879	<&M01880	<&Y01879	<&Y01880
19	Tier 3 Marketing Expenses	34	<&M04617	<&M04618	<&Y04617	<&Y04618
20	Other Advertising & Promotion	32	<&M00246	<&M00247	<&Y00246	<&Y00247
21	Floor Plan Interest	62	<&M00248	<&M00249	<&Y00248	<&Y00249
22	Floor Plan Assistance	95	<&M07026	<&M07027	<&Y07026	<&Y07027
23	Policy Exp. - Serv/Parts/Body	67	<&M00250	<&M00251	<&Y00250	<&Y00251
24	Training	77	<&M00252	<&M00253	<&Y00252	<&Y00253
25	Training Credit	35	<&M07376	<&M07377	<&Y07376	<&Y07377
26	Co. Vehicle/Demonstrator	51	<&M00254	<&M00255	<&Y00254	<&Y00255
27	Courtesy Vehicle Program (CVP)	52	<&M01737	<&M01738	<&Y01737	<&Y01738
28	Office Supplies & Stationery	60	<&M00256	<&M00257	<&Y00256	<&Y00257
29	Small Tools/Other Supplies	61	<&M00258	<&M00259	<&Y00258	<&Y00259
30	Bad Debts	33	<&M00260	<&M00261	<&Y00260	<&Y00261
31	Data Processing	79	<&M00262	<&M00263	<&Y00262	<&Y00263
32	Travel & Entertainment	70/69	<&M00264	<&M00265	<&Y00264	<&Y00265
33	Memberships/Dues/Publications	75	<&M00268	<&M00269	<&Y00268	<&Y00269
34	Postage	73	<&M00270	<&M00271	<&Y00270	<&Y00271
35	Freight	86	<&M00272	<&M00273	<&Y00272	<&Y00273
36	Contributions	66	<&M00274	<&M00275	<&Y00274	<&Y00275
37	Legal/Accounting	72	<&M00276	<&M00277	<&Y00276	<&Y00277
38	Telephone	74	<&M00278	<&M00279	<&Y00278	<&Y00279
39	Outside Services	68	<&M00280	<&M00281	<&Y00280	<&Y00281
40	Bank/Credit Co. Serv. Fees	78	<&M00282	<&M00283	<&Y00282	<&Y00283
41	Miscellaneous	76	<&M00284	<&M00285	<&Y00284	<&Y00285
42	**TOTAL SEMI-FIXED EXP. (Lines 18-41)**		<&M00286	<&M00287	<&Y00286	<&Y00287
43	Rent	80	<&M00288	<&M00289	<&Y00288	<&Y00289
44	Brand Standards Bonus - M-B	94	<&M03037	<&M03046	<&Y03037	<&Y03046
45	Amort. - Leaseholds/Imprvmnts	81	<&M00290	<&M00291	<&Y00290	<&Y00291
46	Repairs/Maint - Real Estate	82	<&M00292	<&M00293	<&Y00292	<&Y00293
47	Deprec - Bldgs/Imprvmnts	83	<&M00294	<&M00295	<&Y00294	<&Y00295
48	Taxes - Real Estate	84	<&M00296	<&M00297	<&Y00296	<&Y00297
49	Insurance - Bldgs/Imprvmnts	85	<&M00298	<&M00299	<&Y00298	<&Y00299
50	Interest - Mortgages	93	<&M00300	<&M00301	<&Y00300	<&Y00301
51	Utilities	87	<&M00302	<&M00303	<&Y00302	<&Y00303
52	Insurance - Other	88	<&M00306	<&M00307	<&Y00306	<&Y00307
53	Taxes - Other	89	<&M00308	<&M00309	<&Y00308	<&Y00309
54	Repairs/Maintenance - Equipment	90	<&M00310	<&M00311	<&Y00310	<&Y00311
55	Depreciation - Equipment	91	<&M00312	<&M00313	<&Y00312	<&Y00313
56	Rental - Equipment	92	<&M00314	<&M00315	<&Y00314	<&Y00315
57	**TOTAL FIXED EXP. (Lines 43-56)**		<&M00316	<&M00317	<&Y00316	<&Y00317
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**		<&M00318	<&M00319	<&Y00318	<&Y00319
59	**TOTAL EXPENSES (Lines 7 & 58)**		<&M00320	<&M00321	<&Y00320	<&Y00321
60	**OPERATING PROFIT OR LOSS**		<&M00322	Op%Sls <&M00323	<&Y00322	Op%Sls <&Y00323
61	Dealer Reserve (CV & smart)	639	<&M00328	PNVS <&M00329	<&Y00328	PNVS <&Y00329
62	Customer Experience Sales Bonus - M-B	971	<&M07458	<&M07459	<&Y07458	<&Y07459
63	Customer Experience Service Bonus - M-B	964	<&M07460	<&M07461	<&Y07460	<&Y07461
64	New Vehicle Sales Bonus - M-B	962	<&M03036	<&M03045	<&Y03036	<&Y03045
65	Pre-Owned Veh. Sales Bonus -M-B	968	<&M06996	<&M06997	<&Y06996	<&Y06997
66	Commercial Vehicles Bonus	966	<&M04619	<&M04620	<&Y04619	<&Y04620
67	smart Performance Bonus	967	<&M06252	<&M06253	<&Y06252	<&Y06253
68	Leadership Bonus	969	<&M07030	<&M07031	<&Y07030	<&Y07031
69	Training Bonus	970	<&M07462	<&M07463	<&Y07462	<&Y07463
70	Pre-Owned Premier/CPO Bonuses	965	<&M03053	Op%Sls	<&Y03053	Op%Sls
71	**OP P/L AFT INCENTIVES/RESERVE**		<&M00330	<&M00331	<&Y00330	<&Y00331
72				Exp%GP		Exp%GP
73	Compensation - Owners	19	<&M00332	<&M00333	<&Y00332	<&Y00333
74	**NET ADJUSTMENTS TO INCOME**		<&M00334		<&Y00334	
75	**NET P/L BEFORE BONUS/TAX**		<&M00335		<&Y00335	
76	Bonuses - Employees	97	<&M00336		<&Y00336	
77	Bonuses - Owners	98	<&M00337		<&Y00337	
78	**NET PROFIT/LOSS (Before Tax)**		<&M00338		<&Y00338	
79	Income Tax - Current Year	99	<&M00339		<&Y00339	
80	**NET PROFIT/LOSS (After Tax)**		<&M00340		<&Y00340	
81						

FRANCHISE AS A % TOTAL DEALERSHIP - YTD	M-B	COMMERCIAL VEHICLE	SMART	Ln No
SALES	<&Y06223	<&Y06230	<&Y06237	1
GROSS PROFIT	<&Y06224	<&Y06231	<&Y06238	2
EXPENSES	<&Y06225	<&Y06232	<&Y06239	3
OPERATING PROFIT	<&Y06226	<&Y06233	<&Y06240	4
INCNT & RESERVES	<&Y06227	<&Y06234	<&Y06241	5
OP P/L AFT INCNT/RES	<&Y06228	<&Y06235	<&Y06242	6
OP % SALES	<&Y06229	<&Y06236	<&Y06243	7
				8
OPERATING PROFIT AFT INCENTIVES/RESERVE DEALERSHIP SUMMARY				9
		CURRENT MONTH	YEAR-TO-DATE	10
Total New Vehicle Department		<&M06254	<&Y06254	11
Total Pre-Owned Vehicle Department		<&M06255	<&Y06255	12
Total Variable Operations Departments		<&M06256	<&Y06256	13
Total Service Department		<&M06257	<&Y06257	14
Total Parts Department		<&M06258	<&Y06258	15
Total Body Shop Department		<&M06259	<&Y06259	16
Total Fixed Operations Departments		<&M06260	<&Y06260	17
				18
				19
				20
				21
				22
CURRENT RATIO		LIQUIDITY RATIO		23
CURRENT MONTH	<&M01894	CURRENT MONTH	<&M01895	24
JAN	<&M01650	JAN	<&M01651	25
FEB	<&M01658	FEB	<&M01659	26
MAR	<&M01666	MAR	<&M01667	27
APR	<&M01674	APR	<&M01675	28
MAY	<&M01682	MAY	<&M01683	29
JUNE	<&M01690	JUNE	<&M01691	30
JULY	<&M01654	JULY	<&M01655	31
AUG	<&M01662	AUG	<&M01663	32
SEP	<&M01670	SEP	<&M01671	33
OCT	<&M01678	OCT	<&M01679	34
NOV	<&M01686	NOV	<&M01687	35
DEC	<&M01694	DEC	<&M01695	36
				37
				38
				39
				40
				41
NET DEBT:EQUITY		OP. PROFIT % SALES		42
CURRENT MONTH	<&M01896	CURRENT MONTH	<&M01897	43
JAN	<&M01652	JAN	<&M01649	44
FEB	<&M01660	FEB	<&M01657	45
MAR	<&M01668	MAR	<&M01665	46
APR	<&M01676	APR	<&M01673	47
MAY	<&M01684	MAY	<&M01681	48
JUNE	<&M01692	JUNE	<&M01689	49
JULY	<&M01656	JULY	<&M01653	50
AUG	<&M01664	AUG	<&M01661	51
SEP	<&M01672	SEP	<&M01669	52
OCT	<&M01680	OCT	<&M01677	53
NOV	<&M01688	NOV	<&M01685	54
DEC	<&M01696	DEC	<&M01693	55
		YTD	<&Y01750	56
				57
				58
				59
				60
ADDITIONS TO INCOME	**Acct.**	**CURRENT MONTH**	**YEAR-TO-DATE**	61
Cash Discounts Earned	800	<&M00672	<&Y00672	62
Interest Income	801	<&M00674	<&Y00674	63
Other Franchise Income	804	<&M01999	<&Y01999	64
Other Income	805	<&M00676	<&Y00676	65
Lease/Rent/Oth Vehicle	809	<&M00677	<&Y00677	66
DEDUCTIONS FROM INCOME	**Acct.**	**CURRENT MONTH**	**YEAR-TO-DATE**	67
Cash Discounts Allowed	802	<&M00673	<&Y00673	68
Interest Expense	803	<&M00675	<&Y00675	69
Amortization - Other Assets	806	<&M02000	<&Y02000	70
Export Adjustments	810	<&M00678	<&Y00678	71
Other Adjustments	855	<&M00679	<&Y00679	72
NET ADJUSTMENTS TO INCOME		<&M00680	<&Y00680	73
				74
				75
				76
				77
				78
				79
				80
				81

Mercedes-Benz USA, LLC

STATEMENT OF INCOME AND EXPENSE

Mercedes-Benz USA, LLC

Ln No		Acct No.	TOTAL MERCEDES-BENZ CURRENT MONTH	TOTAL MERCEDES-BENZ YEAR-TO-DATE	TOTAL COMMERCIAL VEHICLE CURRENT MONTH	TOTAL COMMERCIAL VEHICLE YEAR-TO-DATE	TOTAL SMART CURRENT MONTH	TOTAL SMART YEAR-TO-DATE	Ln No
1	**SALES**		<&M06261	<&Y06261	<&M06326	<&Y06326	<&M06388	<&Y06388	1
2	**GROSS PROFIT**		<&M06262	<&Y06262	<&M06327	<&Y06327	<&M06389	<&Y06389	2
3	Representative Comp./Incentives	10	<&M06263	<&Y06263	<&M06328	<&Y06328	<&M06390	<&Y06390	3
4	Finance & Lease Compensation	12	<&M06264	<&Y06264	<&M06329	<&Y06329	<&M06391	<&Y06391	4
5	Delivery Expense	13	<&M06265	<&Y06265	<&M06330	<&Y06330	<&M06392	<&Y06392	5
6	Policy Expense - New/Pre-Owned	15	<&M06266	<&Y06266	<&M06331	<&Y06331	<&M06393	<&Y06393	6
7	**TOTAL VARIABLE EXP. (Lines 3-6)**		<&M06267	<&Y06267	<&M06332	<&Y06332	<&M06394	<&Y06394	7
8	Compensation - Managers	20	<&M06268	<&Y06268	<&M06333	<&Y06333	<&M06395	<&Y06395	8
9	Compensation - Advisors	21	<&M06269	<&Y06269	<&M06334	<&Y06334	<&M06396	<&Y06396	9
10	Compensation - Clerical	22	<&M06270	<&Y06270	<&M06335	<&Y06335	<&M06397	<&Y06397	10
11	Compensation - Other	23	<&M06271	<&Y06271	<&M06336	<&Y06336	<&M06398	<&Y06398	11
12	Leave - Vac., Sick & Hol.	24	<&M06272	<&Y06272	<&M06337	<&Y06337	<&M06399	<&Y06399	12
13	Taxes - Payroll	25	<&M06273	<&Y06273	<&M06338	<&Y06338	<&M06400	<&Y06400	13
14	Uniforms and Laundry	28	<&M06274	<&Y06274	<&M06339	<&Y06339	<&M06401	<&Y06401	14
15	Insurance - Employees	27	<&M06275	<&Y06275	<&M06340	<&Y06340	<&M06402	<&Y06402	15
16	Pension and Profit Sharing	26	<&M06276	<&Y06276	<&M06341	<&Y06341	<&M06403	<&Y06403	16
17	**TOTAL PERSONNEL EXP. (Lines 8-16)**		<&M06277	<&Y06277	<&M06342	<&Y06342	<&M06404	<&Y06404	17
18	Tier 3 Brand Compliance Bonus	31	<&M06278	<&Y06278	<&M07464	<&Y07464	<&M07549	<&Y07549	18
19	Tier 3 Marketing Expenses	34	<&M06279	<&Y06279	<&M07465	<&Y07465	<&M07550	<&Y07550	19
20	Other Advertising & Promotion	32	<&M06280	<&Y06280	<&M06345	<&Y06345	<&M06407	<&Y06407	20
21	Floor Plan Interest	62	<&M06281	<&Y06281	<&M06346	<&Y06346	<&M06408	<&Y06408	21
22	Floor Plan Assistance	95	<&M07032	<&Y07032	<&M07033	<&Y07033	<&M07034	<&Y07034	22
23	Policy Exp. - Serv/Parts/Body	67	<&M06282	<&Y06282	<&M06347	<&Y06347	<&M06409	<&Y06409	23
24	Training	77	<&M06283	<&Y06283	<&M06348	<&Y06348	<&M06410	<&Y06410	24
25	Training Credit	35	<&M07368	<&Y07368	<&M07369	<&Y07369	<&M07370	<&Y07370	25
26	Co. Vehicle/Demonstrator	51	<&M06284	<&Y06284	<&M06349	<&Y06349	<&M06411	<&Y06411	26
27	Courtesy Vehicle Program (CVP)	52	<&M06285	<&Y06285	<&M06350	<&Y06350	<&M06412	<&Y06412	27
28	Office Supplies & Stationery	60	<&M06286	<&Y06286	<&M06351	<&Y06351	<&M06413	<&Y06413	28
29	Small Tools/Other Supplies	61	<&M06287	<&Y06287	<&M06352	<&Y06352	<&M06414	<&Y06414	29
30	Bad Debts	33	<&M06288	<&Y06288	<&M06353	<&Y06353	<&M06415	<&Y06415	30
31	Data Processing	79	<&M06289	<&Y06289	<&M06354	<&Y06354	<&M06416	<&Y06416	31
32	Travel & Entertainment	70/69	<&M06290	<&Y06290	<&M06355	<&Y06355	<&M06417	<&Y06417	32
33	Memberships/Dues/Publications	75	<&M06291	<&Y06291	<&M06356	<&Y06356	<&M06418	<&Y06418	33
34	Postage	73	<&M06292	<&Y06292	<&M06357	<&Y06357	<&M06419	<&Y06419	34
35	Freight	86	<&M06293	<&Y06293	<&M06358	<&Y06358	<&M06420	<&Y06420	35
36	Contributions	66	<&M06294	<&Y06294	<&M06359	<&Y06359	<&M06421	<&Y06421	36
37	Legal/Accounting	72	<&M06295	<&Y06295	<&M06360	<&Y06360	<&M06422	<&Y06422	37
38	Telephone	74	<&M06296	<&Y06296	<&M06361	<&Y06361	<&M06423	<&Y06423	38
39	Outside Services	68	<&M06297	<&Y06297	<&M06362	<&Y06362	<&M06424	<&Y06424	39
40	Bank/Credit Co. Serv. Fees	78	<&M06298	<&Y06298	<&M06363	<&Y06363	<&M06425	<&Y06425	40
41	Miscellaneous	76	<&M06299	<&Y06299	<&M06364	<&Y06364	<&M06426	<&Y06426	41
42	**TOTAL SEMI-FIXED EXP. (Lines 18-41)**		<&M06300	<&Y06300	<&M06365	<&Y06365	<&M06427	<&Y06427	42
43	Rent	80	<&M06301	<&Y06301	<&M06366	<&Y06366	<&M06428	<&Y06428	43
44	Brand Standards Bonus - M-B	94	<&M06302	<&Y06302					44
45	Amort. - Leaseholds/Imprvmnts	81	<&M06303	<&Y06303	<&M06368	<&Y06368	<&M06430	<&Y06430	45
46	Repairs/Maint - Real Estate	82	<&M06304	<&Y06304	<&M06369	<&Y06369	<&M06431	<&Y06431	46
47	Deprec - Bldgs/Imprvmnts	83	<&M06305	<&Y06305	<&M06370	<&Y06370	<&M06432	<&Y06432	47
48	Taxes - Real Estate	84	<&M06306	<&Y06306	<&M06371	<&Y06371	<&M06433	<&Y06433	48
49	Insurance - Bldgs/Imprvmnts	85	<&M06307	<&Y06307	<&M06372	<&Y06372	<&M06434	<&Y06434	49
50	Interest - Mortgages	93	<&M06308	<&Y06308	<&M06373	<&Y06373	<&M06435	<&Y06435	50
51	Utilities	87	<&M06309	<&Y06309	<&M06374	<&Y06374	<&M06436	<&Y06436	51
52	Insurance - Other	88	<&M06310	<&Y06310	<&M06375	<&Y06375	<&M06437	<&Y06437	52
53	Taxes - Other	89	<&M06311	<&Y06311	<&M06376	<&Y06376	<&M06438	<&Y06438	53
54	Repairs/Maintenance - Equipment	90	<&M06312	<&Y06312	<&M06377	<&Y06377	<&M06439	<&Y06439	54
55	Depreciation - Equipment	91	<&M06313	<&Y06313	<&M06378	<&Y06378	<&M06440	<&Y06440	55
56	Rental - Equipment	92	<&M06314	<&Y06314	<&M06379	<&Y06379	<&M06441	<&Y06441	56
57	**TOTAL FIXED EXP. (Lines 43-56)**		<&M06315	<&Y06315	<&M06380	<&Y06380	<&M06442	<&Y06442	57
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**		<&M06316	<&Y06316	<&M06381	<&Y06381	<&M06443	<&Y06443	58
59	**TOTAL EXPENSES (Lines 7 & 58)**		<&M06317	<&Y06317	<&M06382	<&Y06382	<&M06444	<&Y06444	59
60	**OPERATING PROFIT OR LOSS**		<&M06318	<&Y06318	<&M06383	<&Y06383	<&M06445	<&Y06445	60
61	Dealer Reserve (CV & smart)	639			<&M06384	<&Y06384	<&M06446	<&Y06446	61
62	Customer Experience Sales Bonus - M-B	971	<&M07466	<&Y07466					62
63	Customer Experience Service Bonus - M-B	964	<&M07467	<&Y07467					63
64	New Vehicle Sales Bonus - M-B	962	<&M06322	<&Y06322					64
65	Pre-Owned Veh. Sales Bonus -M-B	968	<&M06998	<&Y06998					65
66	Commercial Vehicles Bonus	966			<&M06385	<&Y06385			66
67	smart Performance Bonus	967					<&M06447	<&Y06447	67
68	Leadership Bonus	969	<&M07038	<&Y07038	<&M07039	<&Y07039	<&M07263	<&Y07263	68
69	Training Bonus	970	<&M07469	<&Y07469					69
70	Pre-Owned Premier/CPO Bonuses	965	<&M06324	<&Y06324					70
71	**OP P/L AFT INCENTIVES/RESERVE**		<&M06325	<&Y06325	<&M06387	<&Y06387	<&M06449	<&Y06449	71
72									72

Type: <&STP

STATEMENT OF INCOME AND EXPENSE - MERCEDES-BENZ

<&DCD <&DYR <&DMT

Ln No.		Acct No.	1A-MERCEDES-BENZ NEW VEHICLE DEPT.		1B-MERCEDES-BENZ PRE-OWNED DEPT.		1C-MERCEDES-BENZ SERVICE DEPT.		1D-MERCEDES-BENZ PARTS DEPT.		1E-MERCEDES-BENZ BODY SHOP DEPT.		Ln No.
			CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	
1	**SALES**		<&M00341	<&Y00341	<&M00400	<&Y00400	<&M00492	<&Y00492	<&M00545	<&Y00545	<&M00598	<&Y00598	1
2	**GROSS PROFIT**		<&M00342	<&Y00342	<&M00401	<&Y00401	<&M00493	<&Y00493	<&M00546	<&Y00546	<&M00599	<&Y00599	2
3	Representative Comp./Incentives	10	<&M00343	<&Y00343	<&M00402	<&Y00402							3
4	Finance & Lease Compensation	12	<&M00344	<&Y00344	<&M00403	<&Y00403							4
5	Delivery Expense	13	<&M00345	<&Y00345	<&M00404	<&Y00404							5
6	Policy Expense - New/Pre-Owned	15	<&M00346	<&Y00346	<&M00405	<&Y00405							6
7	**TOTAL VARIABLE EXP. (Lines 3-6)**		<&M00348	<&Y00348	<&M00406	<&Y00406							7
8	Compensation - Managers	20	<&M00349	<&Y00349	<&M00407	<&Y00407	<&M00494	<&Y00494	<&M00547	<&Y00547	<&M00600	<&Y00600	8
9	Compensation - Advisors	21					<&M00495	<&Y00495	<&M00548	<&Y00548	<&M00601	<&Y00601	9
10	Compensation - Clerical	22	<&M00350	<&Y00350	<&M00408	<&Y00408	<&M00496	<&Y00496	<&M00549	<&Y00549	<&M00602	<&Y00602	10
11	Compensation - Other	23	<&M00351	<&Y00351	<&M00409	<&Y00409	<&M00497	<&Y00497	<&M00550	<&Y00550	<&M00603	<&Y00603	11
12	Leave - Vac., Sick & Hol.	24	<&M00352	<&Y00352	<&M00410	<&Y00410	<&M00498	<&Y00498	<&M00551	<&Y00551	<&M00604	<&Y00604	12
13	Taxes - Payroll	25	<&M00353	<&Y00353	<&M00411	<&Y00411	<&M00499	<&Y00499	<&M00552	<&Y00552	<&M00605	<&Y00605	13
14	Uniforms and Laundry	28	<&M00354	<&Y00354	<&M00412	<&Y00412	<&M00500	<&Y00500	<&M00553	<&Y00553	<&M00606	<&Y00606	14
15	Insurance - Employees	27	<&M00355	<&Y00355	<&M00413	<&Y00413	<&M00501	<&Y00501	<&M00554	<&Y00554	<&M00607	<&Y00607	15
16	Pension and Profit Sharing	26	<&M00356	<&Y00356	<&M00414	<&Y00414	<&M00502	<&Y00502	<&M00555	<&Y00555	<&M00608	<&Y00608	16
17	**TOTAL PERSONNEL EXP. (Lines 8-16)**		<&M00357	<&Y00357	<&M00415	<&Y00415	<&M00503	<&Y00503	<&M00556	<&Y00556	<&M00609	<&Y00609	17
18	Tier 3 Brand Compliance Bonus	31	<&M01881	<&Y01881									18
19	Tier 3 Marketing Expenses	34	<&M04621	<&Y04621	<&M04623	<&Y04623	<&M04624	<&Y04624	<&M04625	<&Y04625	<&M04626	<&Y04626	19
20	Other Advertising & Promotion	32	<&M00358	<&Y00358	<&M00416	<&Y00416	<&M00504	<&Y00504	<&M00557	<&Y00557	<&M00610	<&Y00610	20
21	Floor Plan Interest	62	<&M00359	<&Y00359	<&M00417	<&Y00417							21
22	Floor Plan Assistance	95	<&M07040	<&Y07040	<&M07041	<&Y07041							22
23	Policy Exp. - Serv/Parts/Body	67					<&M00505	<&Y00505	<&M00558	<&Y00558	<&M00611	<&Y00611	23
24	Training	77	<&M00360	<&Y00360	<&M00418	<&Y00418	<&M00506	<&Y00506	<&M00559	<&Y00559	<&M00612	<&Y00612	24
25	Training Credit	35	<&M07371	<&Y07371	<&M07372	<&Y07372	<&M07373	<&Y07373	<&M07374	<&Y07374	<&M07375	<&Y07375	25
26	Co. Vehicle/Demonstrator	51	<&M00361	<&Y00361	<&M00419	<&Y00419	<&M00507	<&Y00507	<&M00560	<&Y00560	<&M00613	<&Y00613	26
27	Courtesy Vehicle Program (CVP)	52	<&M01739	<&Y01739	<&M01740	<&Y01740	<&M01741	<&Y01741	<&M01742	<&Y01742	<&M01743	<&Y01743	27
28	Office Supplies & Stationery	60	<&M00362	<&Y00362	<&M00420	<&Y00420	<&M00508	<&Y00508	<&M00561	<&Y00561	<&M00614	<&Y00614	28
29	Small Tools/Other Supplies	61	<&M00363	<&Y00363	<&M00421	<&Y00421	<&M00509	<&Y00509	<&M00562	<&Y00562	<&M00615	<&Y00615	29
30	Bad Debts	33	<&M00364	<&Y00364	<&M00422	<&Y00422	<&M00510	<&Y00510	<&M00563	<&Y00563	<&M00616	<&Y00616	30
31	Data Processing	79	<&M00365	<&Y00365	<&M00423	<&Y00423	<&M00511	<&Y00511	<&M00564	<&Y00564	<&M00617	<&Y00617	31
32	Travel & Entertainment	70/69	<&M00366	<&Y00366	<&M00424	<&Y00424	<&M00512	<&Y00512	<&M00565	<&Y00565	<&M00618	<&Y00618	32
33	Memberships/Dues/Publications	75	<&M00368	<&Y00368	<&M00426	<&Y00426	<&M00514	<&Y00514	<&M00567	<&Y00567	<&M00620	<&Y00620	33
34	Postage	73	<&M00369	<&Y00369	<&M00427	<&Y00427	<&M00515	<&Y00515	<&M00568	<&Y00568	<&M00621	<&Y00621	34
35	Freight	86	<&M00370	<&Y00370	<&M00428	<&Y00428	<&M00516	<&Y00516	<&M00569	<&Y00569	<&M00622	<&Y00622	35
36	Contributions	66	<&M00371	<&Y00371	<&M00429	<&Y00429	<&M00517	<&Y00517	<&M00570	<&Y00570	<&M00623	<&Y00623	36
37	Legal/Accounting	72	<&M00372	<&Y00372	<&M00430	<&Y00430	<&M00518	<&Y00518	<&M00571	<&Y00571	<&M00624	<&Y00624	37
38	Telephone	74	<&M00373	<&Y00373	<&M00431	<&Y00431	<&M00519	<&Y00519	<&M00572	<&Y00572	<&M00625	<&Y00625	38
39	Outside Services	68	<&M00374	<&Y00374	<&M00432	<&Y00432	<&M00520	<&Y00520	<&M00573	<&Y00573	<&M00626	<&Y00626	39
40	Bank/Credit Co. Serv. Fees	78	<&M00375	<&Y00375	<&M00433	<&Y00433	<&M00521	<&Y00521	<&M00574	<&Y00574	<&M00627	<&Y00627	40
41	Miscellaneous	76	<&M00376	<&Y00376	<&M00434	<&Y00434	<&M00522	<&Y00522	<&M00575	<&Y00575	<&M00628	<&Y00628	41
42	**TOTAL SEMI-FIXED EXP. (Lines 18-41)**		<&M00377	<&Y00377	<&M00435	<&Y00435	<&M00523	<&Y00523	<&M00576	<&Y00576	<&M00629	<&Y00629	42
43	Rent	80	<&M00378	<&Y00378	<&M00436	<&Y00436	<&M00524	<&Y00524	<&M00577	<&Y00577	<&M00630	<&Y00630	43
44	Brand Standards Bonus - M-B	94	<&M04999	<&Y04999									44
45	Amort. - Leaseholds/Imprvmnts	81	<&M00379	<&Y00379	<&M00437	<&Y00437	<&M00525	<&Y00525	<&M00578	<&Y00578	<&M00631	<&Y00631	45
46	Repairs/Maint - Real Estate	82	<&M00380	<&Y00380	<&M00438	<&Y00438	<&M00526	<&Y00526	<&M00579	<&Y00579	<&M00632	<&Y00632	46
47	Deprec - Bldgs/Imprvmnts	83	<&M00381	<&Y00381	<&M00439	<&Y00439	<&M00527	<&Y00527	<&M00580	<&Y00580	<&M00633	<&Y00633	47
48	Taxes - Real Estate	84	<&M00382	<&Y00382	<&M00440	<&Y00440	<&M00528	<&Y00528	<&M00581	<&Y00581	<&M00634	<&Y00634	48
49	Insurance - Bldgs/Imprvmnts	85	<&M00383	<&Y00383	<&M00441	<&Y00441	<&M00529	<&Y00529	<&M00582	<&Y00582	<&M00635	<&Y00635	49
50	Interest - Mortgages	93	<&M00384	<&Y00384	<&M00442	<&Y00442	<&M00530	<&Y00530	<&M00583	<&Y00583	<&M00636	<&Y00636	50
51	Utilities	87	<&M00385	<&Y00385	<&M00443	<&Y00443	<&M00531	<&Y00531	<&M00584	<&Y00584	<&M00637	<&Y00637	51
52	Insurance - Other	88	<&M00387	<&Y00387	<&M00445	<&Y00445	<&M00533	<&Y00533	<&M00586	<&Y00586	<&M00639	<&Y00639	52
53	Taxes - Other	89	<&M00388	<&Y00388	<&M00446	<&Y00446	<&M00534	<&Y00534	<&M00587	<&Y00587	<&M00640	<&Y00640	53
54	Repairs/Maintenance - Equipment	90	<&M00389	<&Y00389	<&M00447	<&Y00447	<&M00535	<&Y00535	<&M00588	<&Y00588	<&M00641	<&Y00641	54
55	Depreciation - Equipment	91	<&M00390	<&Y00390	<&M00448	<&Y00448	<&M00536	<&Y00536	<&M00589	<&Y00589	<&M00642	<&Y00642	55
56	Rental - Equipment	92	<&M00391	<&Y00391	<&M00449	<&Y00449	<&M00537	<&Y00537	<&M00590	<&Y00590	<&M00643	<&Y00643	56
57	**TOTAL FIXED EXP. (Lines 43-56)**		<&M00392	<&Y00392	<&M00450	<&Y00450	<&M00538	<&Y00538	<&M00591	<&Y00591	<&M00644	<&Y00644	57
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**		<&M00393	<&Y00393	<&M00451	<&Y00451	<&M00539	<&Y00539	<&M00592	<&Y00592	<&M00645	<&Y00645	58
59	**TOTAL EXPENSES (Lines 7 & 58)**		<&M00394	<&Y00394	<&M00452	<&Y00452	<&M00540	<&Y00540	<&M00593	<&Y00593	<&M00646	<&Y00646	59
60	**OPERATING PROFIT OR LOSS**		<&M00395	<&Y00395	<&M00453	<&Y00453	<&M00541	<&Y00541	<&M00594	<&Y00594	<&M00647	<&Y00647	60
61	Dealer Reserve (CV & smart)	639											61
62	Customer Experience Sales Bonus - M-B	971	<&M07472	<&Y07472									62
63	Customer Experience Service Bonus - M-B	964	<&M07473	<&Y07473									63
64	New Vehicle Sales Bonus - M-B	962	<&M03041	<&Y03041									64
65	Pre-Owned Veh. Sales Bonus -M-B	968	<&M07000	<&Y07000									65
66	Commercial Vehicles Bonus	966											66
67	smart Performance Bonus	967											67
68	Leadership Bonus	969	<&M07047	<&Y07047									68
69	Training Bonus	970	<&M07474	<&Y07474									69
70	Pre-Owned Premier/CPO Bonuses	965			<&M03054	<&Y03054							70
71	**OP P/L AFT INCENTIVES/RESERVE**		<&M00399	<&Y00399	<&M00456	<&Y00456	<&M00544	<&Y00544	<&M00597	<&Y00597	<&M00650	<&Y00650	71
72													72

Form M-B 630 09/16

Mercedes-Benz USA, LLC

Type: <&STP

STATEMENT OF INCOME AND EXPENSE - COMMERCIAL VEHICLE

<&DCD <&DYR <&DMT

Ln No.		Acct No.	2A-COMMERCIAL VEHICLES NEW VEHICLE DEPT.		2B-COMMERCIAL VEHICLES PRE-OWNED DEPT.		2C-COMMERCIAL VEHICLES SERVICE DEPT.		2D-COMMERCIAL VEHICLES PARTS DEPT.		2E-COMMERCIAL VEHICLES BODY SHOP DEPT.		Ln No
			CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	
1	**SALES**		<&M06450	<&Y06450	<&M06507	<&Y06507	<&M06561	<&Y06561	<&M06611	<&Y06611	<&M06661	<&Y06661	1
2	**GROSS PROFIT**		<&M06451	<&Y06451	<&M06508	<&Y06508	<&M06562	<&Y06562	<&M06612	<&Y06612	<&M06662	<&Y06662	2
3	Representative Comp./Incentives	10	<&M06452	<&Y06452	<&M06509	<&Y06509							3
4	Finance & Lease Compensation	12	<&M06453	<&Y06453	<&M06510	<&Y06510							4
5	Delivery Expense	13	<&M06454	<&Y06454	<&M06511	<&Y06511							5
6	Policy Expense - New/Pre-Owned	15	<&M06455	<&Y06455	<&M06512	<&Y06512							6
7	**TOTAL VARIABLE EXP. (Lines 3-6)**		<&M06456	<&Y06456	<&M06513	<&Y06513							7
8	Compensation - Managers	20	<&M06457	<&Y06457	<&M06514	<&Y06514	<&M06563	<&Y06563	<&M06613	<&Y06613	<&M06663	<&Y06663	8
9	Compensation - Advisors	21					<&M06564	<&Y06564	<&M06614	<&Y06614	<&M06664	<&Y06664	9
10	Compensation - Clerical	22	<&M06459	<&Y06459	<&M06515	<&Y06515	<&M06565	<&Y06565	<&M06615	<&Y06615	<&M06665	<&Y06665	10
11	Compensation - Other	23	<&M06460	<&Y06460	<&M06516	<&Y06516	<&M06566	<&Y06566	<&M06616	<&Y06616	<&M06666	<&Y06666	11
12	Leave - Vac., Sick & Hol.	24	<&M06461	<&Y06461	<&M06517	<&Y06517	<&M06567	<&Y06567	<&M06617	<&Y06617	<&M06667	<&Y06667	12
13	Taxes - Payroll	25	<&M06462	<&Y06462	<&M06518	<&Y06518	<&M06568	<&Y06568	<&M06618	<&Y06618	<&M06668	<&Y06668	13
14	Uniforms and Laundry	28	<&M06463	<&Y06463	<&M06519	<&Y06519	<&M06569	<&Y06569	<&M06619	<&Y06619	<&M06669	<&Y06669	14
15	Insurance - Employees	27	<&M06464	<&Y06464	<&M06520	<&Y06520	<&M06570	<&Y06570	<&M06620	<&Y06620	<&M06670	<&Y06670	15
16	Pension and Profit Sharing	26	<&M06465	<&Y06465	<&M06521	<&Y06521	<&M06571	<&Y06571	<&M06621	<&Y06621	<&M06671	<&Y06671	16
17	**TOTAL PERSONNEL EXP. (Lines 8-16)**		<&M06466	<&Y06466	<&M06522	<&Y06522	<&M06572	<&Y06572	<&M06622	<&Y06622	<&M06672	<&Y06672	17
18	Tier 3 Brand Compliance Bonus	31	<&M07475	<&Y07475									18
19	Tier 3 Marketing Expenses	34	<&M07476	<&Y07476	<&M07477	<&Y07477	<&M07478	<&Y07478	<&M07479	<&Y07479	<&M07480	<&Y07480	19
20	Other Advertising & Promotion	32	<&M06467	<&Y06467	<&M06523	<&Y06523	<&M06573	<&Y06573	<&M06623	<&Y06623	<&M06673	<&Y06673	20
21	Floor Plan Interest	62	<&M06468	<&Y06468	<&M06524	<&Y06524							21
22	Floor Plan Assistance	95	<&M07048	<&Y07048	<&M07049	<&Y07049							22
23	Policy Exp. - Serv/Parts/Body	67					<&M06574	<&Y06574	<&M06624	<&Y06624	<&M06674	<&Y06674	23
24	Training	77	<&M06469	<&Y06469	<&M06525	<&Y06525	<&M06575	<&Y06575	<&M06625	<&Y06625	<&M06675	<&Y06675	24
25	Training Credit	35	<&M07378	<&Y07378	<&M07379	<&Y07379	<&M07380	<&Y07380	<&M07381	<&Y07381	<&M07382	<&Y07382	25
26	Co. Vehicle/Demonstrator	51	<&M06470	<&Y06470	<&M06526	<&Y06526	<&M06576	<&Y06576	<&M06626	<&Y06626	<&M06676	<&Y06676	26
27	Courtesy Vehicle Program (CVP)	52	<&M06471	<&Y06471	<&M06527	<&Y06527	<&M06577	<&Y06577	<&M06627	<&Y06627	<&M06677	<&Y06677	27
28	Office Supplies & Stationery	60	<&M06472	<&Y06472	<&M06528	<&Y06528	<&M06578	<&Y06578	<&M06628	<&Y06628	<&M06678	<&Y06678	28
29	Small Tools/Other Supplies	61	<&M06473	<&Y06473	<&M06529	<&Y06529	<&M06579	<&Y06579	<&M06629	<&Y06629	<&M06679	<&Y06679	29
30	Bad Debts	33	<&M06474	<&Y06474	<&M06530	<&Y06530	<&M06580	<&Y06580	<&M06630	<&Y06630	<&M06680	<&Y06680	30
31	Data Processing	79	<&M06475	<&Y06475	<&M06531	<&Y06531	<&M06581	<&Y06581	<&M06631	<&Y06631	<&M06681	<&Y06681	31
32	Travel & Entertainment	70/69	<&M06476	<&Y06476	<&M06532	<&Y06532	<&M06582	<&Y06582	<&M06632	<&Y06632	<&M06682	<&Y06682	32
33	Memberships/Dues/Publications	75	<&M06477	<&Y06477	<&M06533	<&Y06533	<&M06583	<&Y06583	<&M06633	<&Y06633	<&M06683	<&Y06683	33
34	Postage	73	<&M06478	<&Y06478	<&M06534	<&Y06534	<&M06584	<&Y06584	<&M06634	<&Y06634	<&M06684	<&Y06684	34
35	Freight	86	<&M06479	<&Y06479	<&M06535	<&Y06535	<&M06585	<&Y06585	<&M06635	<&Y06635	<&M06685	<&Y06685	35
36	Contributions	66	<&M06480	<&Y06480	<&M06536	<&Y06536	<&M06586	<&Y06586	<&M06636	<&Y06636	<&M06686	<&Y06686	36
37	Legal/Accounting	72	<&M06481	<&Y06481	<&M06537	<&Y06537	<&M06587	<&Y06587	<&M06637	<&Y06637	<&M06687	<&Y06687	37
38	Telephone	74	<&M06482	<&Y06482	<&M06538	<&Y06538	<&M06588	<&Y06588	<&M06638	<&Y06638	<&M06688	<&Y06688	38
39	Outside Services	68	<&M06483	<&Y06483	<&M06539	<&Y06539	<&M06589	<&Y06589	<&M06639	<&Y06639	<&M06689	<&Y06689	39
40	Bank/Credit Co. Serv. Fees	78	<&M06484	<&Y06484	<&M06540	<&Y06540	<&M06590	<&Y06590	<&M06640	<&Y06640	<&M06690	<&Y06690	40
41	Miscellaneous	76	<&M06485	<&Y06485	<&M06541	<&Y06541	<&M06591	<&Y06591	<&M06641	<&Y06641	<&M06691	<&Y06691	41
42	**TOTAL SEMI-FIXED EXP. (Lines 18-41)**		<&M06486	<&Y06486	<&M06542	<&Y06542	<&M06592	<&Y06592	<&M06642	<&Y06642	<&M06692	<&Y06692	42
43	Rent	80	<&M06487	<&Y06487	<&M06543	<&Y06543	<&M06593	<&Y06593	<&M06643	<&Y06643	<&M06693	<&Y06693	43
44	Brand Standards Bonus - M-B	94											44
45	Amort. - Leaseholds/Imprvmnts	81	<&M06488	<&Y06488	<&M06544	<&Y06544	<&M06594	<&Y06594	<&M06644	<&Y06644	<&M06694	<&Y06694	45
46	Repairs/Maint - Real Estate	82	<&M06489	<&Y06489	<&M06545	<&Y06545	<&M06595	<&Y06595	<&M06645	<&Y06645	<&M06695	<&Y06695	46
47	Deprec - Bldgs/Imprvmnts	83	<&M06490	<&Y06490	<&M06546	<&Y06546	<&M06596	<&Y06596	<&M06646	<&Y06646	<&M06696	<&Y06696	47
48	Taxes - Real Estate	84	<&M06491	<&Y06491	<&M06547	<&Y06547	<&M06597	<&Y06597	<&M06647	<&Y06647	<&M06697	<&Y06697	48
49	Insurance - Bldgs/Imprvmnts	85	<&M06492	<&Y06492	<&M06548	<&Y06548	<&M06598	<&Y06598	<&M06648	<&Y06648	<&M06698	<&Y06698	49
50	Interest - Mortgages	93	<&M06493	<&Y06493	<&M06549	<&Y06549	<&M06599	<&Y06599	<&M06649	<&Y06649	<&M06699	<&Y06699	50
51	Utilities	87	<&M06494	<&Y06494	<&M06550	<&Y06550	<&M06600	<&Y06600	<&M06650	<&Y06650	<&M06700	<&Y06700	51
52	Insurance - Other	88	<&M06495	<&Y06495	<&M06551	<&Y06551	<&M06601	<&Y06601	<&M06651	<&Y06651	<&M06701	<&Y06701	52
53	Taxes - Other	89	<&M06496	<&Y06496	<&M06552	<&Y06552	<&M06602	<&Y06602	<&M06652	<&Y06652	<&M06702	<&Y06702	53
54	Repairs/Maintenance - Equipment	90	<&M06497	<&Y06497	<&M06553	<&Y06553	<&M06603	<&Y06603	<&M06653	<&Y06653	<&M06703	<&Y06703	54
55	Depreciation - Equipment	91	<&M06498	<&Y06498	<&M06554	<&Y06554	<&M06604	<&Y06604	<&M06654	<&Y06654	<&M06704	<&Y06704	55
56	Rental - Equipment	92	<&M06499	<&Y06499	<&M06555	<&Y06555	<&M06605	<&Y06605	<&M06655	<&Y06655	<&M06705	<&Y06705	56
57	**TOTAL FIXED EXP. (Lines 43-56)**		<&M06500	<&Y06500	<&M06556	<&Y06556	<&M06606	<&Y06606	<&M06656	<&Y06656	<&M06706	<&Y06706	57
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**		<&M06501	<&Y06501	<&M06557	<&Y06557	<&M06607	<&Y06607	<&M06657	<&Y06657	<&M06707	<&Y06707	58
59	**TOTAL EXPENSES (Lines 7 & 58)**		<&M06502	<&Y06502	<&M06558	<&Y06558	<&M06608	<&Y06608	<&M06658	<&Y06658	<&M06708	<&Y06708	59
60	**OPERATING PROFIT OR LOSS**		<&M06503	<&Y06503	<&M06559	<&Y06559	<&M06609	<&Y06609	<&M06659	<&Y06659	<&M06709	<&Y06709	60
61	Dealer Reserve (CV & smart)	639	<&M06504	<&Y06504									61
62	Customer Experience Sales Bonus - M-B	971											62
63	Customer Experience Service Bonus - M-B	964											63
64	New Vehicle Sales Bonus - M-B	962											64
65	Pre-Owned Veh. Sales Bonus -M-B	968											65
66	Commercial Vehicles Bonus	966	<&M04622	<&Y04622									66
67	smart Performance Bonus	967											67
68	Leadership Bonus	969	<&M07055	<&Y07055									68
69	Training Bonus	970											69
70	Pre-Owned Premier/CPO Bonuses	965											70
71	**OP P/L AFT INCENTIVES/RESERVE**		<&M06506	<&Y06506	<&M06560	<&Y06560	<&M06610	<&Y06610	<&M06660	<&Y06660	<&M06710	<&Y06710	71
72													72

Form M-B 630 09/16

Mercedes-Benz USA, LLC

Type: <&STP

STATEMENT OF INCOME AND EXPENSE - SMART

<&DCD <&DYR <&DMT

Ln No.		Acct No.	3A-SMART NEW VEHICLE DEPT.		3B-SMART PRE-OWNED DEPT.		3C-SMART SERVICE DEPT.		3D-SMART PARTS DEPT.		3E-SMART BODY SHOP DEPT.		Ln No
			CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	CURRENT MONTH	YEAR-TO-DATE	
1	**SALES**		<&M05406	<&Y05406	<&M05467	<&Y05467	<&M05525	<&Y05525	<&M05578	<&Y05578	<&M05631	<&Y05631	1
2	**GROSS PROFIT**		<&M05407	<&Y05407	<&M05468	<&Y05468	<&M05526	<&Y05526	<&M05579	<&Y05579	<&M05632	<&Y05632	2
3	Representative Comp./Incentives	10	<&M05408	<&Y05408	<&M05469	<&Y05469							3
4	Finance & Lease Compensation	12	<&M05409	<&Y05409	<&M05470	<&Y05470							4
5	Delivery Expense	13	<&M05410	<&Y05410	<&M05471	<&Y05471							5
6	Policy Expense - New/Pre-Owned	15	<&M05411	<&Y05411	<&M05472	<&Y05472							6
7	**TOTAL VARIABLE EXP. (Lines 3-6)**		<&M05412	<&Y05412	<&M05473	<&Y05473							7
8	Compensation - Managers	20	<&M05413	<&Y05413	<&M05474	<&Y05474	<&M05527	<&Y05527	<&M05580	<&Y05580	<&M05633	<&Y05633	8
9	Compensation - Advisors	21					<&M05528	<&Y05528	<&M05581	<&Y05581	<&M05634	<&Y05634	9
10	Compensation - Clerical	22	<&M05414	<&Y05414	<&M05475	<&Y05475	<&M05529	<&Y05529	<&M05582	<&Y05582	<&M05635	<&Y05635	10
11	Compensation - Other	23	<&M05415	<&Y05415	<&M05476	<&Y05476	<&M05530	<&Y05530	<&M05583	<&Y05583	<&M05636	<&Y05636	11
12	Leave - Vac., Sick & Hol.	24	<&M05416	<&Y05416	<&M05477	<&Y05477	<&M05531	<&Y05531	<&M05584	<&Y05584	<&M05637	<&Y05637	12
13	Taxes - Payroll	25	<&M05417	<&Y05417	<&M05478	<&Y05478	<&M05532	<&Y05532	<&M05585	<&Y05585	<&M05638	<&Y05638	13
14	Uniforms and Laundry	28	<&M05418	<&Y05418	<&M05479	<&Y05479	<&M05533	<&Y05533	<&M05586	<&Y05586	<&M05639	<&Y05639	14
15	Insurance - Employees	27	<&M05419	<&Y05419	<&M05480	<&Y05480	<&M05534	<&Y05534	<&M05587	<&Y05587	<&M05640	<&Y05640	15
16	Pension and Profit Sharing	26	<&M05420	<&Y05420	<&M05481	<&Y05481	<&M05535	<&Y05535	<&M05588	<&Y05588	<&M05641	<&Y05641	16
17	**TOTAL PERSONNEL EXP. (Lines 8-16)**		<&M05421	<&Y05421	<&M05482	<&Y05482	<&M05536	<&Y05536	<&M05589	<&Y05589	<&M05642	<&Y05642	17
18	Tier 3 Brand Compliance Bonus	31	<&M07543	<&Y07543									18
19	Tier 3 Marketing Expenses	34	<&M07544	<&Y07544	<&M07545	<&Y07545	<&M07546	<&Y07546	<&M07547	<&Y07547	<&M07548	<&Y07548	19
20	Other Advertising & Promotion	32	<&M05423	<&Y05423	<&M05484	<&Y05484	<&M05538	<&Y05538	<&M05591	<&Y05591	<&M05644	<&Y05644	20
21	Floor Plan Interest	62	<&M05424	<&Y05424	<&M05485	<&Y05485							21
22	Floor Plan Assistance	95	<&M07056	<&Y07056	<&M07057	<&Y07057							22
23	Policy Exp. - Serv/Parts/Body	67					<&M05539	<&Y05539	<&M05592	<&Y05592	<&M05645	<&Y05645	23
24	Training	77	<&M05425	<&Y05425	<&M05486	<&Y05486	<&M05540	<&Y05540	<&M05593	<&Y05593	<&M05646	<&Y05646	24
25	Training Credit	35	<&M07383	<&Y07383	<&M07384	<&Y07384	<&M07385	<&Y07385	<&M07386	<&Y07386	<&M07387	<&Y07387	25
26	Co. Vehicle/Demonstrator	51	<&M05426	<&Y05426	<&M05487	<&Y05487	<&M05541	<&Y05541	<&M05594	<&Y05594	<&M05647	<&Y05647	26
27	Courtesy Vehicle Program (CVP)	52	<&M05427	<&Y05427	<&M05488	<&Y05488	<&M05542	<&Y05542	<&M05595	<&Y05595	<&M05648	<&Y05648	27
28	Office Supplies & Stationery	60	<&M05428	<&Y05428	<&M05489	<&Y05489	<&M05543	<&Y05543	<&M05596	<&Y05596	<&M05649	<&Y05649	28
29	Small Tools/Other Supplies	61	<&M05429	<&Y05429	<&M05490	<&Y05490	<&M05544	<&Y05544	<&M05597	<&Y05597	<&M05650	<&Y05650	29
30	Bad Debts	33	<&M05430	<&Y05430	<&M05491	<&Y05491	<&M05545	<&Y05545	<&M05598	<&Y05598	<&M05651	<&Y05651	30
31	Data Processing	79	<&M05431	<&Y05431	<&M05492	<&Y05492	<&M05546	<&Y05546	<&M05599	<&Y05599	<&M05652	<&Y05652	31
32	Travel & Entertainment	70/69	<&M05432	<&Y05432	<&M05493	<&Y05493	<&M05547	<&Y05547	<&M05600	<&Y05600	<&M05653	<&Y05653	32
33	Memberships/Dues/Publications	75	<&M05434	<&Y05434	<&M05495	<&Y05495	<&M05549	<&Y05549	<&M05602	<&Y05602	<&M05655	<&Y05655	33
34	Postage	73	<&M05435	<&Y05435	<&M05496	<&Y05496	<&M05550	<&Y05550	<&M05603	<&Y05603	<&M05656	<&Y05656	34
35	Freight	86	<&M05436	<&Y05436	<&M05497	<&Y05497	<&M05551	<&Y05551	<&M05604	<&Y05604	<&M05657	<&Y05657	35
36	Contributions	66	<&M05437	<&Y05437	<&M05498	<&Y05498	<&M05552	<&Y05552	<&M05605	<&Y05605	<&M05658	<&Y05658	36
37	Legal/Accounting	72	<&M05438	<&Y05438	<&M05499	<&Y05499	<&M05553	<&Y05553	<&M05606	<&Y05606	<&M05659	<&Y05659	37
38	Telephone	74	<&M05439	<&Y05439	<&M05500	<&Y05500	<&M05554	<&Y05554	<&M05607	<&Y05607	<&M05660	<&Y05660	38
39	Outside Services	68	<&M05440	<&Y05440	<&M05501	<&Y05501	<&M05555	<&Y05555	<&M05608	<&Y05608	<&M05661	<&Y05661	39
40	Bank/Credit Co. Serv. Fees	78	<&M05441	<&Y05441	<&M05502	<&Y05502	<&M05556	<&Y05556	<&M05609	<&Y05609	<&M05662	<&Y05662	40
41	Miscellaneous	76	<&M05442	<&Y05442	<&M05503	<&Y05503	<&M05557	<&Y05557	<&M05610	<&Y05610	<&M05663	<&Y05663	41
42	**TOTAL SEMI-FIXED EXP. (Lines 18-41)**		<&M05443	<&Y05443	<&M05504	<&Y05504	<&M05558	<&Y05558	<&M05611	<&Y05611	<&M05664	<&Y05664	42
43	Rent	80	<&M05444	<&Y05444	<&M05505	<&Y05505	<&M05559	<&Y05559	<&M05612	<&Y05612	<&M05665	<&Y05665	43
44	Brand Standards Bonus - M-B	94											44
45	Amort. - Leaseholds/Imprvmnts	81	<&M05445	<&Y05445	<&M05506	<&Y05506	<&M05560	<&Y05560	<&M05613	<&Y05613	<&M05666	<&Y05666	45
46	Repairs/Maint - Real Estate	82	<&M05446	<&Y05446	<&M05507	<&Y05507	<&M05561	<&Y05561	<&M05614	<&Y05614	<&M05667	<&Y05667	46
47	Deprec - Bldgs/Imprvmnts	83	<&M05447	<&Y05447	<&M05508	<&Y05508	<&M05562	<&Y05562	<&M05615	<&Y05615	<&M05668	<&Y05668	47
48	Taxes - Real Estate	84	<&M05448	<&Y05448	<&M05509	<&Y05509	<&M05563	<&Y05563	<&M05616	<&Y05616	<&M05669	<&Y05669	48
49	Insurance - Bldgs/Imprvmnts	85	<&M05449	<&Y05449	<&M05510	<&Y05510	<&M05564	<&Y05564	<&M05617	<&Y05617	<&M05670	<&Y05670	49
50	Interest - Mortgages	93	<&M05450	<&Y05450	<&M05511	<&Y05511	<&M05565	<&Y05565	<&M05618	<&Y05618	<&M05671	<&Y05671	50
51	Utilities	87	<&M05451	<&Y05451	<&M05512	<&Y05512	<&M05566	<&Y05566	<&M05619	<&Y05619	<&M05672	<&Y05672	51
52	Insurance - Other	88	<&M05453	<&Y05453	<&M05514	<&Y05514	<&M05568	<&Y05568	<&M05621	<&Y05621	<&M05674	<&Y05674	52
53	Taxes - Other	89	<&M05454	<&Y05454	<&M05515	<&Y05515	<&M05569	<&Y05569	<&M05622	<&Y05622	<&M05675	<&Y05675	53
54	Repairs/Maintenance - Equipment	90	<&M05455	<&Y05455	<&M05516	<&Y05516	<&M05570	<&Y05570	<&M05623	<&Y05623	<&M05676	<&Y05676	54
55	Depreciation - Equipment	91	<&M05456	<&Y05456	<&M05517	<&Y05517	<&M05571	<&Y05571	<&M05624	<&Y05624	<&M05677	<&Y05677	55
56	Rental - Equipment	92	<&M05457	<&Y05457	<&M05518	<&Y05518	<&M05572	<&Y05572	<&M05625	<&Y05625	<&M05678	<&Y05678	56
57	**TOTAL FIXED EXP. (Lines 43-56)**		<&M05458	<&Y05458	<&M05519	<&Y05519	<&M05573	<&Y05573	<&M05626	<&Y05626	<&M05679	<&Y05679	57
58	**TOTAL FIXED O.H. (Lines 17, 42 & 57)**		<&M05459	<&Y05459	<&M05520	<&Y05520	<&M05574	<&Y05574	<&M05627	<&Y05627	<&M05680	<&Y05680	58
59	**TOTAL EXPENSES (Lines 7 & 58)**		<&M05460	<&Y05460	<&M05521	<&Y05521	<&M05575	<&Y05575	<&M05628	<&Y05628	<&M05681	<&Y05681	59
60	**OPERATING PROFIT OR LOSS**		<&M05461	<&Y05461	<&M05522	<&Y05522	<&M05576	<&Y05576	<&M05629	<&Y05629	<&M05682	<&Y05682	60
61	Dealer Reserve (CV & smart)	639	<&M06929	<&Y06929									61
62	Customer Experience Sales Bonus - M-B	971											62
63	Customer Experience Service Bonus - M-B	964											63
64	New Vehicle Sales Bonus - M-B	962											64
65	Pre-Owned Veh. Sales Bonus -M-B	968											65
66	Commercial Vehicles Bonus	966											66
67	smart Performance Bonus	967	<&M05462	<&Y05462									67
68	Leadership Bonus	969	<&M07363	<&Y07363									68
69	Training Bonus	970											69
70	Pre-Owned Premier/CPO Bonuses	965											70
71	**OP P/L AFT INCENTIVES/RESERVE**		<&M05466	<&Y05466	<&M05524	<&Y05524	<&M05577	<&Y05577	<&M05630	<&Y05630	<&M05683	<&Y05683	71
72													72

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Mercedes-Benz USA, LLC

M-B GROSS PROFIT ANALYSIS - VARIABLE OPERATIONS - NEW VEHICLES - M-B

Ln No	CURRENT MONTH SALES	CURRENT MONTH GROSS PROFIT	PER UNIT SOLD	ACCT NO.	UNITS	GROSS PROFIT - R/L	UNITS	YEAR-TO-DATE SALES	YEAR-TO-DATE GROSS PROFIT	PER UNIT SOLD	Ln No
						NEW VEHICLES					
1	<&M07390	<&M07391	<&M07392	1463R/L	<&M07393	M-B C300A	<&Y07393	<&Y07390	<&Y07391	<&Y07392	1
2	<&M07394	<&M07395	<&M07396	1464R/L	<&M07397	M-B C300A4	<&Y07397	<&Y07394	<&Y07395	<&Y07396	2
3	<&M04627	<&M04628	<&M04629	496R/L	<&M04630	M-B C300C	<&Y04630	<&Y04627	<&Y04628	<&Y04629	3
4	<&M04976	<&M04977	<&M04978	519R/L	<&M04979	M-B C300C4	<&Y04979	<&Y04976	<&Y04977	<&Y04978	4
5	<&M07273	<&M07274	<&M07275	1452R/L	<&M07276	M-B C300D4	<&Y07276	<&Y07273	<&Y07274	<&Y07275	5
6	<&M02065	<&M02066	<&M02067	424R/L	<&M02068	M-B C300W	<&Y02068	<&Y02065	<&Y02066	<&Y02067	6
7	<&M02226	<&M02227	<&M02228	413R/L	<&M02229	M-B C300W4	<&Y02229	<&Y02226	<&Y02227	<&Y02228	7
8	<&M07277	<&M07278	<&M07279	1453R/L	<&M07280	M-B C350WE	<&Y07280	<&Y07277	<&Y07278	<&Y07279	8
9	<&M07281	<&M07282	<&M07283	1454R/L	<&M07284	AMG C43A4	<&Y07284	<&Y07281	<&Y07282	<&Y07283	9
10	<&M06711	<&M06721	<&M06731	1401R/L	<&M06741	AMG C43C4	<&Y06741	<&Y06711	<&Y06721	<&Y06731	10
11	<&M07095	<&M07096	<&M07097	1415R/L	<&M07098	AMG C43W4	<&Y07098	<&Y07095	<&Y07096	<&Y07097	11
12	<&M07398	<&M07399	<&M07400	1465R/L	<&M07401	AMG C63A	<&Y07401	<&Y07398	<&Y07399	<&Y07400	12
13	<&M06713	<&M06723	<&M06733	1403R/L	<&M06743	AMG C63AS	<&Y06743	<&Y06713	<&Y06723	<&Y06733	13
14	<&M04631	<&M04632	<&M04633	497R/L	<&M04634	AMG C63C	<&Y04634	<&Y04631	<&Y04632	<&Y04633	14
15	<&M07107	<&M07108	<&M07109	1418R/L	<&M07110	AMG C63CS	<&Y07110	<&Y07107	<&Y07108	<&Y07109	15
16	<&M02121	<&M02122	<&M02123	410R/L	<&M02124	AMG C63W	<&Y02124	<&Y02121	<&Y02122	<&Y02123	16
17	<&M07103	<&M07104	<&M07105	1417R/L	<&M07106	AMG C63WS	<&Y07106	<&Y07103	<&Y07104	<&Y07105	17
18	<&M06974	<&M06975	<&M06976	1412R/L	<&M06977	M-B CLA250C	<&Y06977	<&Y06974	<&Y06975	<&Y06976	18
19	<&M06978	<&M06979	<&M06980	1413R/L	<&M06981	M-B CLA250C4	<&Y06981	<&Y06978	<&Y06979	<&Y06980	19
20	<&M03012	<&M03013	<&M03014	523R/L	<&M03015	AMG CLA45C4	<&Y03015	<&Y03012	<&Y03013	<&Y03014	20
21	<&M00757	<&M00758	<&M00759	411R/L	<&M00760	M-B E300W	<&Y00760	<&Y00757	<&Y00758	<&Y00759	21
22	<&M01874	<&M01875	<&M01876	405R/L	<&M01877	M-B E300W4	<&Y01877	<&Y01874	<&Y01875	<&Y01876	22
23	<&M07119	<&M07120	<&M07121	1421R/L	<&M07122	M-B E400A	<&Y07122	<&Y07119	<&Y07120	<&Y07121	23
24	<&M07483	<&M07484	<&M07485	1479R/L	<&M07486	RESERVED	<&Y07486	<&Y07483	<&Y07484	<&Y07485	24
25	<&M07127	<&M07128	<&M07129	1423R/L	<&M07130	M-B E400C	<&Y07130	<&Y07127	<&Y07128	<&Y07129	25
26	<&M07131	<&M07132	<&M07133	1424R/L	<&M07134	M-B E400C4	<&Y07134	<&Y07131	<&Y07132	<&Y07133	26
27	<&M01870	<&M01871	<&M01872	402R/L	<&M01873	M-B E400S4	<&Y01873	<&Y01870	<&Y01871	<&Y01872	27
28	<&M04639	<&M04640	<&M04641	499R/L	<&M04642	M-B E550A	<&Y04642	<&Y04639	<&Y04640	<&Y04641	28
29	<&M03115	<&M03116	<&M03118	529R/L	<&M03117	M-B E550C	<&Y03117	<&Y03115	<&Y03116	<&Y03118	29
30	<&M02073	<&M02074	<&M02075	432R/L	<&M02076	AMG E43W4	<&Y02076	<&Y02073	<&Y02074	<&Y02075	30
31	<&M02001	<&M02002	<&M02003	435R/L	<&M02004	AMG E63W4	<&Y02004	<&Y02001	<&Y02002	<&Y02003	31
32	<&M07135	<&M07136	<&M07137	1425R/L	<&M07138	AMG E63W4S	<&Y07138	<&Y07135	<&Y07136	<&Y07137	32
33	<&M07139	<&M07140	<&M07141	1426R/L	<&M07142	AMG E63S4S	<&Y07142	<&Y07139	<&Y07140	<&Y07141	33
34	<&M07151	<&M07152	<&M07153	1429R/L	<&M07154	M-B CLS400C	<&Y07154	<&Y07151	<&Y07152	<&Y07153	34
35	<&M07155	<&M07156	<&M07157	1430R/L	<&M07158	M-B CLS400C4	<&Y07158	<&Y07155	<&Y07156	<&Y07157	35
36	<&M02408	<&M02409	<&M02410	565R/L	<&M02411	M-B CLS550C	<&Y02411	<&Y02408	<&Y02409	<&Y02410	36
37	<&M04984	<&M04985	<&M04986	538R/L	<&M04987	M-B CLS550C4	<&Y04987	<&Y04984	<&Y04985	<&Y04986	37
38	<&M07163	<&M07164	<&M07165	1432R/L	<&M07166	AMG CLS63C4S	<&Y07166	<&Y07163	<&Y07164	<&Y07165	38
39	<&M07402	<&M07403	<&M07404	1466R/L	<&M07405	RESERVED	<&Y07405	<&Y07402	<&Y07403	<&Y07404	39
40	<&M07406	<&M07407	<&M07408	1467R/L	<&M07409	RESERVED	<&Y07409	<&Y07406	<&Y07407	<&Y07408	40
41	<&M07167	<&M07168	<&M07169	1433R/L	<&M07170	M-B S550A	<&Y07170	<&Y07167	<&Y07168	<&Y07169	41
42	<&M07175	<&M07176	<&M07177	1435R/L	<&M07178	M-B S550C4	<&Y07178	<&Y07175	<&Y07176	<&Y07177	42
43	<&M00789	<&M00790	<&M00791	407R/L	<&M00792	M-B S550V	<&Y00792	<&Y00789	<&Y00790	<&Y00791	43
44	<&M02242	<&M02243	<&M02244	442R/L	<&M02245	M-B S550V4	<&Y02245	<&Y02242	<&Y02243	<&Y02244	44
45	<&M07285	<&M07286	<&M07287	1455R/L	<&M07288	M-B S550VE	<&Y07288	<&Y07285	<&Y07286	<&Y07287	45
46	<&M00793	<&M00794	<&M00795	406R/L	<&M00796	M-B S600V	<&Y00796	<&Y00793	<&Y00794	<&Y00795	46
47	<&M07171	<&M07172	<&M07173	1434R/L	<&M07174	AMG S63A4	<&Y07174	<&Y07171	<&Y07172	<&Y07173	47
48	<&M07191	<&M07192	<&M07193	1439R/L	<&M07194	AMG S63C4	<&Y07194	<&Y07191	<&Y07192	<&Y07193	48
49	<&M07187	<&M07188	<&M07189	1438R/L	<&M07190	AMG S63V4	<&Y07190	<&Y07187	<&Y07188	<&Y07189	49
50	<&M07199	<&M07200	<&M07201	1441R/L	<&M07202	AMG S65A	<&Y07202	<&Y07199	<&Y07200	<&Y07201	50
51	<&M07195	<&M07196	<&M07197	1440R/L	<&M07198	AMG S65C	<&Y07198	<&Y07195	<&Y07196	<&Y07197	51
52	<&M02436	<&M02437	<&M02438	572R/L	<&M02439	AMG S65V	<&Y02439	<&Y02436	<&Y02437	<&Y02438	52
53	<&M07147	<&M07148	<&M07149	1428R/L	<&M07150	RESERVED	<&Y07150	<&Y07147	<&Y07148	<&Y07149	53
54	<&M07289	<&M07290	<&M07291	1456R/L	<&M07292	MAYBACH S550X4	<&Y07292	<&Y07289	<&Y07290	<&Y07291	54
55	<&M07179	<&M07180	<&M07181	1436R/L	<&M07182	MAYBACH S600X	<&Y07182	<&Y07179	<&Y07180	<&Y07181	55
56	<&M07422	<&M07423	<&M07424	1471R/L	<&M07425	MAYBACH S650A	<&Y07425	<&Y07422	<&Y07423	<&Y07424	56
57	<&M07426	<&M07427	<&M07428	1472R/L	<&M07429	RESERVED	<&Y07429	<&Y07426	<&Y07427	<&Y07428	57
58	<&M07293	<&M07294	<&M07295	1457R/L	<&M07296	M-B SLC300R	<&Y07296	<&Y07293	<&Y07294	<&Y07295	58
59	<&M07430	<&M07431	<&M07432	1473R/L	<&M07433	AMG SLC43R	<&Y07433	<&Y07430	<&Y07431	<&Y07432	59
60	<&M07203	<&M07204	<&M07205	1442R/L	<&M07206	M-B SL450R	<&Y07206	<&Y07203	<&Y07204	<&Y07205	60
61	<&M00809	<&M00810	<&M00811	416R/L	<&M00812	M-B SL550R	<&Y00812	<&Y00809	<&Y00810	<&Y00811	61
62	<&M02246	<&M02247	<&M02248	495R/L	<&M02249	AMG SL63R	<&Y02249	<&Y02246	<&Y02247	<&Y02248	62
63	<&M02448	<&M02449	<&M02450	575R/L	<&M02451	AMG SL65R	<&Y02451	<&Y02448	<&Y02449	<&Y02450	63
64	<&M07434	<&M07435	<&M07436	1474R/L	<&M07437	RESERVED	<&Y07437	<&Y07434	<&Y07435	<&Y07436	64
65	<&M07438	<&M07439	<&M07440	1475R/L	<&M07441	RESERVED	<&Y07441	<&Y07438	<&Y07439	<&Y07440	65
66	<&M07207	<&M07208	<&M07209	1443R/L	<&M07210	M-B B-Class Electric Drive	<&Y07210	<&Y07207	<&Y07208	<&Y07209	66
67	<&M07442	<&M07443	<&M07444	1476R/L	<&M07445	AMG GT	<&Y07445	<&Y07442	<&Y07443	<&Y07444	67
68	<&M06970	<&M06971	<&M06972	1411R/L	<&M06973	AMG GTS	<&Y06973	<&Y06970	<&Y06971	<&Y06972	68
69	<&M07410	<&M07411	<&M07412	1468R/L	<&M07413	RESERVED	<&Y07413	<&Y07410	<&Y07411	<&Y07412	69
70	<&M07143	<&M07144	<&M07145	1427R/L	<&M07146	AMG GTR	<&Y07146	<&Y07143	<&Y07144	<&Y07145	70
71	<&M07414	<&M07415	<&M07416	1469R/L	<&M07417	AMG GTA	<&Y07417	<&Y07414	<&Y07415	<&Y07416	71
72	<&M07418	<&M07419	<&M07420	1470R/L	<&M07421	AMG GTCA	<&Y07421	<&Y07418	<&Y07419	<&Y07420	72
73	<&M07487	<&M07488	<&M07489	1480R/L	<&M07490	RESERVED	<&Y07490	<&Y07487	<&Y07488	<&Y07489	73
74	<&M07491	<&M07492	<&M07493	1481R/L	<&M07494	RESERVED	<&Y07494	<&Y07491	<&Y07492	<&Y07493	74
75	<&M07495	<&M07496	<&M07497	1482R/L	<&M07498	RESERVED	<&Y07498	<&Y07495	<&Y07496	<&Y07497	75
76	<&M07499	<&M07500	<&M07501	1483R/L	<&M07502	RESERVED	<&Y07502	<&Y07499	<&Y07500	<&Y07501	76
77	<&M07503	<&M07504	<&M07505	1484R/L	<&M07506	RESERVED	<&Y07506	<&Y07503	<&Y07504	<&Y07505	77
78	<&M07507	<&M07508	<&M07509	1485R/L	<&M07510	RESERVED	<&Y07510	<&Y07507	<&Y07508	<&Y07509	78
79	<&M00817	<&M00818	<&M00819		<&M00820	**TOTAL NEW M-B PC RETAIL/LEASE (Lines 1-78)**	<&Y00820	<&Y00817	<&Y00818	<&Y00819	79

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Ln No	CURRENT MONTH SALES	CURRENT MONTH GROSS PROFIT	PER UNIT SOLD	ACCT NO.	UNITS	GROSS PROFIT - R/L	UNITS	YEAR-TO-DATE SALES	YEAR-TO-DATE GROSS PROFIT	PER UNIT SOLD	Ln No
1	<&M07227	<&M07228	<&M07229	1448R/L	<&M07230	M-B GLA250W	<&Y07230	<&Y07227	<&Y07228	<&Y07229	1
2	<&M07231	<&M07232	<&M07233	1449R/L	<&M07234	M-B GLA250W4	<&Y07234	<&Y07231	<&Y07232	<&Y07233	2
3	<&M07235	<&M07236	<&M07237	1450R/L	<&M07238	AMG GLA45W4	<&Y07238	<&Y07235	<&Y07236	<&Y07237	3
4	<&M07239	<&M07240	<&M07241	1451R/L	<&M07242	M-B GLC300C4	<&Y07242	<&Y07239	<&Y07240	<&Y07241	4
5	<&M06720	<&M06730	<&M06740	1410R/L	<&M06750	M-B GLC300D4	<&Y06750	<&Y06720	<&Y06730	<&Y06740	5
6	<&M07511	<&M07512	<&M07513	1486R/L	<&M07514	RESERVED	<&Y07514	<&Y07511	<&Y07512	<&Y07513	6
7	<&M07309	<&M07310	<&M07311	1461R/L	<&M07312	M-B GLC300W	<&Y07312	<&Y07309	<&Y07310	<&Y07311	7
8	<&M07313	<&M07314	<&M07315	1462R/L	<&M07316	M-B GLC300W4	<&Y07316	<&Y07313	<&Y07314	<&Y07315	8
9	<&M07446	<&M07447	<&M07448	1477R/L	<&M07449	AMG GLC43C4	<&Y07449	<&Y07446	<&Y07447	<&Y07448	9
10	<&M07223	<&M07224	<&M07225	1447R/L	<&M07226	AMG GLC43W4	<&Y07226	<&Y07223	<&Y07224	<&Y07225	10
11	<&M07515	<&M07516	<&M07517	1487R/L	<&M07518	RESERVED	<&Y07518	<&Y07515	<&Y07516	<&Y07517	11
12	<&M07519	<&M07520	<&M07521	1488R/L	<&M07522	RESERVED	<&Y07522	<&Y07519	<&Y07520	<&Y07521	12
13	<&M07523	<&M07524	<&M07525	1489R/L	<&M07526	RESERVED	<&Y07526	<&Y07523	<&Y07524	<&Y07525	13
14	<&M07211	<&M07212	<&M07213	1444R/L	<&M07214	M-B GLE300D4	<&Y07214	<&Y07211	<&Y07212	<&Y07213	14
15	<&M03099	<&M03100	<&M03102	532R/L	<&M03101	M-B GLE350W	<&Y03101	<&Y03099	<&Y03100	<&Y03102	15
16	<&M03103	<&M03104	<&M03106	533R/L	<&M03105	M-B GLE350W4	<&Y03105	<&Y03103	<&Y03104	<&Y03106	16
17	<&M07297	<&M07298	<&M07299	1458R/L	<&M07300	M-B GLE550E4	<&Y07300	<&Y07297	<&Y07298	<&Y07299	17
18	<&M07305	<&M07306	<&M07307	1460R/L	<&M07308	AMG GLE43C4	<&Y07308	<&Y07305	<&Y07306	<&Y07307	18
19	<&M07215	<&M07216	<&M07217	1445R/L	<&M07218	AMG GLE43W4	<&Y07218	<&Y07215	<&Y07216	<&Y07217	19
20	<&M04655	<&M04656	<&M04657	509R/L	<&M04658	AMG GLE63C4S	<&Y04658	<&Y04655	<&Y04656	<&Y04657	20
21	<&M02005	<&M02006	<&M02007	491R/L	<&M02008	AMG GLE63W4	<&Y02008	<&Y02005	<&Y02006	<&Y02007	21
22	<&M07301	<&M07302	<&M07303	1459R/L	<&M07304	AMG GLE63W4S	<&Y07304	<&Y07301	<&Y07302	<&Y07303	22
23	<&M02936	<&M02937	<&M02938	584R/L	<&M02939	M-B GLS350D4	<&Y02939	<&Y02936	<&Y02937	<&Y02938	23
24	<&M02915	<&M02916	<&M02917	581R/L	<&M02918	M-B GLS450W4	<&Y02918	<&Y02915	<&Y02916	<&Y02917	24
25	<&M02948	<&M02949	<&M02950	521R/L	<&M02951	M-B GLS550W4	<&Y02951	<&Y02948	<&Y02949	<&Y02950	25
26	<&M06982	<&M06983	<&M06984	1414R/L	<&M06985	AMG GLS63W4	<&Y06985	<&Y06982	<&Y06983	<&Y06984	26
27	<&M02148	<&M02149	<&M02150	599R/L	<&M02151	M-B G550W4	<&Y02151	<&Y02148	<&Y02149	<&Y02150	27
28	<&M07450	<&M07451	<&M07452	1478R/L	<&M07453	M-B G550W44	<&Y07453	<&Y07450	<&Y07451	<&Y07452	28
29	<&M02452	<&M02453	<&M02454	576R/L	<&M02455	AMG G63W4	<&Y02455	<&Y02452	<&Y02453	<&Y02454	29
30	<&M06719	<&M06729	<&M06739	1409R/L	<&M06749	AMG G65W4	<&Y06749	<&Y06719	<&Y06729	<&Y06739	30
31	<&M04914	<&M04915	<&M04916	510R/L	<&M04917	RESERVED	<&Y04917	<&Y04914	<&Y04915	<&Y04916	31
32	<&M01763	<&M01764	<&M01765		<&M01766	**TOTAL NEW M-B LT RETAIL/LEASE (Lines 1-31)**	<&Y01766	<&Y01763	<&Y01764	<&Y01765	32
33	<&M01927	<&M01928	<&M01929		<&M01930	**TOTAL NEW M-B RETAIL/LEASE (Pg 7 Ln 79 + Pg 8 Ln 32)**	<&Y01930	<&Y01927	<&Y01928	<&Y01929	33
34	<&M00821	<&M00822	<&M00823	422	<&M00824	Affiliated Lease - M-B	<&Y00824	<&Y00821	<&Y00822	<&Y00823	34
35	<&M00825	<&M00826	<&M00827	428R/L	<&M00828	M-B Courtesy Vehicle Program (CVP)	<&Y00828	<&Y00825	<&Y00826	<&Y00827	35
36		<&M00829	<&M01941	645	<&M00830	Tourist Commissions	<&Y00830		<&Y00829	<&Y01941	36
37	<&M02456	<&M02457	<&M02458	577R/L	<&M02459	Fleet/Corporate Sales Program	<&Y02459	<&Y02456	<&Y02457	<&Y02458	37
38	<&M02254	<&M02131	<&M02132	596/597	<&M02133	MVP/Dealer Employee Purchase Program	<&Y02133	<&Y02254	<&Y02131	<&Y02132	38
39	<&M00831	<&M00832	<&M00833		<&M00834	**TOTAL NEW M-B (Lines 33-38)**	<&Y00834	<&Y00831	<&Y00832	<&Y00833	39
40	<&M00851	<&M00852	<&M00853	423/429R/L	<&M00854	Total New Other R/L	<&Y00854	<&Y00851	<&Y00852	<&Y00853	40
41	<&M02669	<&M02670	<&M02671		<&M02672	**TOTAL NEW VEHICLES (Lines 39 & 40)**	<&Y02672	<&Y02669	<&Y02670	<&Y02671	41
42		<&M02255	<&M02256	500-01A/550-51	<&M02257	Fin. & Lease Income - New M-B	<&Y02257		<&Y02255	<&Y02256	42
43		(<&M04703)		700-01A/750-51	<&M04988	F&L Income - New M-B - Chrgbcks/Refunds	<&Y04988		(<&Y04703)		43
44	<&M04704	<&M04705	<&M04706	586-87A/589-90	<&M04707	F&L Income - Aftermarket Prod - New M-B	<&Y04707	<&Y04704	<&Y04705	<&Y04706	44
45		<&M02258	<&M02259	502A/552	<&M02260	Prepaid Maintenance Income - New M-B	<&Y02260		<&Y02258	<&Y02259	45
46		<&M04708	<&M04709	588A/591	<&M04710	Extended Limited Warranty Income - New M-B	<&Y04710		<&Y04708	<&Y04709	46
47	<&M04711	<&M04712	<&M04713		<&M04714	**TOT F&L/SERV. CONTRACTS - NEW M-B (Lines 42-46)**	<&Y04714	<&Y04711	<&Y04712	<&Y04713	47
48		(<&M00871)		695A		New Vehicle Repossession Losses			(<&Y00871)		48
49	<&M04737	<&M04738	<&M04739		<&M04740	**TOT F&L/SC NEW - M-B (Lines 47 & 48)**	<&Y04740	<&Y04737	<&Y04738	<&Y04739	49
50	<&M04741	<&M02009	<&M02010	500-2B/586-87B	<&M02011	F&L, Serv. Contr & Aftrmkt Prod Inc - Other New	<&Y02011	<&Y04741	<&Y02009	<&Y02010	50
51	<&M04742	<&M00872	<&M01966		<&M00873	**TOT F&L/SERV. CONTR NEW - M-B/Other (Lines 49 & 50)**	<&Y00873	<&Y04742	<&Y00872	<&Y01966	51
52	<&M00874	<&M00875	<&M00876		<&M00877	**TOT NEW VEHICLE DEPARTMENT (Lines 41 & 51)**	<&Y00877	<&Y00874	<&Y00875	<&Y00876	52
53		(<&M00878)		697		LIFO Adjustments - New Vehicles			(<&Y00878)		53
54	<&M00879	<&M00880	<&M00881		<&M00882	**NET NEW VEHICLE DPRTMNT (Lines 52 & 53)**	<&Y00882	<&Y00879	<&Y00880	<&Y00881	54
55	**PRE-OWNED VEHICLES**										55
56	<&M02261	<&M02262	<&M02263	430/449 R/L	<&M02264	Pre-Owned Vehicles - M-B	<&Y02264	<&Y02261	<&Y02262	<&Y02263	56
57	<&M01931	<&M01932	<&M01933	447R/L	<&M01934	Pre-Owned Veh. Certified - M-B	<&Y01934	<&Y01931	<&Y01932	<&Y01933	57
58		(<&M02723)		708		Pre-Owned Veh. Reconditioning - M-B			(<&Y02723)		58
59		(<&M02012)		669		Pre-Owned Veh. Cert. Recond. - M-B			(<&Y02012)		59
60	<&M00888	<&M00889	<&M00890		<&M00891	**TOTAL PRE-OWNED M-B R/L (Lines 56-59)**	<&Y00891	<&Y00888	<&Y00889	<&Y00890	60
61	<&M02474	<&M02475	<&M02476	540R/L	<&M02477	Pre-Owned Maybach R/L	<&Y02477	<&Y02474	<&Y02475	<&Y02476	61
62	<&M00897	<&M00898	<&M00899	434R/L	<&M00900	Pre-Owned Other R/L	<&Y00900	<&Y00897	<&Y00898	<&Y00899	62
63	<&M01623	<&M01624	<&M01625		<&M01626	**TOTAL PRE-OWNED R/L (Lines 60-62)**	<&Y01626	<&Y01623	<&Y01624	<&Y01625	63
64	<&M00901	<&M00902	<&M00903	433A	<&M00904	Pre-Owned Veh Wholesales - M-B	<&Y00904	<&Y00901	<&Y00902	<&Y00903	64
65	<&M00905	<&M00906	<&M00907	433B	<&M00908	Pre-Owned Veh Wholesales - Other	<&Y00908	<&Y00905	<&Y00906	<&Y00907	65
66		(<&M00909)		634		Pre-Owned Veh Inventory Adjustments			(<&Y00909)		66
67	<&M00912	<&M00913	<&M00914		<&M00915	**TOTAL PRE-OWNED VEHICLE SALES (Lines 63-66)**	<&Y00915	<&Y00912	<&Y00913	<&Y00914	67
68		<&M02265	<&M02266	503-04A/553-54	<&M02267	Fin. & Lease Income - Pre-Owned M-B	<&Y02267		<&Y02265	<&Y02266	68
69		<&M01935	<&M01936	556	<&M01937	Fin. & Lease Income - P/O Certified - M-B	<&Y01937		<&Y01935	<&Y01936	69
70	<&M04751	<&M04752	<&M04753	592-93A/594-95	<&M04754	Fin. & Lease Income - Aftrmkt Products - P/O - M-B	<&Y04754	<&Y04751	<&Y04752	<&Y04753	70
71		<&M02268	<&M02269	505A/555	<&M02270	Serv. Cont. Income - Pre-Owned M-B	<&Y02270		<&Y02268	<&Y02269	71
72		<&M01938	<&M01939	557	<&M01940	Ext Limited Warr Income - Certified M-B P/O	<&Y01940		<&Y01938	<&Y01939	72
73	<&M04755	<&M04756	<&M04757		<&M04758	**TOT F&L/SERV. CONTRACTS - P/O M-B (Lines 68-72)**	<&Y04758	<&Y04755	<&Y04756	<&Y04757	73
74		<&M02478	<&M02479	541/542/543	<&M02480	Fin. & Lease Income / Serv. Comm - P/O Maybach	<&Y02480		<&Y02478	<&Y02479	74
75	<&M04759	<&M04760	<&M04761	3505-06	<&M04762	F&L Income - Aftrmkt Prod - P/O - Maybach	<&Y04762	<&Y04759	<&Y04760	<&Y04761	75
76	<&M04763	<&M04764	<&M04765		<&M04766	**TOT F&L/SERV. CONTRACTS - P/O MAYBACH (Lines 74 & 75)**	<&Y04766	<&Y04763	<&Y04764	<&Y04765	76
77		(<&M00932)		696		Pre-Owned Vehicle Repossession Losses			(<&Y00932)		77
78	<&M04781	<&M04782	<&M04783		<&M04784	**TOT F&L/SC P/O - M-B/MAY (Lines 73, 76 & 77)**	<&Y04784	<&Y04781	<&Y04782	<&Y04783	78
79	<&M04785	<&M02013	<&M02014	503-5B/592-93B	<&M02015	F&L, Serv. Cont.& Aftrmkt Prod Inc - P/O Other	<&Y02015	<&Y04785	<&Y02013	<&Y02014	79
80	<&M04789	<&M00933	<&M01970		<&M00934	**TOT F&L/SERV. CONTR P-O (Lines 78 & 79)**	<&Y00934	<&Y04789	<&Y00933	<&Y01970	80
81	<&M00935	<&M00936	<&M00937		<&M00938	**TOTAL PRE-OWNED VEHICLE DEPT.**	<&Y00938	<&Y00935	<&Y00936	<&Y00937	81
82		(<&M00939)		698		LIFO Adjustments - Pre-Owned Vehicles			(<&Y00939)		82
83	<&M00940	<&M00941	<&M00942		<&M00943	**NET PRE-OWNED VEHICLE DEPT.**	<&Y00943	<&Y00940	<&Y00941	<&Y00942	83
84	<&M00944	<&M00945	<&M00946		<&M00947	**TOTAL VARIABLE (Lines 54 & 83)**	<&Y00947	<&Y00944	<&Y00945	<&Y00946	84

Mercedes-Benz USA, LLC

Type: <&STP

M-B & OTHER GROSS PROFIT ANALYSIS - FIXED OPERATIONS

<&DCD <&DYR <&DMT

Ln No.	CURRENT MONTH						YEAR-TO-DATE				Ln No.
	FIXED OPERATIONS										
	SALES	GROSS PROFIT	GP%Sls	Acct	TRANS.		TRANS.	SALES	GROSS PROFIT	GP%Sls	
1	<&M02484	<&M02485	<&M02486	811	<&M02487	Customer Labor - Mechanical - M-B	<&Y02487	<&Y02484	<&Y02485	<&Y02486	1
2	<&M02496	<&M02497	<&M02498	814	<&M02499	Prepaid Maintenance Labor - M-B	<&Y02499	<&Y02496	<&Y02497	<&Y02498	2
3	<&M04790	<&M04791	<&M04792	844	<&M04793	Extended Limited Warranty Labor - M-B	<&Y04793	<&Y04790	<&Y04791	<&Y04792	3
4	<&M02492	<&M02493	<&M02494	813	<&M02495	Warranty Claim Labor - M-B	<&Y02495	<&Y02492	<&Y02493	<&Y02494	4
5	<&M07317	<&M07318	<&M07319	850	<&M07320	3rd Party Warranty Claim Labor - M-B	<&Y07320	<&Y07317	<&Y07318	<&Y07319	5
6	<&M02500	<&M02501	<&M02502	815	<&M02503	Internal Labor - M-B	<&Y02503	<&Y02500	<&Y02501	<&Y02502	6
7	<&M07063	<&M07064	<&M07065	401A	<&M07066	Express Labor - M-B	<&Y07066	<&Y07063	<&Y07064	<&Y07065	7
8	<&M07067	<&M07068	<&M07069	403A	<&M07070	Express PPM Labor - M-B	<&Y07070	<&Y07067	<&Y07068	<&Y07069	8
9	<&M07321	<&M07322	<&M07323	493A	<&M07324	Express Warranty Labor - M-B	<&Y07324	<&Y07321	<&Y07322	<&Y07323	9
10		(<&M00965)		657A		Unapplied Labor - M-B			(<&Y00965)		10
11	<&M01962	<&M01963	<&M01964		<&M01965	**TOTAL LABOR - M-B (Lines 1-10)**	<&Y01965	<&Y01962	<&Y01963	<&Y01964	11
12	<&M02679	<&M02680	<&M02681	816/818-20	<&M02682	Total Labor - Maybach	<&Y02682	<&Y02679	<&Y02680	<&Y02681	12
13	<&M02026	<&M02027	<&M02028	450-1B	<&M02029	Customer & SC Labor - Mechanical - Other	<&Y02029	<&Y02026	<&Y02027	<&Y02028	13
14	<&M00978	<&M00979	<&M00980	454B	<&M00981	Warranty Claim Labor - Other	<&Y00981	<&Y00978	<&Y00979	<&Y00980	14
15	<&M00982	<&M00983	<&M00984	455B	<&M00985	Internal Labor - Other	<&Y00985	<&Y00982	<&Y00983	<&Y00984	15
16		(<&M00986)		657B		Unapplied Labor - Other			(<&Y00986)		16
17	<&M02687	<&M02688	<&M02689		<&M02690	**TOTAL LABOR (Lines 11 & 12-16)**	<&Y02690	<&Y02687	<&Y02688	<&Y02689	17
18	<&M07325	<&M07326	<&M07327	851		Service Contract Income		<&Y07325	<&Y07326	<&Y07327	18
19	<&M00995	<&M00996	<&M00997	456		Sublet Repairs		<&Y00995	<&Y00996	<&Y00997	19
20	<&M00998	<&M00999	<&M01000	458		Gas, Oil & Grease		<&Y00998	<&Y00999	<&Y01000	20
21	<&M01001	<&M01002	<&M01003		<&M01004	**TOTAL SERVICE DEPT. (Lines 17-20)**	<&Y01004	<&Y01001	<&Y01002	<&Y01003	21
22	<&M02524	<&M02525	<&M02526	821		R.O. - Mechanical - M-B		<&Y02524	<&Y02525	<&Y02526	22
23	<&M02533	<&M02534	<&M02535	824		R.O. - Prepaid Maintenance - M-B		<&Y02533	<&Y02534	<&Y02535	23
24	<&M04815	<&M04816	<&M04817	845		R.O. - Extended Limited Warranty - M-B		<&Y04815	<&Y04816	<&Y04817	24
25	<&M02530	<&M02531	<&M02532	823		Warranty Claim - P&A - M-B		<&Y02530	<&Y02531	<&Y02532	25
26	<&M07329	<&M07330	<&M07331	852		3rd Party Warranty Claim P&A - M-B		<&Y07329	<&Y07330	<&Y07331	26
27	<&M02536	<&M02537	<&M02538	825		Internal - M-B		<&Y02536	<&Y02537	<&Y02538	27
28	<&M02539	<&M02540	<&M02541	826		R.O. - Body Shop - M-B		<&Y02539	<&Y02540	<&Y02541	28
29	<&M02542	<&M02543	<&M02544	827	<&M02545	Counter Retail - M-B	<&Y02545	<&Y02542	<&Y02543	<&Y02544	29
30	<&M02546	<&M02547	<&M02548	828	<&M02549	Wholesale - M-B	<&Y02549	<&Y02546	<&Y02547	<&Y02548	30
31	<&M02550	<&M02551	<&M02552	829	<&M02553	Accessories and Promotional Items - M-B	<&Y02553	<&Y02550	<&Y02551	<&Y02552	31
32	<&M02813	<&M02814	<&M02815	842	<&M02816	Wholesales - Body Shop Certified	<&Y02816	<&Y02813	<&Y02814	<&Y02815	32
33	<&M02817	<&M02818	<&M02819	843	<&M02820	Tires - M-B	<&Y02820	<&Y02817	<&Y02818	<&Y02819	33
34	<&M07071	<&M07072	<&M07073	404A		Express Parts - M-B		<&Y07071	<&Y07072	<&Y07073	34
35	<&M07075	<&M07076	<&M07077	408A		Express PPM Parts - M-B		<&Y07075	<&Y07076	<&Y07077	35
36	<&M07332	<&M07333	<&M07334	494A		Express Warranty Parts - M-B		<&Y07332	<&Y07333	<&Y07334	36
37		(<&M01029)		675A		Inventory Adjustments - M-B			(<&Y01029)		37
38	<&M01957	<&M01958	<&M01959			**TOTAL PARTS - M-B (Lines 22-37)**		<&Y01957	<&Y01958	<&Y01959	38
39	<&M02694	<&M02695	<&M02696	830/832-37		Total Parts - Maybach		<&Y02694	<&Y02695	<&Y02696	39
40	<&M02036	<&M02037	<&M02038	460-1B		R.O. - Mechanical & Service Contract - Other		<&Y02036	<&Y02037	<&Y02038	40
41	<&M01043	<&M01044	<&M01045	464B		Warranty Claim - P&A - Other		<&Y01043	<&Y01044	<&Y01045	41
42	<&M01046	<&M01047	<&M01048	465B		Internal - Other		<&Y01046	<&Y01047	<&Y01048	42
43	<&M01049	<&M01050	<&M01051	462B		R.O. - Body Shop - Other		<&Y01049	<&Y01050	<&Y01051	43
44	<&M01052	<&M01053	<&M01054	466B	<&M01055	Counter Retail - Other	<&Y01055	<&Y01052	<&Y01053	<&Y01054	44
45	<&M01056	<&M01057	<&M01058	467B	<&M01059	Wholesale - Other	<&Y01059	<&Y01056	<&Y01057	<&Y01058	45
46		<&M01060		668B		Stock Order Allowance - Other			<&Y01060		46
47		(<&M01061)		675B		Inventory Adjustments - Other			(<&Y01061)		47
48	<&M01062	<&M01063	<&M01064	480B	<&M01065	Accessories - Other	<&Y01065	<&Y01062	<&Y01063	<&Y01064	48
49	<&M01069	<&M01070	<&M01071	492	<&M01072	Assets Taken on Trade/Tires/Promo Gifts	<&Y01072	<&Y01069	<&Y01070	<&Y01071	49
50	<&M02691	<&M02692	<&M02693			**TOTAL PARTS DEPARTMENT - (Lines 38-49)**		<&Y02691	<&Y02692	<&Y02693	50
51		(<&M01076)		699		LIFO Adjustment - Parts			(<&Y01076)		51
52	<&M01077	<&M01078	<&M01079			**NET TOTAL PARTS DEPT. (Lines 50 & 51)**		<&Y01077	<&Y01078	<&Y01079	52
53	<&M02580	<&M02581	<&M02582	838	<&M02583	Customer Body Shop Labor - M-B	<&Y02583	<&Y02580	<&Y02581	<&Y02582	53
54	<&M02584	<&M02585	<&M02586	840		Customer Body Shop Parts Transfer - M-B		<&Y02584	<&Y02585	<&Y02586	54
55	<&M02587	<&M02588	<&M02589		<&M02590	**TOTAL BODY SHOP M-B (Lines 53 & 54)**	<&Y02590	<&Y02587	<&Y02588	<&Y02589	55
56	<&M02598	<&M02599	<&M02600	839/841	<&M02601	Total Body Shop - Maybach	<&Y02601	<&Y02598	<&Y02599	<&Y02600	56
57	<&M01084	<&M01085	<&M01086	452B	<&M01087	Customer Body Shop Labor - Other	<&Y01087	<&Y01084	<&Y01085	<&Y01086	57
58	<&M01091	<&M01092	<&M01093	453B		Customer Body Shop Parts Transfer - Other		<&Y01091	<&Y01092	<&Y01093	58
59	<&M01094	<&M01095	<&M01096	455C	<&M01097	Internal Body Shop Labor	<&Y01097	<&Y01094	<&Y01095	<&Y01096	59
60	<&M01098	<&M01099	<&M01100	456C		Sublet Repairs - Body Shop		<&Y01098	<&Y01099	<&Y01100	60
61	<&M01101	<&M01102	<&M01103	459		Paint & Body Shop Materials		<&Y01101	<&Y01102	<&Y01103	61
62		(<&M01104)		657C		Unapplied Labor - Body Shop			(<&Y01104)		62
63	<&M01105	<&M01106	<&M01107		<&M01108	**TOTAL BODY SHOP (Lines 55-62)**	<&Y01108	<&Y01105	<&Y01106	<&Y01107	63
64	<&M01109	<&M01110	<&M01111			**TOT SERV/PRTS/BODY (Lines 21, 52 & 63)**		<&Y01109	<&Y01110	<&Y01111	64
65	<&M01716	<&M01717	<&M01718			**TOTAL M-B ALL DEPTS**		<&Y01716	<&Y01717	<&Y01718	65
66	<&M01845	<&M01846	<&M01847			**TOTAL ALL DEPTS. (BEFORE LIFO) (Pg 8 Ln 84 + Pg 9 Ln 64)**		<&Y01845	<&Y01846	<&Y01847	66
67		(<&M01848)				**TOTAL LIFO ADJUSTMENTS**			(<&Y01848)		67
68	<&M01112	<&M01113	<&M01114			**NET ALL M-B & OTHER DEPT (Line 66 minus Line 67)**		<&Y01112	<&Y01113	<&Y01114	68

Mercedes-Benz USA, LLC

Ln No	CURRENT MONTH SALES	CURRENT MONTH GROSS PROFIT	PER UNIT SOLD	ACCT NO.	UNITS	GROSS PROFIT - R/L	UNITS	YEAR-TO-DATE SALES	YEAR-TO-DATE GROSS PROFIT	PER UNIT SOLD	Ln No
						NEW VEHICLES					
1	<&M07527	<&M07528	<&M07529	2415R/L	<&M07530	Metris Worker Cargo Van	<&Y07530	<&Y07527	<&Y07528	<&Y07529	1
2	<&M07531	<&M07532	<&M07533	2416R/L	<&M07534	Metris Worker Passenger Van	<&Y07534	<&Y07531	<&Y07532	<&Y07533	2
3	<&M06753	<&M06779	<&M06811	2408R/L	<&M06836	Metris VS20 Cargo Van	<&Y06836	<&Y06753	<&Y06779	<&Y06811	3
4	<&M06752	<&M06778	<&M06810	2407R/L	<&M06835	Metris VS20 Passenger Van	<&Y06835	<&Y06752	<&Y06778	<&Y06810	4
5	<&M07535	<&M07536	<&M07537	2417R/L	<&M07538	Sprinter Worker Cargo Van	<&Y07538	<&Y07535	<&Y07536	<&Y07537	5
6	<&M04679	<&M04680	<&M04681	2401R/L	<&M04682	Sprinter 2500 Cargo Van	<&Y04682	<&Y04679	<&Y04680	<&Y04681	6
7	<&M04687	<&M04688	<&M04689	2403R/L	<&M04690	Sprinter 2500 Passenger Van	<&Y04690	<&Y04687	<&Y04688	<&Y04689	7
8	<&M04683	<&M04684	<&M04685	2402R/L	<&M04686	Sprinter 3500 Cargo Van	<&Y04686	<&Y04683	<&Y04684	<&Y04685	8
9	<&M04691	<&M04692	<&M04693	2404R/L	<&M04694	Sprinter 3500 Cab Chassis	<&Y04694	<&Y04691	<&Y04692	<&Y04693	9
10	<&M07539	<&M07540	<&M07541	2418R/L	<&M07542	RESERVED	<&Y07542	<&Y07539	<&Y07540	<&Y07541	10
11	<&M04695	<&M04696	<&M04697		<&M04698	**TOTAL NEW COMMERCIAL VEHICLES RETAIL/LEASE**	<&Y04698	<&Y04695	<&Y04696	<&Y04697	11
12	<&M06986	<&M06987	<&M06988	2411R/L	<&M06989	Courtesy Vehicle Program (CVP) - Comm. Veh.	<&Y06989	<&Y06986	<&Y06987	<&Y06988	12
13	<&M06755	<&M06781	<&M06813	2410R/L	<&M06838	Fleet - Commercial Vehicles	<&Y06838	<&Y06755	<&Y06781	<&Y06813	13
14	<&M06756	<&M06782	<&M06814		<&M06839	**TOTAL NEW COMMERCIAL VEHICLES (Lines 11 - 13)**	<&Y06839	<&Y06756	<&Y06782	<&Y06814	14
15		<&M04723	<&M04724	500-01E	<&M04725	Fin. & Lease Income - New Commercial Vehicles	<&Y04725		<&Y04723	<&Y04724	15
16	<&M04726	<&M04727	<&M04728	586-87E	<&M04729	F&L Income - Aftrmkt Products - New CV	<&Y04729	<&Y04726	<&Y04727	<&Y04728	16
17		<&M04730	<&M04731	502E	<&M04732	Service Contract Income - New Commercial Vehicles	<&Y04732		<&Y04730	<&Y04731	17
18	<&M04733	<&M04734	<&M04735		<&M04736	**TOT F&L/SC - NEW COMMERCIAL VEHICLES (Lines 15 - 17)**	<&Y04736	<&Y04733	<&Y04734	<&Y04735	18
19		(<&M06783)		695E		New Vehicle Repossession Losses - CV			(<&Y06783)		19
20	<&M06757	<&M06784	<&M06815		<&M06840	**TOT F&L/SERV. CONTRACTS NEW - CV (Lines 18 & 19)**	<&Y06840	<&Y06757	<&Y06784	<&Y06815	20
21	<&M06758	<&M06785	<&M06816		<&M06841	**TOT NEW VEHICLE DEPARTMENT - CV (Lines 14 & 20)**	<&Y06841	<&Y06758	<&Y06785	<&Y06816	21
22		(<&M06786)		697E		LIFO Adjustments - New Commercial Vehicles			(<&Y06786)		22
23	<&M06759	<&M06787	<&M06817		<&M06842	**NET NEW VEHICLE DEPARTMENT - CV (Lines 21 & 22)**	<&Y06842	<&Y06759	<&Y06787	<&Y06817	23
24						**PRE-OWNED VEHICLES**					24
25	<&M04743	<&M04744	<&M04745	2405R/L	<&M04746	Pre-Owned Commercial Vehicles R/L	<&Y04746	<&Y04743	<&Y04744	<&Y04745	25
26	<&M06990	<&M06991	<&M06992	2412R/L	<&M06993	Pre-Owned Certified R/L - CV	<&Y06993	<&Y06990	<&Y06991	<&Y06992	26
27		(<&M06995)		2613		Pre-Owned Reconditioning - CV			(<&Y06995)		27
28		(<&M06999)		2614		Pre-Owned Certified Reconditioning - CV			(<&Y06999)		28
29	<&M07002	<&M07003	<&M07004		<&M07005	**TOTAL PRE-OWNED CV R/L (Lines 25 - 28)**	<&Y07005	<&Y07002	<&Y07003	**<&Y07004**	29
30	<&M04747	<&M04748	<&M04749	433E	<&M04750	Pre-Owned Veh Wholesales - Commercial Vehicles	<&Y04750	<&Y04747	<&Y04748	<&Y04749	30
31		(<&M06788)		634E		Pre-Owned Veh Inventory Adjustments - CV			(<&Y06788)		31
32	<&M06760	<&M06789	<&M06818		<&M06843	**TOTAL P-O VEHICLE SALES - CV (Lines 29 - 31)**	<&Y06843	<&Y06760	<&Y06789	<&Y06818	32
33		<&M04767	<&M04768	503-04E	<&M04769	Fin. & Lease Income - P/O Commercial Vehicles	<&Y04769		<&Y04767	<&Y04768	33
34	<&M04770	<&M04771	<&M04772	592-93E	<&M04773	F&L Income - Aftrmkt Products - P/O CV	<&Y04773	<&Y04770	<&Y04771	<&Y04772	34
35		<&M04774	<&M04775	505E	<&M04776	Serv. Cont. Income - Pre-Owned Commercial Vehicles	<&Y04776		<&Y04774	<&Y04775	35
36		<&M07011	<&M07012	557E	<&M07013	Extended Limited Warranties - Certified P/O - CV	<&Y07013		<&Y07011	<&Y07012	36
37	<&M04777	<&M04778	<&M04779		<&M04780	**TOT F&L/SERV. CONTRACTS - P/O CV (Lines 33 - 36)**	<&Y04780	<&Y04777	<&Y04778	<&Y04779	37
38		(<&M06790)		696E		Pre-Owned Vehicle Repossession Losses - CV			(<&Y06790)		38
39	<&M06761	<&M06791	<&M06819		<&M06844	**TOT F&L/SC P/O - CV (Lines 37 & 38)**	<&Y06844	<&Y06761	<&Y06791	<&Y06819	39
40	<&M06762	<&M06792	<&M06820		<&M06845	**TOTAL PRE-OWNED VEHICLE DEPT. - CV**	<&Y06845	<&Y06762	<&Y06792	<&Y06820	40
41		(<&M06793)		698E		LIFO Adjustments - Pre-Owned Commercial Vehicles			(<&Y06793)		41
42	<&M06764	<&M06794	<&M06821		<&M06846	**NET PRE-OWNED VEHICLE DEPT. - CV**	<&Y06846	<&Y06764	<&Y06794	<&Y06821	42
43	<&M06765	<&M06795	<&M06822		<&M06847	**TOTAL VARIABLE CV (Lines 23 & 42)**	<&Y06847	<&Y06765	<&Y06795	<&Y06822	43
44						**FIXED OPERATIONS**					44
45	**SALES**	**GROSS PROFIT**	**GP%Sls**	**Acct**	**TRANS.**		**TRANS.**	**SALES**	**GROSS PROFIT**	**GP%Sls**	45
46	<&M04794	<&M04795	<&M04796	811E	<&M04797	Customer Labor - Mechanical - Commercial Vehicles	<&Y04797	<&Y04794	<&Y04795	<&Y04796	46
47	<&M04798	<&M04799	<&M04800	814E	<&M04801	Service Contract Labor - Commercial Vehicles	<&Y04801	<&Y04798	<&Y04799	<&Y04800	47
48	<&M04802	<&M04803	<&M04804	813E	<&M04805	Warranty Claim Labor - Commercial Vehicles	<&Y04805	<&Y04802	<&Y04803	<&Y04804	48
49	<&M04806	<&M04807	<&M04808	815E	<&M04809	Internal Labor - Commercial Vehicles	<&Y04809	<&Y04806	<&Y04807	<&Y04808	49
50	<&M07335	<&M07336	<&M07337	401E	<&M07338	Express Labor - CV	<&Y07338	<&Y07335	<&Y07336	<&Y07337	50
51	<&M07339	<&M07340	<&M07341	403E	<&M07342	Express PPM Labor - CV	<&Y07342	<&Y07339	<&Y07340	<&Y07341	51
52	<&M07343	<&M07344	<&M07345	493E	<&M07346	Express Warranty Labor - CV	<&Y07346	<&Y07343	<&Y07344	<&Y07345	52
53		(<&M04810)		657E		Unapplied Labor - Commercial Vehicles			(<&Y04810)		53
54	<&M04811	<&M04812	<&M04813		<&M04814	**TOTAL LABOR - CV (Lines 46 - 53)**	<&Y04814	<&Y04811	<&Y04812	<&Y04813	54
55	<&M06766	<&M06796	<&M06823	456E		Sublet Repairs - Commercial Vehicles		<&Y06766	<&Y06796	<&Y06823	55
56	<&M06767	<&M06797	<&M06824	458E		Gas, Oil & Grease - Commercial Vehicles		<&Y06767	<&Y06797	<&Y06824	56
57	<&M06768	<&M06798	<&M06825		<&M06848	**TOTAL SERVICE DEPT. - CV (Lines 54 - 56)**	<&Y06848	<&Y06768	<&Y06798	<&Y06825	57
58	<&M04818	<&M04819	<&M04820	821E		R.O. - Mechanical - Commercial Vehicles		<&Y04818	<&Y04819	<&Y04820	58
59	<&M04821	<&M04822	<&M04823	824E		R.O. - Service Contract - Commercial Vehicles		<&Y04821	<&Y04822	<&Y04823	59
60	<&M04824	<&M04825	<&M04826	823E		Warranty Claim - P&A - Commercial Vehicles		<&Y04824	<&Y04825	<&Y04826	60
61	<&M04827	<&M04828	<&M04829	825E		Internal - Commercial Vehicles		<&Y04827	<&Y04828	<&Y04829	61
62	<&M07347	<&M07348	<&M07349	404E		Express Parts - CV		<&Y07347	<&Y07348	<&Y07349	62
63	<&M07350	<&M07351	<&M07352	408E		Express PPM Parts - CV		<&Y07350	<&Y07351	<&Y07352	63
64	<&M07353	<&M07354	<&M07355	494E		Express Warranty Parts - CV		<&Y07353	<&Y07354	<&Y07355	64
65	<&M04830	<&M04831	<&M04832	826E		R.O. - Body Shop - Commercial Vehicles		<&Y04830	<&Y04831	<&Y04832	65
66	<&M04833	<&M04834	<&M04835	827E	<&M04836	Counter Retail - Commercial Vehicles	<&Y04836	<&Y04833	<&Y04834	<&Y04835	66
67	<&M04837	<&M04838	<&M04839	828E	<&M04840	Wholesale - Commercial Vehicles	<&Y04840	<&Y04837	<&Y04838	<&Y04839	67
68	<&M04841	<&M04842	<&M04843	829E	<&M04844	Accessories & Promotional Items - CV	<&Y04844	<&Y04841	<&Y04842	<&Y04843	68
69	<&M06769	<&M06799	<&M06826	843E	<&M06849	Tires - Commercial Vehicles	<&Y06849	<&Y06769	<&Y06799	<&Y06826	69
70		(<&M04845)		675E		Inventory Adjustments - Commercial Vehicles			(<&Y04845)		70
71	<&M06770	<&M06800	<&M06827	492E	<&M06850	Assets Taken on Trade/Tires/Promo Gifts - CV	<&Y06850	<&Y06770	<&Y06800	<&Y06827	71
72	<&M04846	<&M04847	<&M04848			**TOTAL PARTS - CV (Lines 58 - 71)**		<&Y04846	<&Y04847	<&Y04848	72
73		(<&M06801)		699E		LIFO Adjustment - Parts - Commercial Vehicles			(<&Y06801)		73
74	<&M06771	<&M06802	<&M06828			**NET TOTAL PARTS DEPT. (Lines 72 & 73)**		<&Y06771	<&Y06802	<&Y06828	74
75	<&M04849	<&M04850	<&M04851	838E	<&M04852	Customer Body Shop Labor - Commercial Vehicles	<&Y04852	<&Y04849	<&Y04850	<&Y04851	75
76	<&M04853	<&M04854	<&M04855	840E		Customer Body Shop Parts Transfer - CV		<&Y04853	<&Y04854	<&Y04855	76
77	<&M06772	<&M06803	<&M06829	455E	<&M06851	Internal Body Shop Labor - Commercial Vehicles	<&Y06851	<&Y06772	<&Y06803	<&Y06829	77
78	<&M06773	<&M06804	<&M06830	2456E		Sublet Repairs - Body Shop - Commercial Vehicles		<&Y06773	<&Y06804	<&Y06830	78
79	<&M06774	<&M06805	<&M06831	459E		Paint & Body Shop Materials - Commercial Vehicles		<&Y06774	<&Y06805	<&Y06831	79
80		(<&M06806)		2657E		Unapplied Labor - Body Shop - Commercial Veh.			(<&Y06806)		80
81	<&M04856	<&M04857	<&M04858		<&M06936	**TOTAL BODY SHOP CV (Lines 75 - 80)**	<&Y06936	<&Y04856	<&Y04857	<&Y04858	81
82	<&M06775	<&M06807	<&M06832			**TOT SERV/PRTS/BODY CV**		<&Y06775	<&Y06807	<&Y06832	82
83	<&M06776	<&M06808	<&M06833			**NET ALL CV DEPT. (Ln 43 & 82)**		<&Y06776	<&Y06808	<&Y06833	83

Mercedes-Benz USA, LLC

Type: <&STP

SMART VEHICLE ANALYSIS

<&DCD <&DYR <&DMT

Ln No	CURRENT MONTH SALES	CURRENT MONTH GROSS PROFIT	PER UNIT SOLD	ACCT NO.	UNITS	GROSS PROFIT - R/L	UNITS	YEAR-TO-DATE SALES	YEAR-TO-DATE GROSS PROFIT	PER UNIT SOLD	Ln No
						NEW VEHICLES					
1	<&M05755	<&M05770	<&M05792	3401R/L	<&M05812	smartC (Coupe)	<&Y05812	<&Y05755	<&Y05770	<&Y05792	1
2	<&M05757	<&M05772	<&M05794	3403R/L	<&M05814	smartA (Cabriolet)	<&Y05814	<&Y05757	<&Y05772	<&Y05794	2
3	<&M07454	<&M07455	<&M07456	3416R/L	<&M07457	RESERVED	<&Y07457	<&Y07454	<&Y07455	<&Y07456	3
4	<&M05760	<&M05775	<&M05797	3406R/L	<&M05817	smartCE (Electric Drive - Coupe)	<&Y05817	<&Y05760	<&Y05775	<&Y05797	4
5	<&M07006	<&M07007	<&M07008	3415R/L	<&M07009	smartAE (Electric Drive - Cabriolet)	<&Y07009	<&Y07006	<&Y07007	<&Y07008	5
6	<&M06854	<&M06866	<&M06881	3409R/L	<&M06892	RESERVED	<&Y06892	<&Y06854	<&Y06866	<&Y06881	6
7	<&M05764	<&M05779	<&M05801		<&M05821	**TOTAL NEW SMART VEHICLES RETAIL/LEASE**	<&Y05821	<&Y05764	<&Y05779	<&Y05801	7
8	<&M05765	<&M05780	<&M05802	3410R/L	<&M05822	smart Courtesy Vehicle Program (CVP)	<&Y05822	<&Y05765	<&Y05780	<&Y05802	8
9	<&M05766	<&M05782	<&M05804	3411R/L	<&M05824	smart Fleet Corporate Sales Program	<&Y05824	<&Y05766	<&Y05782	<&Y05804	9
10	<&M05767	<&M05783	<&M05805		<&M05825	**TOTAL NEW SMART VEHICLES (Lines 7-9)**	<&Y05825	<&Y05767	<&Y05783	<&Y05805	10
11		<&M05784	<&M05806	500-01S	<&M05826	Fin. & Lease Income - New smart	<&Y05826		<&Y05784	<&Y05806	11
12	<&M06855	<&M06867	<&M06882	586-87S	<&M06893	F&L Income - Aftrmkt Products - New smart	<&Y06893	<&Y06855	<&Y06867	<&Y06882	12
13		<&M05785	<&M05807	502S	<&M05827	Serv. Contract & Ext. Warranty - New smart	<&Y05827		<&Y05785	<&Y05807	13
14		<&M05786	<&M05808	3412S	<&M05828	Insurance & Other Products - New smart	<&Y05828		<&Y05786	<&Y05808	14
15	<&M06856	<&M06868	<&M06883		<&M06894	**TOT F&L/SC - NEW SMART (Lines 11-14)**	<&Y06894	<&Y06856	<&Y06868	<&Y06883	15
16		(<&M05787)		695S		New Vehicle Repossession Losses - smart			(<&Y05787)		16
17	<&M06857	<&M05788	<&M05809		<&M05829	**TOT F&L/SERV. CONTR NEW SMART (Lines 15 & 16)**	<&Y05829	<&Y06857	<&Y05788	<&Y05809	17
18	<&M05768	<&M05789	<&M05810		<&M05830	**TOT SMART NEW VEH DEPT (Lines 10 & 17)**	<&Y05830	<&Y05768	<&Y05789	<&Y05810	18
19		(<&M05790)		697S		LIFO Adjustments - New Vehicles - smart			(<&Y05790)		19
20	<&M05769	<&M05791	<&M05811		<&M05831	**NET SMART NEW VEH DEPT (Lines 18 & 19)**	<&Y05831	<&Y05769	<&Y05791	<&Y05811	20
21						**PRE-OWNED VEHICLES**					21
22	<&M05832	<&M05843	<&M05865	3413R/L	<&M05882	Pre-Owned Vehicles - smart	<&Y05882	<&Y05832	<&Y05843	<&Y05865	22
23	<&M05833	<&M05844	<&M05866	3414R/L	<&M05883	Pre-Owned Veh Certified - smart	<&Y05883	<&Y05833	<&Y05844	<&Y05866	23
24		(<&M06869)		708S		Pre-Owned Veh. Reconditioning - smart			(<&Y06869)		24
25		(<&M06870)		669S		Pre-Owned Veh. Cert. Recond. - smart			(<&Y06870)		25
26	<&M05834	<&M05847	<&M05867		<&M05884	**TOTAL PRE-OWNED SMART R/L (Lines 22-25)**	<&Y05884	<&Y05834	<&Y05847	<&Y05867	26
27	<&M05837	<&M05850	<&M05870	433S	<&M05887	Pre-Owned Veh Wholesales - smart	<&Y05887	<&Y05837	<&Y05850	<&Y05870	27
28		(<&M05852)		634S		Pre-Owned Veh Inventory Adjustments - smart			(<&Y05852)		28
29	<&M05839	<&M05853	<&M05872		<&M05889	**TOTAL P-O VEH SALES - SMART (Lines 26-28)**	<&Y05889	<&Y05839	<&Y05853	<&Y05872	29
30		<&M05854	<&M05873	503-04S	<&M05890	Fin. & Lease Income - P/O - smart	<&Y05890		<&Y05854	<&Y05873	30
31	<&M06858	<&M06871	<&M06884	592-93S	<&M06895	F&L Income - Aftrmkt Products - P/O - smart	<&Y06895	<&Y06858	<&Y06871	<&Y06884	31
32		<&M05857	<&M05876	505S	<&M05893	Serv. Cont. Income - Pre-Owned - smart	<&Y05893		<&Y05857	<&Y05876	32
33		<&M05856	<&M05875	557S	<&M05892	Extended Limited Warranties - Certified P/O - smart	<&Y05892		<&Y05856	<&Y05875	33
34	<&M06859	<&M05860	<&M05878		<&M05895	**TOT F&L/SERV. CONTR-P/O- SMART (Lines 30-33)**	<&Y05895	<&Y06859	<&Y05860	<&Y05878	34
35		(<&M05862)		696S		Pre-Owned Vehicle Repossession Losses - smart			(<&Y05862)		35
36	<&M05840	<&M05861	<&M05879		<&M05896	**TOTAL P-O VEH DEPT. - SMART (Lines 29, 34 & 35)**	<&Y05896	<&Y05840	<&Y05861	<&Y05879	36
37		(<&M06873)		698S		LIFO Adjustments - Pre-Owned Vehicles - smart			(<&Y06873)		37
38	<&M05841	<&M05863	<&M05880		<&M05897	**NET P-O VEH DEPT - SMART (Lines 36 & 37)**	<&Y05897	<&Y05841	<&Y05863	<&Y05880	38
39	<&M05842	<&M05864	<&M05881		<&M05898	**TOTAL VARIABLE - SMART (Lines 20 & 38)**	<&Y05898	<&Y05842	<&Y05864	<&Y05881	39
40						**FIXED OPERATIONS**					40
41	**SALES**	**GROSS PROFIT**	**GP%Sls**	**Acct**	**TRANS.**		**TRANS.**	**SALES**	**GROSS PROFIT**	**GP%Sls**	41
42	<&M06039	<&M06088	<&M06146	811S	<&M06195	Customer Labor - Mechanical - smart	<&Y06195	<&Y06039	<&Y06088	<&Y06146	42
43	<&M06041	<&M06090	<&M06148	814S	<&M06197	Service Contract Labor - smart	<&Y06197	<&Y06041	<&Y06090	<&Y06148	43
44	<&M06042	<&M06091	<&M06149	813S	<&M06198	Warranty Claim Labor - smart	<&Y06198	<&Y06042	<&Y06091	<&Y06149	44
45	<&M06043	<&M06092	<&M06150	815S	<&M06199	Internal Labor - smart	<&Y06199	<&Y06043	<&Y06092	<&Y06150	45
46	<&M07079	<&M07080	<&M07081	401S	<&M07082	Express Labor - smart	<&Y07082	<&Y07079	<&Y07080	<&Y07081	46
47	<&M07083	<&M07084	<&M07085	403S	<&M07086	Express PPM Labor - smart	<&Y07086	<&Y07083	<&Y07084	<&Y07085	47
48	<&M07356	<&M07357	<&M07358	493S	<&M07359	Express Warranty Labor - smart	<&Y07359	<&Y07356	<&Y07357	<&Y07358	48
49		(<&M06093)		657S		Unapplied Labor - smart			(<&Y06093)		49
50	<&M06044	<&M06094	<&M06151		<&M06200	**TOTAL LABOR - SMART (Lines 42-49)**	<&Y06200	<&Y06044	<&Y06094	<&Y06151	50
51	<&M06050	<&M06101	<&M06157	456S		Sublet Repairs - smart		<&Y06050	<&Y06101	<&Y06157	51
52	<&M06051	<&M06102	<&M06158	458S		Gas, Oil & Grease - smart		<&Y06051	<&Y06102	<&Y06158	52
53	<&M06052	<&M06103	<&M06159		<&M06206	**TOTAL SERVICE DEPT. - SMART (Lines 50-52)**	<&Y06206	<&Y06052	<&Y06103	<&Y06159	53
54	<&M06053	<&M06104	<&M06160	821S		R.O. - Mechanical - smart		<&Y06053	<&Y06104	<&Y06160	54
55	<&M06055	<&M06106	<&M06162	824S		R.O. - Service Contract - smart		<&Y06055	<&Y06106	<&Y06162	55
56	<&M06054	<&M06105	<&M06161	823S		Warranty Claim - P&A - smart		<&Y06054	<&Y06105	<&Y06161	56
57	<&M06056	<&M06107	<&M06163	825S		Internal - smart		<&Y06056	<&Y06107	<&Y06163	57
58	<&M06057	<&M06108	<&M06164	826S		R.O. - Body Shop - smart		<&Y06057	<&Y06108	<&Y06164	58
59	<&M06058	<&M06109	<&M06165	827S	<&M06207	Counter Retail - smart	<&Y06207	<&Y06058	<&Y06109	<&Y06165	59
60	<&M06059	<&M06110	<&M06166	828S	<&M06208	Wholesale - smart	<&Y06208	<&Y06059	<&Y06110	<&Y06166	60
61	<&M06060	<&M06111	<&M06167	829S	<&M06209	Accessories & Promotional Items - smart	<&Y06209	<&Y06060	<&Y06111	<&Y06167	61
62		<&M06112		930S		Stock Order Allowance - smart			<&Y06112		62
63	<&M06061	<&M06113	<&M06168	842S	<&M06210	Wholesale Body Shop - smart	<&Y06210	<&Y06061	<&Y06113	<&Y06168	63
64	<&M06062	<&M06114	<&M06169	843S	<&M06211	Tires - smart	<&Y06211	<&Y06062	<&Y06114	<&Y06169	64
65		(<&M06115)		675S		Inventory Adjustments - smart			(<&Y06115)		65
66	<&M06860	<&M06874	<&M06886	492S	<&M06897	Assets Taken on Trade/Tires/Promo Gifts - smart	<&Y06897	<&Y06860	<&Y06874	<&Y06886	66
67	<&M07087	<&M07088	<&M07089	404S		Express Parts - smart		<&Y07087	<&Y07088	<&Y07089	67
68	<&M07091	<&M07092	<&M07093	408S		Express PPM Parts - smart		<&Y07091	<&Y07092	<&Y07093	68
69	<&M07360	<&M07361	<&M07362	494S		Express Warranty Parts - smart		<&Y07360	<&Y07361	<&Y07362	69
70	<&M06063	<&M06116	<&M06170			**TOTAL PARTS - SMART (Lines 54-69)**		<&Y06063	<&Y06116	<&Y06170	70
71		(<&M06129)		699S		LIFO Adjustment - Parts - smart			(<&Y06129)		71
72	<&M06074	<&M06130	<&M06181			**NET TOTAL PARTS DEPT. SMART (Lines 70 & 71)**		<&Y06074	<&Y06130	<&Y06181	72
73	<&M06075	<&M06131	<&M06182	838S	<&M06216	Customer Body Shop Labor - smart	<&Y06216	<&Y06075	<&Y06131	<&Y06182	73
74	<&M06076	<&M06132	<&M06183	840S		Customer Body Shop Parts Transfer - smart		<&Y06076	<&Y06132	<&Y06183	74
75	<&M06861	<&M06875	<&M06887	455S	<&M06898	Internal Body Shop Labor - smart	<&Y06898	<&Y06861	<&Y06875	<&Y06887	75
76	<&M06862	<&M06876	<&M06888	3456S		Sublet Repairs - Body Shop - smart		<&Y06862	<&Y06876	<&Y06888	76
77	<&M06863	<&M06877	<&M06889	459S		Paint & Body Shop Materials - smart		<&Y06863	<&Y06877	<&Y06889	77
78		(<&M06878)		3657S		Unapplied Labor - Body Shop - smart			(<&Y06878)		78
79	<&M06077	<&M06133	<&M06184		<&M06220	**TOTAL BODY SHOP SMART (Lines 73-78)**	<&Y06220	<&Y06077	<&Y06133	<&Y06184	79
80	<&M06084	<&M06141	<&M06191			**TOT SERV/PRTS/BODY SMART**		<&Y06084	<&Y06141	<&Y06191	80
81	<&M06087	<&M06145	<&M06194			**NET ALL SMART DEPT.**		<&Y06087	<&Y06145	<&Y06194	81

Mercedes-Benz USA, LLC

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SUMMARY OF OPERATING RESULTS

Ln	RECEIVABLES ANALYSIS	TOTAL	CURRENT	31 - 60	61 - 90	OVER 90	Ln
1							1
2	Vehicle	<&M00469	<&M00470	<&M00471	<&M00472	<&M00473	2
3	Service, Parts & Body	<&M00474	<&M00475	<&M00476	<&M00477	<&M00478	3
4	Warranty	<&M00479	<&M00480	<&M00481	<&M00482	<&M00483	4
5							5

Ln	INVENTORY ANALYSIS	TOTAL UNITS	TOTAL AMOUNT	CURRENT UNITS	CURRENT AMOUNT	31-60 UNITS	31-60 AMOUNT	61+ UNITS	61+ AMOUNT	Ln
6										6
7										7
8	Demonstrators	<&M02602	<&M02603	<&M02604	<&M02605	<&M02606	<&M02607	<&M02608	<&M02609	8
9	Courtesy Vehicle Program (CVP)	<&M02642	<&M02643	<&M02644	<&M02645	<&M02646	<&M02647	<&M02648	<&M02649	9
10	New Vehicles - M-B	<&M02610	<&M02611	<&M02612	<&M02613	<&M02614	<&M02615	<&M02616	<&M02617	10
11	New Vehicles - CV	<&M04859	<&M04860	<&M04861	<&M04862	<&M04863	<&M04864	<&M04865	<&M04866	11
12	New Vehicles - smart	<&M06343	<&M06344	<&M06367	<&M06386	<&M06405	<&M06406	<&M06429	<&M06448	12
13	New Vehicles - Other	<&M02626	<&M02627	<&M02628	<&M02629	<&M02630	<&M02631	<&M02632	<&M02633	13
14	Pre-Owned Vehicles - M-B	<&M00484	<&M00485	<&M00486	<&M00487	<&M00488	<&M00489	<&M00490	<&M00491	14
15	Pre-Owned Vehicles - CV	<&M04867	<&M04868	<&M04869	<&M04870	<&M04871	<&M04872	<&M04873	<&M04874	15
16	Pre-Owned Vehicles - smart	<&M06458	<&M06505	<&M06763	<&M06872	<&M06885	<&M06896	<&M06899	<&M06900	16
17	Pre-Owned Vehicles - Other	<&M04875	<&M04876	<&M04877	<&M04878	<&M04879	<&M04880	<&M04881	<&M04882	17

Ln		TOTAL	0 mos. - 12 mos.	OVER 12 mos.	Ln
18					18
19	Parts	<&M02904	<&M02905	<&M02906	19
20	Accessories	<&M02907	<&M02908	<&M02909	20

Ln	Hourly Labor Rates	Customer	Warranty	Internal	Ln
21					21
22	Mechanical - M-B	<&M00651	<&M00656	<&M00658	22
23	Mechanical - Maybach	<&M02650	<&M02652	<&M02654	23
24	Mechanical - CV	<&M04883	<&M04884	<&M04885	24
25	Mechanical - smart	<&M06930	<&M06931	<&M06901	25
26	Mechanical - Other	<&M00663	<&M00664	<&M00665	26
27	Body Shop - M-B	<&M00666	<&M00667	<&M00668	27
28	Body Shop - Maybach	<&M02656	<&M02658	<&M02660	28
29	Body Shop - CV	<&M04886	<&M04887	<&M04888	29
30	Body Shop - smart	<&M06902	<&M06903	<&M06904	30
31	Body Shop - Other	<&M00669	<&M00670	<&M00671	31
32	**Effective Labor Rate - M-B**	<&M02662	<&M02663	<&M02664	32
33	**Effective Labor Rate - CV**	<&M04889	<&M04890	<&M04891	33
34	**Effective Labor Rate - smart**	<&M06905	<&M06906	<&M06907	34

Ln	Total Labor Hours By Category	Current Month	Year-To-Date	Ln
35				35
36	Customer Labor - Mechanical M-B	<&M02791	<&Y02791	36
37	Prepaid Maintenance Labor - M-B	<&M02794	<&Y02794	37
38	Extended Limited Warranty Labor - M-B	<&M04893	<&Y04893	38
39	Warranty Claim Labor M-B	<&M02793	<&Y02793	39
40	Internal Labor M-B	<&M02795	<&Y02795	40
41	**Total M-B Labor Hours**	<&M02796	<&Y02796	41
42	Consolidated Customer Pay Labor - M-B	<&M03131	<&Y03131	42
43	**Total M-B Labor per RO**	<&M03132	<&Y03132	43
44	Customer Labor - Mechanical - CV	<&M04894	<&Y04894	44
45	Service Contract Labor - Commercial Vehicles	<&M04895	<&Y04895	45
46	Warranty Claim Labor - Commercial Vehicles	<&M04896	<&Y04896	46
47	Internal Labor - Commercial Vehicles	<&M04897	<&Y04897	47
48	**Total Commercial Vehicles Labor Hours**	<&M04898	<&Y04898	48
49	Customer Labor - Mechanical - smart	<&M06909	<&Y06909	49
50	Service Contract Labor - smart	<&M06910	<&Y06910	50
51	Warranty Claim Labor - smart	<&M06911	<&Y06911	51
52	Internal Labor - smart	<&M06912	<&Y06912	52
53	**Total smart Labor Hours**	<&M06913	<&Y06913	53

Ln	Estimated Bonus Profit Contribution			Ln
22				22
23	Dept.	Curr Month	YTD	23
24	New Vehicle	<&M03133	<&Y03133	24
25	Pre-Owned	<&M03134	<&Y03134	25
26	Service	<&M03135	<&Y03135	26
27	Parts	<&M03136	<&Y03136	27
28	Body	<&M03137	<&Y03137	28
29	FOR PAY PLAN DISCUSSIONS ONLY			29
30	Repair Order Count	Curr Month	YTD	30
31	M-B	<&M02823	<&Y02823	31
32	Commercial Vehicles	<&M04892	<&Y04892	32
33	smart	<&M06908	<&Y06908	33
34				34
35	Total M-B Serv Hrs	Curr Month	YTD	35
36	Available	<&M01115	<&Y01115	36
37	Actual	<&M01116	<&Y01116	37
38	Operation	<&M01117	<&Y01117	38
39	Productivity	<&M01118	<&Y01118	39
40	Efficiency	<&M01119	<&Y01119	40
41	Total CV Serv Hrs	Curr Month	YTD	41
42	Available	<&M04899	<&Y04899	42
43	Actual	<&M04900	<&Y04900	43
44	Operation	<&M04901	<&Y04901	44
45	Productivity	<&M04902	<&Y04902	45
46	Efficiency	<&M04903	<&Y04903	46
47	Total smart Serv Hrs	Curr Month	YTD	47
48	Available	<&M06914	<&Y06914	48
49	Actual	<&M06915	<&Y06915	49
50	Operation	<&M06916	<&Y06916	50
51	Productivity	<&M06917	<&Y06917	51
52	Efficiency	<&M06918	<&Y06918	52
53				53

Ln	FIXED COVERAGE TREND													Ln
54		JAN:	<&M01120	MAR:	<&M01122	MAY:	<&M01124	JUL:	<&M01126	SEP:	<&M01128	NOV:	<&M01130	54
55		FEB:	<&M01121	APR:	<&M01123	JUN:	<&M01125	AUG:	<&M01127	OCT:	<&M01129	DEC:	<&M01131	55
56		YTD:	<&Y01132											56
57														57

Ln	PERSONNEL	NEW	PRE-OWNED	SERVICE	PARTS	BODY	TOTAL	Ln
58								58
59	Owners	<&M00681	<&M00689	<&M00697	<&M00707	<&M00717	<&M00727	59
60	General Manager	<&M00682	<&M00690	<&M00698	<&M00708	<&M00718	<&M00728	60
61	Department Managers	<&M00683	<&M00691	<&M00699	<&M00709	<&M00719	<&M00729	61
62	F&I Staff	<&M07365	<&M07366				<&M07367	62
63	Representatives - M-B	<&M00684	<&M00692				<&M00730	63
64	Repres - Commercial Vehicles	<&M04904	<&M04905				<&M04911	64
65	Representatives - smart	<&M06919	<&M06920				<&M06921	65
66	Representatives - Other	<&M00685	<&M00693				<&M00731	66
67	Serv. Advisors - M-B			<&M00700	<&M00710	<&M00720	<&M00732	67
68	Serv. Advisors - Commercial Veh			<&M04906	<&M04908	<&M04909	<&M04912	68
69	Serv. Advisors - smart			<&M06922	<&M06923	<&M06924	<&M06925	69
70	Serv. Advisors - Other			<&M00701	<&M00711	<&M00721	<&M00733	70
71	Technicians - M-B			<&M00702		<&M00722	<&M00734	71
72	Technicians - Commercial Veh			<&M04907		<&M04910	<&M04913	72
73	Technicians - smart			<&M06926		<&M06927	<&M06928	73
74	Technicians - Other			<&M00703		<&M00723	<&M00735	74
75	Parts Personnel - M-B				<&M00712		<&M00736	75
76	Parts Personnel - Other				<&M00713		<&M00737	76
77	Clerical Personnel	<&M00686	<&M00694	<&M00704	<&M00714	<&M00724	<&M00738	77
78	Other Personnel	<&M00687	<&M00695	<&M00705	<&M00715	<&M00725	<&M00739	78
79	TOTAL PERSONNEL	<&M00688	<&M00696	<&M00706	<&M00716	<&M00726	<&M00740	79