LIFO-PRO SOFTWARE
USERS GUIDE & SAMPLE REPORTS

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LIFO-PRO Software Users Guide

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OVERVIEW OF STEPS NECESSARY TO RUN THE LIFO-PRO SOFTWARE

The following is an outline of the steps to be followed to run LIFO-PRO LIFO calculations, assuming the LIFO history data has already been entered. More detailed explanations of these steps are contained in following sections of the Users Guide.

1. **Make sure Company Setup & Methods Settings for this company are correct**-Review the LIFO-PRO Company Setup & Methods Settings Screen(accessed from the Main Menu by selecting the command button with this caption). These should not need to be changed once they are set up, so this step should not be necessary after a company's data has been set up. Pool names, base years for pools and period labels (and BLS Department Stores Indexes Groups, where applicable) are also specified in this screen.

2. **Make sure the proper "Last Period Closed" displayed**-If the calculation for 3/31/1997, e.g. is to be run, the text box at the upper right of the Main Menu should display "Last Year Closed=3/31/1996". If not, the following procedures should be followed to input data to close prior years or unclose the current year.

3. **Enter and select proper BLS Dept. Store Indexes(Only applicable to certain retailers)**-This is done by going to the BLS Department Stores Index Table Screen(accessed from the Main Menu by selecting the command button with this caption).

4. **Enter UNICAP(Sec. 263A) rates**-This is only applicable for companies where UNICAP costs are applied and where the LIFO-PRO UNICAP costs application feature is used. This is done by selecting the UNICAP Rates command button on the Main Menu. If prior years' UNICAP rates are not already entered, enter these here and enter the rate(s) for the year to be closed.

5. **Input data for current year(applicable only if IPIC method not used)**-This is done by going to Screen 3, Data Input for 3/31/1997(or current year) screen (accessed from the Main Menu by selecting the command button with this caption). The current(last saved) .prn LIFO inputs file will appear. Change the values on this screen as required. This screen not only is the current LIFO data input screen, but also shows the LIFO expense and LIFO inventory balance resulting from the values input. This screen can be printed although the same data can be printed on Report 18 also. Exit this file and save the data file using a file name such as "final97.prn". This screen will show rows for each pool and a column for each value required for the LIFO calculation based on the LIFO methods specified in the Company Setup and Methods Settings Screen. Data input columns for FIFO dollars and current year inflation indexes are provided for companies using Cost LIFO. Data input columns for Retail FIFO dollars, current year inflation indexes, LIFO cost complements and Cost FIFO Dollars(or FIFO cost complements) are provided for companies using Retail LIFO. An additional column for inflator indexes is shown for companies using a dual index method. Companies using BLS Department Stores Indexes must import these indexes using the top Menu option so labeled. Step 5 is not necessary for companies using the IPIC method for all pools.

6. **Close year end**-Select the Main Menu command button with this caption. This step can also be done from within Screen 3 if current year LIFO data is input there. The current(most recently saved) data input file will be used for this.

7. **Print LIFO-PRO history reports**-These are reports 16 through 19. Both before and after UNICAP costs application versions of Reports 16, 16a, 17, 18 and 18a are available, when applicable. All reports can be printed automatically by clicking on the Print Standard Reports Automatically option shown at the top of the Main Menu.

8. **Unclose year end**-This step is necessary if any of the current year data used when closing the year end was not correct. Select the Main Menu command button with this caption to do this. Follow the above steps to enter the correct data and close the year end again.

Steps applicable only for IPIC method:

These following steps should be used in lieu of step 5(Input data for current year) above. Steps 6 through 8 above should be used after the steps below are performed.

a) **Make sure IPIC Settings are correct**-Review the LIFO-PRO IPIC Methods Settings Screen(accessed from the IPIC Menu by selecting the command button with this caption). These usually do not need to be changed once they are set up. These settings need to be changed for the first year end for which the new(as of Jan., 2002) LIFO Regulations' provisions are adopted. LIFO-PRO Versions 3 and higher support both old and new LIFO Regulations' IPIC calculations.

b) **Make sure IPIC pool number assignments are correct**-If the IPIC 5% pooling method is used, review the IPIC Pool Numbers Screen(accessed from the IPIC Menu by selecting the command button with this caption). These should not need to be changed once these are set up.

c) **Make sure CPI or PPI index & BLS Weights files are updated through applicable months/year-**These files are displayed on the IPIC Menu Screen and the months' indexes and BLS Weights years included in the files are shown. All files necessary to run pool index calculations are automatically downloaded from the Web in software versions 3.2 and higher. If you don't have Web access or a firewall blocks downloads of files from the Web, download these files from the Downloads page of the www.lifopro.com Web site. For CPI files, click on the cpifiles.zip file download link and download this file. Extract these files to the \bls folder shown on the top row of the PPI files listing on the right side of the IPIC Menu, overwriting the existing files.

d) **Enter FIFO dollars by CPI or PPI categories-**Go to the IPIC Data Input Screen(accessed from the IPIC Menu by selecting the command button with this caption). The current(last saved) Excel Data input file(FIFO $s by CPI or PPI category) will appear. Enter the year end FIFO values on this screen. Companies using Retail LIFO will enter both Retail and Cost FIFO dollars. Companies not using the IPIC 5% pooling method will enter applicable pool numbers in column B. Make sure the proper year end is entered on row 2 of this screen. This screen can be printed by clicking on the Print command button. The file read in this screen is an Excel file, so the data entry can be done in Excel and in most cases, using Excel will be more convenient because the spreadsheet built into LIFO-PRO does not have all the functionality(copying worksheets, etc.) Excel does. If this file is created in Excel, make sure this file is not open in Excel when reading it in LIFO-PRO or this will cause a file sharing violation error(indicated by hourglass icon).

e) **Run IPIC pool index calculation-**Once the Excel file FIFO $s by CPI or PPI category data entered is complete, select the Calculate Pool Indexes(Run IPIC Calculation) command button. If this file was modified after it was loaded, you will be prompted to save the data file. Save the file using any file name.

f) **Print IPIC index calculation reports-**A screen with three or four separate IPIC reports will be displayed for your review. These report numbers 23S, 23 and 24(and 25 for PPI calculations for which discontinued category replacements were automatically made) should be printed to document the IPIC calculation. The FIFO dollars and indexes by pools calculated in these reports will be used automatically by the software to update the layers history and to close the year end.

g) **Close year end-**Click on the Close year end command button to close the next year to be closed. The Report 16 layer history(updated to include this year end) will appear after you click this button. Clicking on the Go to Screen 3 command button will take you to this screen to run pro forma calculations using different FIFO values and indexes or you can close the year end also from this screen.

HARDWARE & OPERATING SYSTEM REQUIREMENTS

The 32-bit version (those versions higher than 1.1.9) of LIFO-PRO for Windows requires an IBM PC or compatible computer with a 386 or higher processor and at least 8 MB of RAM. Windows 95, 98, Windows 2000, Windows NT 4, Windows XP or higher versions are required.

Initial LIFO-PRO for Windows program installation is similar to other Windows applications. A setup CD ROM will be sent to you or you can download the setupex.exe file from the Downloads page of the LIFO-PRO Web site(www.lifopro.com). The latter is password protected so you will need to call or email us for the password.

PROGRAM INSTALLATION
Program installation procedures for LIFO-PRO for Windows are similar to other Windows applications setups. Use the Control Panel, Add Programs utility. Program setup steps are described on the Downloads page of our Web site.

A LIFO-PRO 32 bit start-up Icon will be installed during program installation so that it will appear with other programs in the Programs listing(or desktop). Any program Icon or program group labeled LIFO-PRO for Windows is for the 16 bit version of LIFO-PRO which is no longer supported.

LIFO-PRO 32 bit program files are named lp32bit.exe. The 16 bit LIFO-PRO files were named lpw.exe. The Windows application Icon associated with the lp32bit.exe file will contain the proper path and file name association if the program setup is followed. The LIFO-PRO 32 bit program file should be about 3MB(3,000 KB) in size. As many as 40 .dll and .ocx files will be installed in the Windows System directory(c:\Windows\system for Windows 95 or 98 and \winnt\system for Windows NT) of each PC LIFO-PRO is installed on and the total space required for installation of all files is about 10 MB. This is the directory these files are required by Windows to be installed in.

Although users may specify another path during installation, the default program file(lp32bit.exe) path for LIFO-PRO is c:\LIFOPRO which was also the default path LIFO-PRO for 16 bit applications. Only the lp32bit.exe program file, help file and sample reports file will be installed to this path.

Program version upgrades can be downloaded from our Web site by clicking on the lp32bit.exe file link on the Downloads page to download and then replacing the existing lp32bit.exe file with the new one.

A complete program installation is required when using a new or different PC on which LIFO-PRO has never been installed.

Care should be taken when using old installation media to install LIFO-PRO to PCs on which LIFO-PRO has never been installed because the lp32bit.exe program file installed will probably be an older program version. To avoid this either make the installation from downloading the installation file(setupex.exe) from the LIFO-PRO Web site since this will include the most current program file version or copy the backed up copy of the most recent lp32bit.exe file over the file installed if the backed up copy is more recent.

FILE & DIRECTORY ORGANIZATION
LIFO-PRO users will have multiple company applications in cases where they are CPA firm licensees and use LIFO-PRO for more than one client or for companies that have more than one company with separate LIFO calculations. Many single company LIFO-PRO users maintain more than set of LIFO-PRO data per

company. The most common situation is separate book and tax LIFO calculations but many users maintain additional pro forma LIFO-PRO data directories. Large companies whose LIFO inventories are adjusted by the IRS usually maintain before and after RAR LIFO calculations and companies switching LIFO methods usually keep separate LIFO-PRO data for both before and after method changes so they have a complete history of all LIFO calculations since adoption of LIFO. A good example of this would be a company switching to the IPIC method maintaining both before and after switch IPIC LIFO-PRO databases. Creation of a new LIFO-PRO database is mandatory for some method changes or IRS audit adjustments. Switching to the IPIC method, for example usually requires different pools. Other prospective method changes such as switching layer pricing index methods, would not require creation of a new separate LIFO-PRO database.

Separate sets of LIFO-PRO data, referred to as separate LIFO-PRO databases, are distinguished one from another by use of separate directories. It is important to understand the LIFO-PRO file and directory structure in order to properly organize such applications.

For single company applications, all program and data files may be placed in the same directory(c:\lifopro or may be placed in a different directory or disk drive.

For multiple company applications, the most efficient(takes the least disk space) way to organize files is to place the program(.exe) files in a main LIFO-PRO directory and place the various company data files in separate directories. An example of this type of file and directory organization is:

A typical LIFO-PRO for Windows directory structure would appear as shown below.

\LIFOPRO:
-Program(lp32bit.exe) file, Help(lpwhelp.hlp) file and Sample reports(samprpts.xls) file.

\LIFOPRO\BLS\:
-All CPI or PPI index, BLS Weights or LIFO-PRO setup files with .cpi or .ppi extension, if applicable.
-BLS Department Store Index file named blsdsi.xlp, if applicable.

\LIFOPRO\BOOK\
-No files
\LIFOPRO\BOOK\ABC
-ABC Company book LIFO data files with .dat, .prn and .xlp extensions
\LIFOPRO\BOOK\XYZ
-XYZ Company book LIFO data files with .dat, .prn and .xlp extensions

\LIFOPRO\TAX\
-No files
\LIFOPRO\TAX\ABC
-ABC Company tax LIFO data files with .dat, .prn, and .xlp extensions
\LIFOPRO\TAX\XYZ
-XYZ Company tax LIFO data files with .dat, .prn and .xlp extensions

Different company LIFO-PRO databases must be set up in separate paths because some of the same file names are used for each database.

A separate \LIFOPRO\BLS directory is normally used for IPIC CPI and PPI files and the BLS Department Stores index file although these could be placed in the program directory or company data directory. If these files are placed in a company data directory, they may only be accessed by that company. If more than one company needs to access these files, they must be copied to all applicable company data directories. It is simpler and takes less disk space to place these files in either the \LIFOPRO\BLS\ or \LIFOPRO\ directory so all companies may access this data. A \LIFOPRO\BLS folder is automatically created if none exists in versions 3.2 and higher and all CPI and PPI files are automatically downloaded from the Web.

There are different variations of this directory that could be used. For example, the data files can be in separate directories, they need not be in subdirectories. The data files could be placed on diskettes instead of a hard drive. The program will run faster if both program and data files are on a hard drive however the performance(speed) penalty will not be that great.

For multi-user network installations, it is best to specify an installation path on the server which all users will have access to. For example, the server path h:\lifopro could be specified instead of the default c:\lifopro path. The advantage of this setup is that when program versions are updated, the lp32bit.exe file need not be copied onto all users c:\lifopro path since copying this file to h:\lifopro will provide access to the new version for all users. This is true also of CPI and PPI files, some of which are updated monthly. For this example, placing these in the h:\lifopro\bls path means that when these are updated, all users will have access to them but each user would not if they are located at c:\lifopro and each user would have to update these in their c:\lifopro path to have access to the most recent files.

If the initial installation of LIFO-PRO is made to one path and is later changed, the Windows Application Shortcut must be changed. This is done by going to the Windows Start button at the far left side of the Windows taskbar at the bottom of the screen. Right click on this button and then click on the Open option to access the Windows Startup screen. Several folders will be displayed. Double click on the Programs folder(or wherever application programs are located). This will display a number of application folders. Right click on the LIFO-PRO 32 bit folder. Click on the Properties option and then click on the Shortcut tab. The two applicable textboxes will be labeled Target: and Start in:. These need to specify the location at which you want the lp32bit.exe program file to start. If for example this changes from c:\lifopro to h:\lifopro, change the Target: entry from c:\lifopro\lp32bit.exe to h:\lifopro\lp32bit.exe and change the Start in: entry from c:\lifopro to h:\lifopro. When these have been changed, click on the Apply and then OK command buttons.

When LIFO-PRO for Windows is run for the first time, users are asked to specify the LIFO-PRO program file directory and the data directory. The following screen appears:
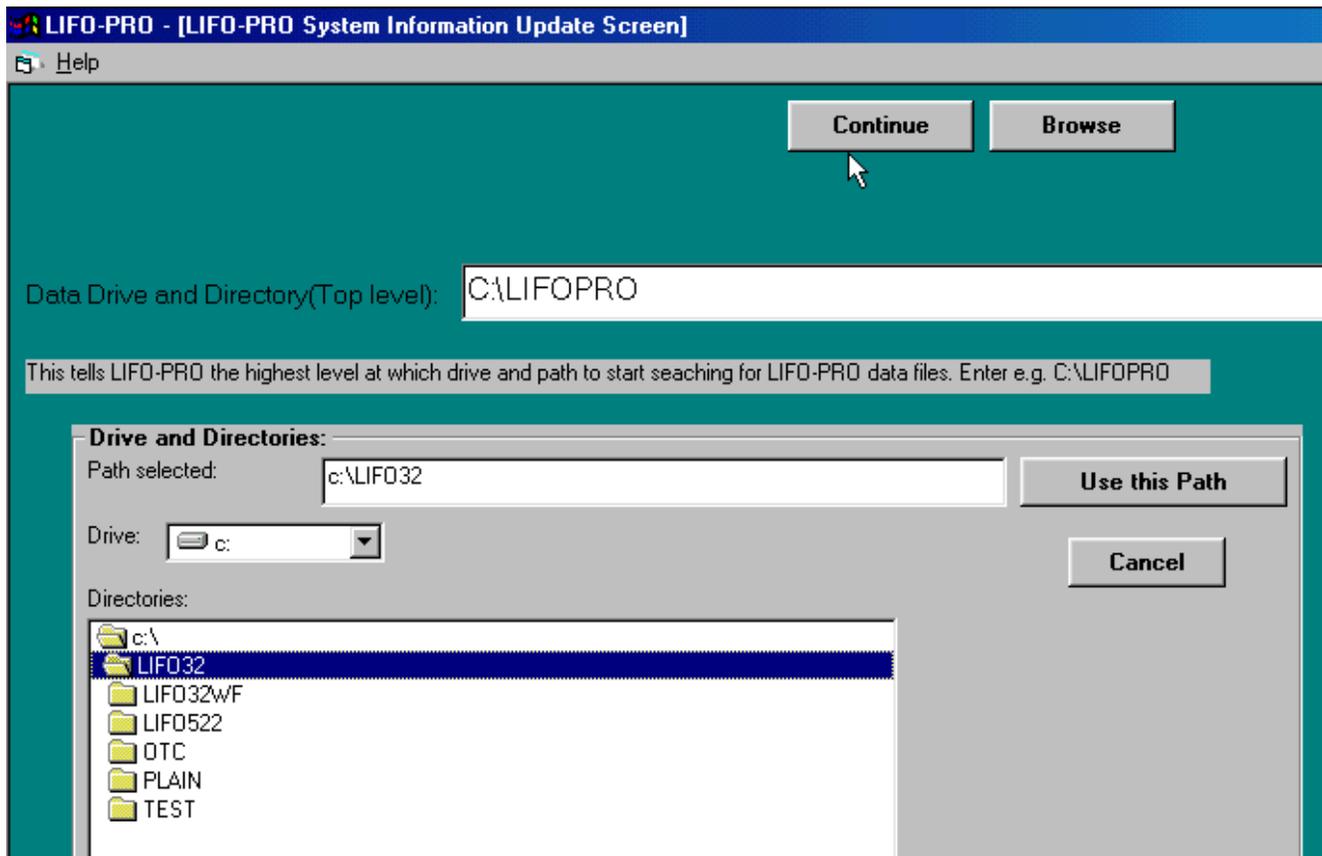
The desired path , including the drive letter, should be entered in the Data Drive… text box or clicking the Browse command button will cause the Drive and Directory list boxes to appear which can be used to specify the path. The data drive and directory is the top level drive and directory at which LIFO-PRO will start searching for LIFO-PRO data files(specifically the coinfow.dat file). This directory may be changed subsequently by using the Top Level Data Path top menu bar command on the Main Menu which will cause this screen to appear again. This directory specification is saved in a file named lpsysinf.dat in the program file directory from which LIFO-PRO for Windows is started. The program file directory is that specified in the Windows Application properties shortcut setting for LIFO-PRO for Windows. The lpsysinf.dat file may also be edited in a text editor to change this path specification.

After LIFO-PRO for Windows has been started by selecting the LIFO-PRO Windows program Icon, the following company selection screen will appear.
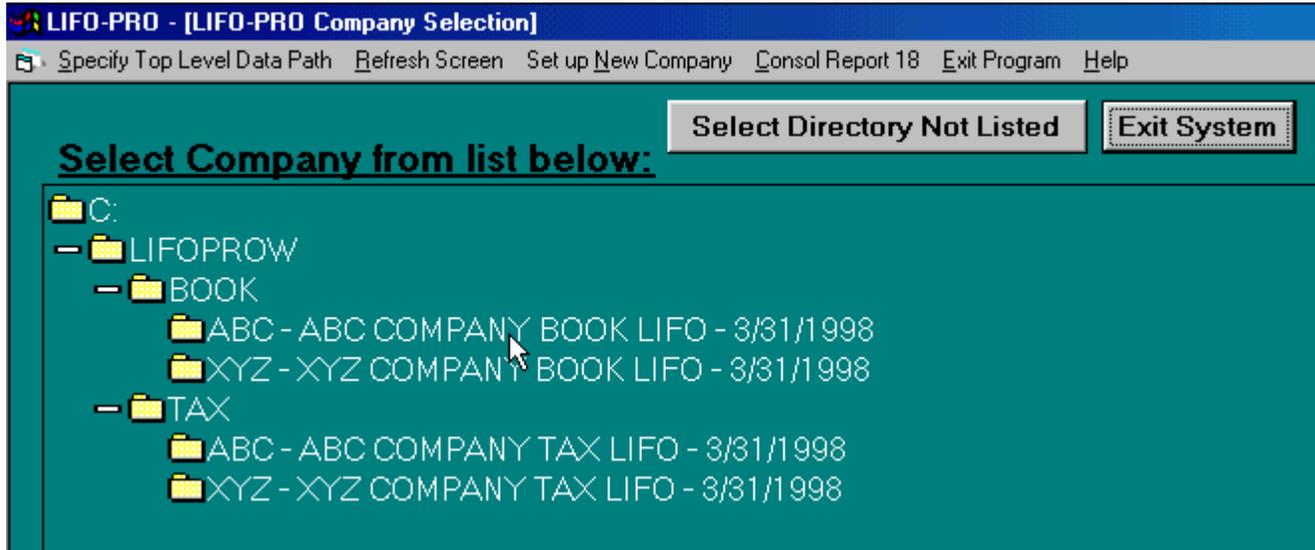
LIFO-PRO automatically searches from the data directory specified downward to find directories, if any exist, containing LIFO-PRO data files by searching for the coinfow.dat file containing Company Data and Methods Settings information including pool names, base years, BLS Department Store Index Group(if applicable) and period names . The path, company name and last LIFO year closed is displayed on this screen. An unlimited number of companies may be set up. When these paths fill the screen, a vertical Window scroll bar appears. Up to 15 subdirectory levels are searched, i.e. the data files must not be more than 15 subdirectory levels down from the top level data files directory specified. A company is selected by a single mouse click to the right of the folder symbol. If a LIFO-PRO data directory exists that is not listed on this screen because it is not a subdirectory of the specified top level data directory, it may be accessed using the Select Another Directory command button.

Set up New Company LIFO-PRO Data Directory
If a LIFO-PRO database is to be created for a company newly electing LIFO or a user is to convert historical data to a LIFO-PRO database, a Company Setup & Methods Settings file(coinfow.dat) for that company must first be created.

This is done by clicking the Set up New Company Menu Bar selection from the Company Selection screen. After a pop up window appears to say that new paths cannot be created from within LIFO-PRO(they must be created using File Manager or Windows Explorer), the following screen will appear to select a data directory.
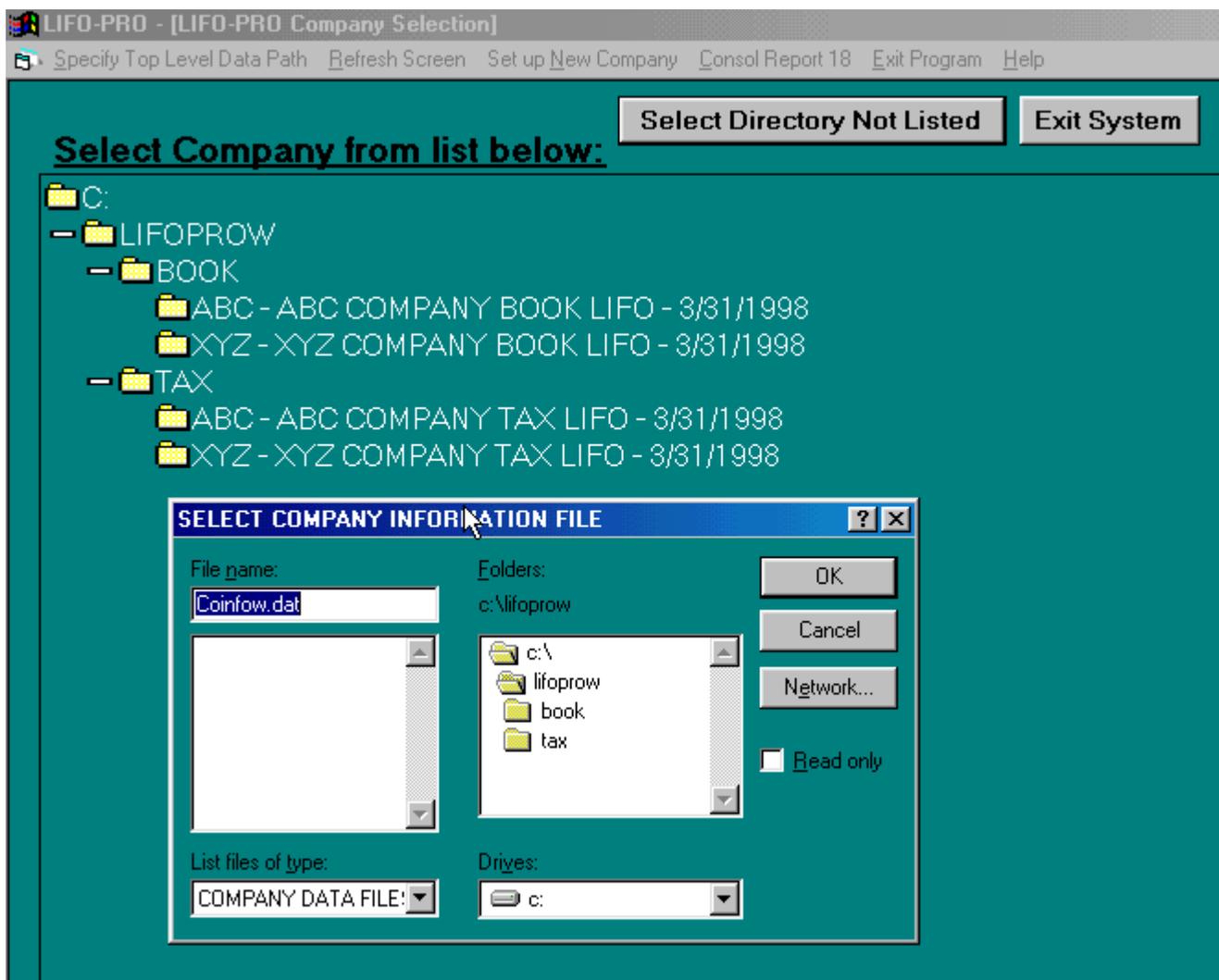
A directory in which there is already LIFO-PRO data files may be selected, but when a directory is selected that contains no coinfow.dat file in the directory selected, a message will appear asking the user whether they wish to create a new LIFO-PRO database. If Yes is selected, a Company Setup & Methods Setting Screen, an example of which is shown on page 3-2, appears and users must complete the necessary information before continuing.

For companies making a LIFO election for the first time or expanding the election where a new pool is created, the base year data must first be input. Historical data is input after the Company Setup & Methods Settings and pool specifications have been made. Historical data is input by selection of the Input/Edit Historical Data command button on the Main Menu. Historical data for all years on LIFO is entered using the same procedure for companies already on LIFO. Historical data input procedures are described in the Historical Data section.

Clicking the Refresh Screen top menu bar item will refresh the screen to show newly created LIFO-PRO data files(coinfow.dat files specifically). This screen is automatically refreshed when year ends are closed or company names are changed.

CONSOLIDATED REPORT 18 COMPANY SELECTION

LIFO-PRO Report 18 shows the FIFO and LIFO balances and other data for all pools for a given year. For multiple company applications, a consolidated Report 18 may be viewed and printed which shows consolidated totals for all companies. This is done two different ways:

1. Select From List of all Current Folders

Clicking on the Consol Report 18 Top Menu bar option on Company Selection Menu or the Consolidated Report 18 command button on the Main Menu of any selected company will cause the following consolidated group selection screen to appear.
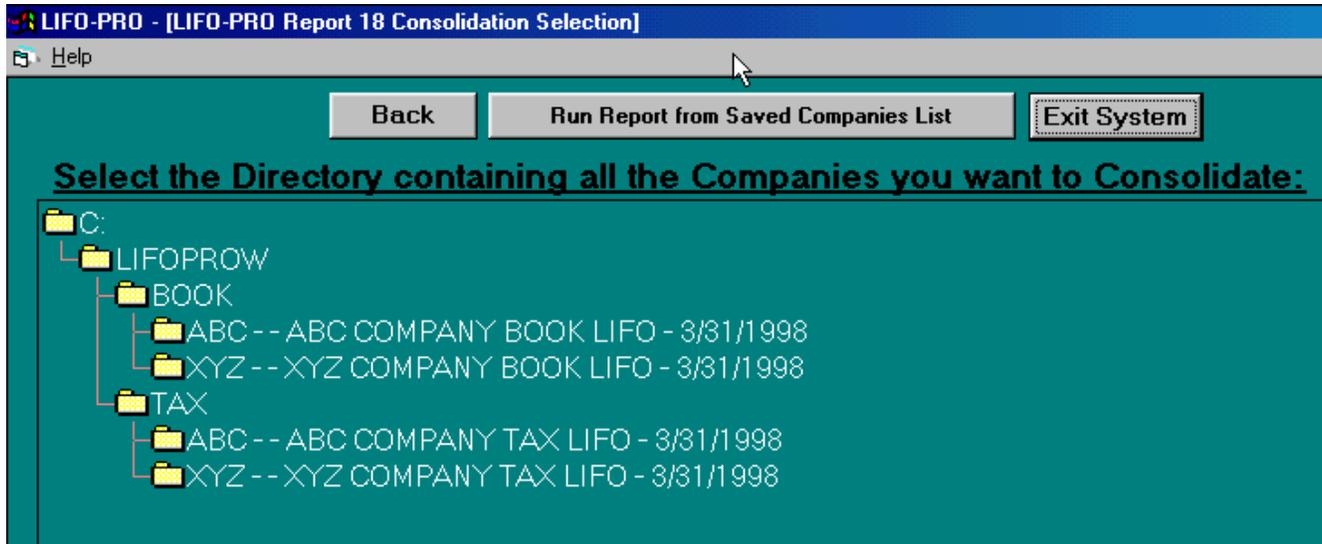
On this screen, users must select, by a single mouse click, the directory containing the companies to consolidate. Only directories one level above subdirectories containing LIFO-PRO data files may be selected. Using the above as an example, the only two directories that could be selected are \lifopro\book and \lifopro\tax. This requires organization of LIFO-PRO data directories that are to be consolidated to be subdirectories of the same next higher level directory.

2. Run Reports From Saved Companies List

If consolidated reports are to be run for more or less companies than are contained in a single folder, another option is provided that allows users to specify and save a list of companies to run consolidated reports for. Clicking on the Run Reports From Saved Companies List command button on the screen shown above will cause the following screen to appear:
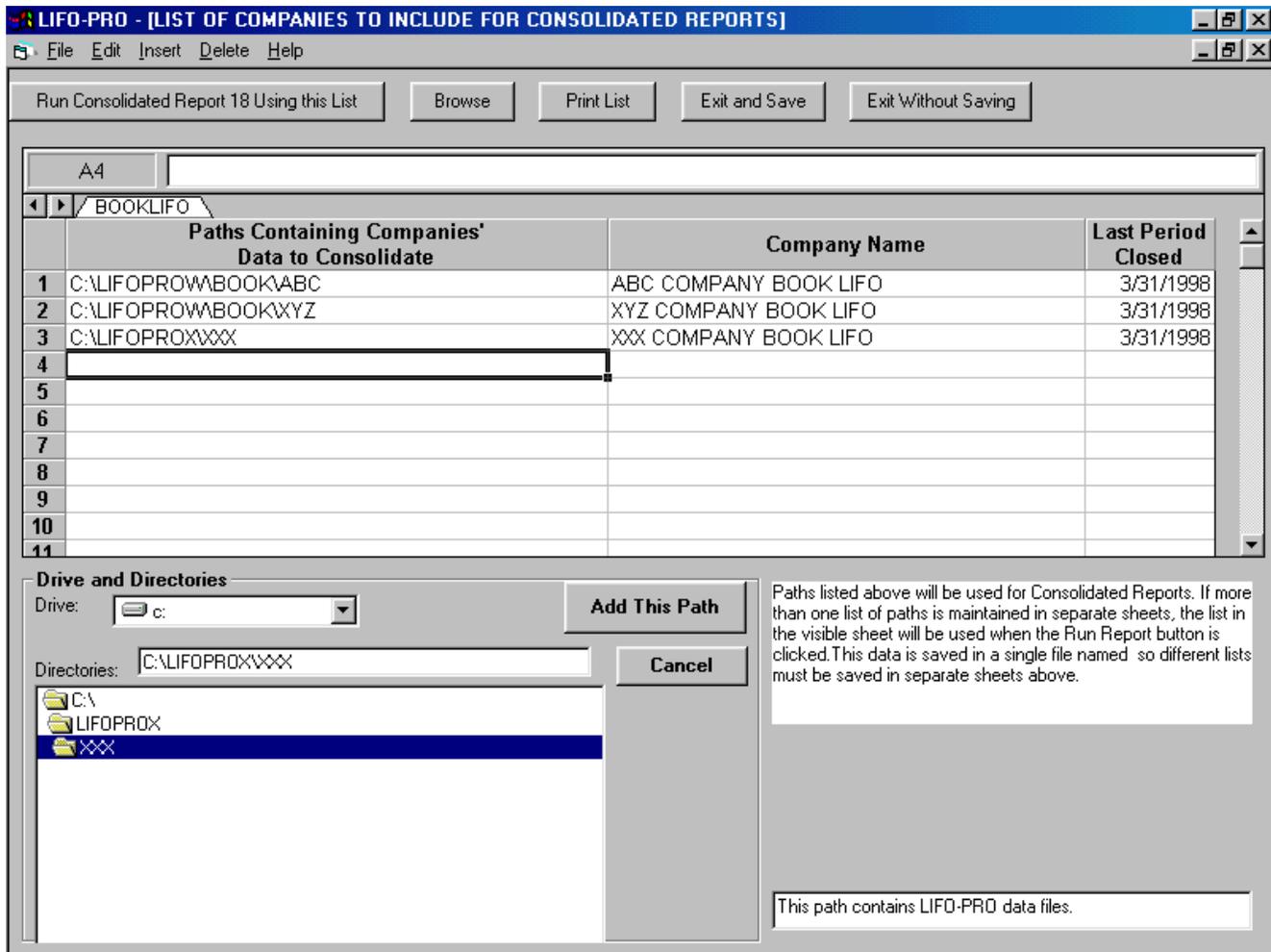
Data paths of the companies to include in a consolidated report can either be entered in the leftmost column or selected using the directories dialog box which appears when the Browse command button is clicked which causes the Drive and Directories frame to appear. When a path is entered, the second and third columns showing the company name and last year closed will automatically appear and if this path does not contain LIFO-PRO data files, this will be indicated. When this screen is exited, whether to run consolidated reports or not, users are prompted as to whether a file should be saved with this list of companies. This list is saved as an Excel file named conslist.xlp in the program file(lp32bit.exe) path. Multiple lists can be saved for future use by clicking on the Insert, Sheet option on the top menu bar. The sheets can be named by double clicking on the sheet name tab and editing the existing name.

Consolidated Report 18s can be run regardless of whether all companies in a consolidated group use Retail LIFO or cost LIFO. Where at least one company uses Retail LIFO and at least one company uses Cost LIFO, the Cost LIFO companies will have data displayed in columns that is not applicable to them. The Cost FIFO, LIFO and FIFO cost complements columns are displayed for them with the Cost FIFO balance being the same as FIFO inventory and the cost complements being 1.000.

Period Selection for Consolidated Reports
The following screen appears when the Run Consolidated Report command button is selected on the screen above or a folder is selected from the list of folders:
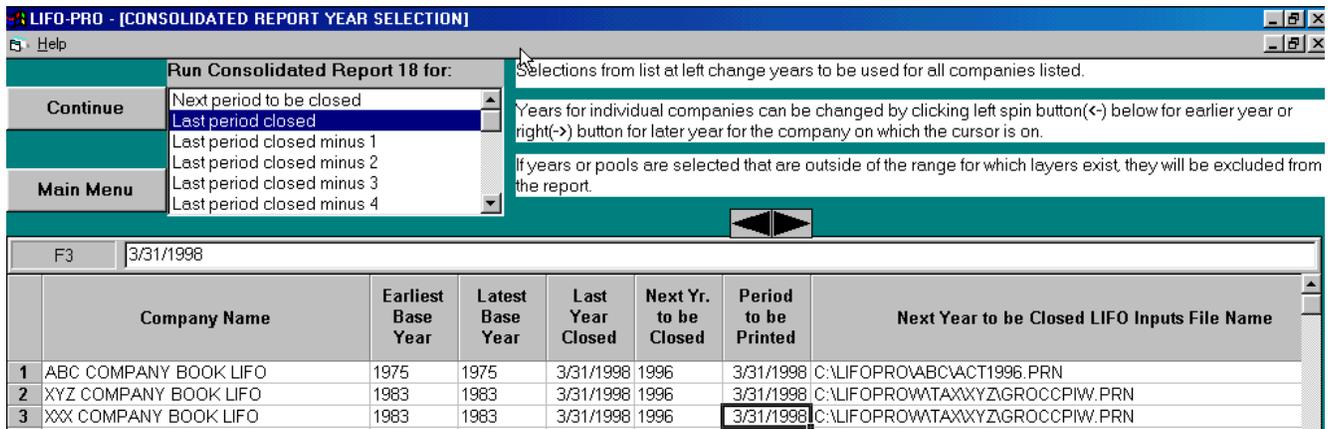
The text boxes at the upper right of the screen explain how to select the periods to use for the consolidated reports.

LIFO-PRO SPREADSHEET FILES

The LIFO-PRO screens that look like spreadsheets are a Visual Basic custom spreadsheet control called Formula One by Actuate Corporation. This spreadsheet is compatible with Microsoft Excel(95, 97 & 2000) and some of the LIFO-PRO data files are actually saved as .xls files. Although the spreadsheet options most users need are included as top menu bar commands or command buttons, the normal spreadsheet toolbars and menu bar can be accessed by right double clicking anywhere within a LIFO-PRO spreadsheet. This activates the Formula One Workbook Designer which includes normal spreadsheet toolbars and menu bar. An example of how this might be used is to format numbers differently or to save this spreadsheet file(if not done automatically by LIFO-PRO). After the user is done with the Formula One Workbook Designer, this screen must be exited by clicking on the X box at the upper right of the screen to continue in LIFO-PRO.

There are several LIFO-PRO files that are .xls files that have been given different file name extensions to identify them as LIFO-PRO files so they are not confused with LIFO-PRO IPIC data files which use the .xls extension. These files include:

uccrates.xlp-File containing UNICAP rates for all years., where applicable.
blsdsi.xlp-File containing BLS Department Stores Indexes, where applicable.
poolcc.xlp-File containing IPIC cost complements by pool, where applicable.
ipiccumi.xlp-File containing corrected IPIC cumulative indexes, where applicable.
ipic199x.xlp-File containing actual IPIC calculation reports 23 & 24, where applicable.
conslist.xlp-File containing consolidated reports lists

Since these are actually Excel format .xls files given a different file name extension, they may be read by Excel. If these files are modified, make sure they are saved using the original file names shown above or LIFO-PRO will not recognize them.

CONVERSION OF DOS DATA FILES TO WINDOWS

There are two types of LIFO-PRO data files for which the DOS version is not readable by LIFO-PRO for Windows without converting them to a LIFO-PRO for Windows format. These files and the data conversion procedures necessary to convert the DOS files to a Windows format are described below. These procedures are not necessary for users who never used LIFO-PRO for DOS.

Company setup & methods settings file- The DOS file containing this information was named coinfo.dat and the Windows version is named coinfow.dat. The coinfow.dat file needed for Windows is created by running LIFO-PRO for DOS and selecting the appropriate company. From the Main Menu, select Option 5, Company Data Edit & Program Set-up. Once this screen appears, press the <F1> key to exit the screen. The coinfow.dat file will now be created.

The coinfow.dat file name is used for both the 16 and 32 bit versions of LIFO-PRO. The LIFO-PRO 32 bit program will automatically convert the coinfow.dat files created in the 16 bit program but those created in LIFO-PRO 32 bit cannot be read by LIFO-PRO 16 bit. This should not be an issue because the 16 bit program need not and should not be used once the 32 program has been installed.

Projection Variable Files- The DOS file containing LIFO input variables for a given year have a .prj extension with the file name being designated by users. These files are binary files and cannot be read by LIFO-PRO for Windows or by a text editor. These files may be converted to a format so they can be read by LIFO-PRO for Windows by running LIFO-PRO for DOS and selecting the appropriate company. From the Main Menu, select Option 2, Data Input For 19xx LIFO Calculations where xx is the year after the last year closed. This takes users to the Actual Or Projected Variables Input/Edit Menu where Option 2, with the same description is selected. All .prj files in that company's data directory will be displayed. Select the desired file and the LIFO-PRO Screen 3 will appear. Press the <F2> key to exit and save. You will be asked whether you want to use the existing file name. Enter N for No and enter the desired file name with the .prn extension. You can use the same name as the .prj file and doing so will cause on less file to be created since LIFO-PRO for DOS automatically saves a .prj file containing the same data when a .prn file is saved and using the same file name prevents another .prj file from being created.

IPIC data files-These were space delimited text files with .prn extensions in LIFO-PRO for DOS. IPIC data files in LIFO-PRO for Windows are Excel .xls files. The DOS .prn files may be converted to .xls files by reading these files from within Excel. The Excel Text Import Wizard will appear to assist users in reading the file. Once it has been read, it may be saved as a .xls file.

LIFO-PRO for DOS must be used for file conversions for the first two types of files. Users must use the latest DOS version, 3.35 or later <u>and</u> with a file date of September, 1997 or later to do this. The necessary LIFO-PRO for DOS files will be furnished during the LIFO-PRO for Windows installation if the user previously used LIFO-PRO for DOS.

The new LIFO-PRO for Windows projection variable files have a .prn extension which is the same as the old LIFO-PRO for DOS IPIC data files. Do not confuse the two. You can distinguish what the file is using a text editor since they are both text files.

The bhist.dat historical data files for all pools and all years is the same for both LIFO-PRO for Windows and DOS. This allows users to use the same data directories for both the Windows and DOS versions of LIFO-PRO.

<u>COMPANY SETUP & METHODS SETTINGS</u>

Once a company has been selected from the Company Selection Menu, the following Main Menu appears.
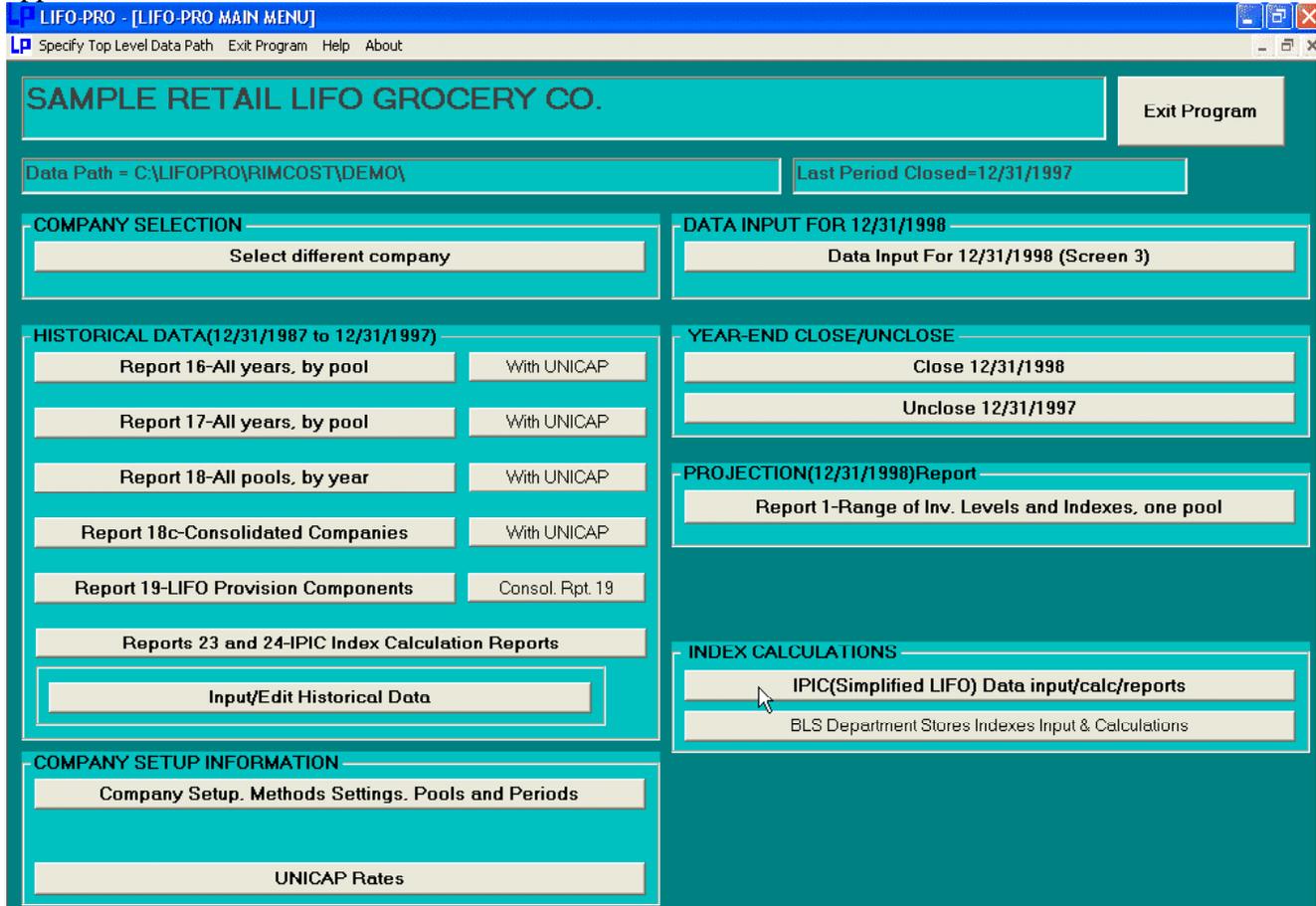
If users set up additional companies and input the historical data themselves, they will first be prompted to input Company Data parameters and pool information for the new company. These parameters are shown in the following section. Once that data has been entered, the Company Selection Menu will always be the first screen to appear.

If the user elects to have LIFO-PRO input the company's historical LIFO data, the following data will also already be input. If the user inputs the historical data, the program will prompt the user for the information shown below which are the basic parameters of the company's LIFO calculations. In either case, the user may edit this data using the Company Setup & Methods Settings command button on the Main Menu. Each company in multiple company applications has a different coinfow.dat text file that contains this information that resides in that company's directory which allows different settings for each company.

Shown below is a sample Company Information(Company Setup & Methods Settings) screen:

The following information is specified in this screen.

Pool Names
In the 16 bit version of LIFO-PRO, pool names were entered in a separate screen but they are on the same screen as the Company Setup & Methods Settings in the 32 bit version as shown above. The pool names grid at the bottom of the screen allows users to specify the pool names for each pool. Consecutive pool numbers need not be used. Pools that are to be used must be assigned a pool name(the same as the pool number, if nothing else because these will be treated as unused pools otherwise. Pool numbers must be integers between 1 and 100.

It is not uncommon for certain pools to be discontinued. For example, some department store chains previously carried Major appliances but no longer do. If LIFO-PRO is set up to include LIFO history for such pools, these pool numbers should be included here. The advantage of doing this is that LIFO-PRO reports run showing prior years will include these balances and the company totals will be the same as used for tax returns or financial statements. If these pools are not listed in this screen, this history will not be maintained.

Temporary Exclusion Of Pools From LIFO-PRO Reports
One or more pools that are part of a LIFO history for a company may be temporarily excluded from LIFO-PRO reports in Version 2.1.8 and higher.

This is done by inserting a ~(tilde symbol) as the first(leftmost) character of a pool name. This character must be placed in this(leftmost) position for this feature to work. This is done by clicking on the Company Setup button on the Main Menu. Once in this screen, the list of pool names is displayed. Select the pool name to be temporarily excluded by moving the cursor to that cell using the arrow keys or mouse. The pool name for that cell will appear in the Edit Bar above the pool names list. Position the mouse cursor(arrow symbol) to the left of the first character and type the ~ symbol. Press the Enter key to complete the edit of the pool name. Repeat this process for other pools, if applicable. For LIFO-

PRO Versions lower than 3.0.4, pools for which the first pool name character was ~ were always excluded from LIFO-PRO reports and this character had to be removed for these pools to be included in LIFO-PRO reports. For Versions 3.0.4 and higher, the ~ is placed in the first character of the pool name but these pools' inclusion or not in reports is determined via a Main Menu Top Menu Bar Option. This option only appears when one or more pools first character is ~. Shown below are the options available:

The default mode is the Include mode, so ~ pools will be included until the Exclude mode is selected. Pools may also be temporarily excluded from LIFO-PRO reports by completely deleting the pool name and then entering it into the pool names list again later. The option to use the ~ symbol is provided as a more convenient means of doing this.

Once data has been entered for a pool, this data is not deleted from the LIFO-PRO database when pool names are deleted or the ~ symbol is used to exclude a pool from reports. To enter data for these ~ designated pools to close a year end, the Include FIFO Pools option must be selected before entering data in Screen 3 or else the ~ pools will not be shown in this screen.

Temporarily excluding certain pools from inclusion in the LIFO-PRO reports can be handy in certain instances including these situations:
Pools for which the LIFO election has been dropped-Companies may wish to run pro forma calculations for these pools to determine what the LIFO values for these pools would have been.
Pools representing merchandise or goods no longer carried-An example of this is a department store chain which previously stocked major appliances but no longer does. This has happened for some LIFO-PRO users and they have kept their LIFO histories for these "zero dollar" pools so that reports run for years in which these pools had balances agree to total LIFO inventory balances.

BLS Group References
For companies using Retail LIFO, an additional column appears in which to indicate the BLS Department Store Indexes Group number. For companies using Retail LIFO but do not use these indexes, this column should be left blank.

Customized BLS Groups
Some retailers using the BLS Department Store Indexes use combined rates, i.e. an average of more than one BLS Group's indexes. For these cases, the user should enter an alphanumeric "Customized" group reference. For example, if pool 3 uses a combination of the BLS Group 3 and 4 indexes, "Pool 3" should be entered. This is the Customized BLS Department Stores Index Group reference that will be used in the BLS Department Stores Indexes Screen, accessed from the Main Menu, to specify the customized BLS Group. The use of this screen is described in the Users Guide Section entitled BLS Department Stores Indexes.

Number of LIFO Periods Closed
When a LIFO-PRO database is first created for a company and the Company Setup screen appears for the first time, a text box on the right side of the screen labeled "Number of LIFO periods(including base) closed:" will appear. The number of periods for which actual historical LIFO data is to be input to LIFO-PRO should be entered. For example, if a company's base LIFO year is 12/31/1987 and the

last fiscal year for which LIFO has been calculated for is 12/31/1997 and there have been no years with more than one LIFO calculation(resulting from purchase transaction, e.g.), then 11 should be entered if all years' LIFO history is to be input into LIFO-PRO. When the actual history data is input, LIFO-PRO will allow for as many rows on the Report 16 data input screen as there are periods between the base period and the last period closed. If users wish to use LIFO-PRO to recalculate all past years' LIFO balances year-by-year, 1 should be entered

The "Number of LIFO periods(including base) closed:" text box will not appear once historical data has been entered into LIFO-PRO. This prevents users from changing this accidentally which will result in errors in the historical data database since the layers remaining saved must be in sync with the number of periods closed. If the wrong number of periods is entered and historical data entered and saved so that this text box is not visible, users have two options. They can start the New Company Setup process again after deleting the coinfow.dat file and bhist.dat file from the company data directory. The number of LIFO periods closed can also be changed in the coinfow.dat file by reading the file using a text editor(this is a text file) changing the number of periods and saving the corrected file. If the pool names and base years have already been entered, the second approach may be better because the pool names and base years need not be entered again.

Company Name
The company name entered here will be displayed and/or printed on the top line of all LIFO-PRO reports. For applications where more than one LIFO calculation is made for a company for pro forma calculations e.g., changing this is a good way to help organize such situations. The data path selected when LIFO-PRO is started is also displayed and/or printed at the top of all reports to help keep data organized.

Retail or Cost LIFO
The LIFO calculation for companies using the Retail Inventory Method involves two cost complements. The LIFO cost complement(calculated using markdowns and purchases at retail and cost for the entire year) is required to reduce retail layers to cost. The end-of-year cost complement per the stock ledger(referred to as the FIFO cost complement) is not necessary to calculate the LIFO inventory balance but is necessary to calculate the LIFO reserves and provisions which LIFO-PRO does automatically when FIFO cost complements are entered.

The cost version reports do not include any cost complement data or Retail FIFO balances and therefor the screens and printed reports differ from the retail version. Some large retailers have companies that use the Retail Inventory Method and others using the cost method of calculating LIFO. Based on the Retail v. Cost method selected by the user, the LIFO-PRO program automatically sets the report and screen formats for the selected method. For companies that have both retail and cost pools, the Retail setting should be used and 1.00 should be entered for both the LIFO and FIFO cost complements input.

Layer Pricing Index Method
The layer pricing index method options are:
1. Single index, Inflator=Deflator index
2. Dual Index
3. Dual index, Inflator=Prior year index
4. Dual index, Inflator=Simple average of c/y & l/y indexes
5. Dual index, Custom

Dual indexes are no longer allowed by the IRS, so they should not be used for tax purposes however several dual index options are available if they are used for book LIFO or for past periods for tax LIFO when dual indexes may have been used.

For the Dual index, Inflator=Prior y/e index method, the deflator and inflator indexes are different, so two current year indexes need to be entered in the LIFO-PRO Data Input Screen(screen 3). When this method is selected in the Company Setup & Methods Setting Screen, the LIFO-PRO Data Input Screen automatically includes an additional column to enter the current year inflator inflation index. If the IPIC method is used, both deflator and inflator indexes are automatically calculated by the software.

For the Dual index, Inflator=Prior y/e index method, the current year inflator index is simply the same as the prior year deflator index, so only one index need to be entered in the LIFO-PRO Data Input Screen. This method is very rarely used because the IRS does not consider this to be an acceptable method. This method is included because this method setting could provide a good approximation of the Method 2 dual index for projection purposes when for companies with rapid inventory turnover.

The Dual index, Inflator=Simple average of c/y & l/y indexes method automatically uses 50% of the current deflator inflation amount for the deflator current year inflation rate so that an additional LIFO-PRO Data Input Screen column is not shown. Very few companies use this method because the IRS frowns on use of this method for tax.

The Dual index, Custom method is used only for customized LIFO-PRO applications.

Uniform Capitalization Mode
Most companies capitalize Section 263A costs(Uniform Cost Capitalization, a.k.a. UNICAP) for tax LIFO and some for book LIFO also. The three UNICAP Method options are:
1. One UNICAP rate used for all pools
2. Multiple UNICAP rates used for at least one year
3. N/A or UNICAP Costs not calculated by LIFO-PRO

Most companies use one UNICAP rate, for a given year, for all pools within a company. These companies should select Mode 1. When this mode is selected, the UNICAP Rates Screen will display only two columns, one for the year and one for the single UNICAP rate for that year.

If more than one UNCAP rate is used, in any year since LIFO was adopted, Mode 2 must be selected. Mode 2 should also be selected if UNICAP is not applied for all pools for all years. When this mode is selected, the UNICAP Rates Screen will display separate UNICAP rate columns for all pools, for all years. If a company previously used multiple UNICAP rates but now use a single rate, or vice versa, users must enter the single rate for all pool columns.

These UNICAP mode codes are different in LIFO-PRO for Windows than in the DOS version. The old DOS UNICAP mode 4 is now mode 3 in Windows. The old DOS UNICAP modes 5, 6 and 7 are now mode 2 in Windows. All other DOS UNICAP modes are now mode 1 in Windows.

For companies using UNICAP modes 1 and 2, LIFO-PRO Reports 16, 17 and 18 can be printed both for before UNICAP costs application and after. For these companies, additional command buttons appear on the Main Menu to select With UNICAP reports.

Cumulative Index Rounding Precision

It is not uncommon for companies to use a rounding convention when calculating the cumulative index and layer pricing index(which is different if that layer pricing method was elected). The cumulative index and layer pricing index will be rounded to the number of decimal places specified in the drop down box on this screen. For example, a 2.3537328 cumulative index would be rounded to 2.354 if 3 decimal place precision was specified. Standard rounding procedures are followed, i.e. 5 is rounded up and 4 down. The number of decimal places is based on the index expressed as a decimal number and not as a percentage. For example, the unrounded index could be expressed as 235.37328%, so it is important to note that the rounding precision refers to a decimal number and not a number expressed as a percentage. When current year indexes are input manually on the LIFO-PRO Data Input Screen, the precision of this index input will determine what the cumulative index will be, but only to the extent of the cumulative index rounding precision specified. This means that even though LIFO-PRO allows input of a current year index with 20 or more decimal places, it is wasted effort to use current index precision that is more than one or two decimal places greater than the cumulative index rounding precision specified. There is no hard and fast rule as to the correlation of the precision of these two indexes so you may wish to experiment with this.

Unlimited rounding precision(this is the default setting) is recommended because the current index rate entered in the Data Input Screen will be forced to be a slightly different number when the LIFO calculation is made. For example, if cumulative index rounding precision of 3 is used, the prior year cumulative index is 1.321 and the current index is 1.02, the current index actually used is forced to be 1.0196821 since 1.321 times 1.02 is 1.34742 but is rounded to 1.347 and results in a 1.0196821 current index when 1.347 is divided by 1.321.

Dollar Balances Rounded to Thousands

Some companies' LIFO calculations are made with dollars rounded to thousands whereby the FIFO dollars used to start the calculation are rounded to thousands. LIFO-PRO can be set to handle this situation and the reports are all labeled accordingly. Because some of the projection reports may print or display projected LIFO inventories and provisions in dollars rounded to thousands regardless of whether the actual LIFO history balances are rounded to thousands, LIFO-PRO has to be set up for this mode to handle this properly. For companies using LIFO-PRO for IPIC calculations, they may use unrounded dollars for the IPIC data input because the IPIC Methods Settings Screen includes a specification as to whether rounded or unrounded dollars are used for IPIC data input.

Years in which there are two LIFO calculations

Company acquisitions and changes in year ends can result in companies having two LIFO calculations within the same calendar year and or no LIFO calculation in a year. In the 16 bit versions of LIFO-PRO, these situations required special procedures. With LIFO-PRO 32 bit, since period labels are defined by users and can be any date, LIFO periods that are not 12 months subsequent than the prior period end are handled no different from any other period end.

Save Excel Files as Version

LIFO-PRO can read these versions of Excel files: Excel 5.0/95, Excel 97 & Excel 2000. The Excel IPIC Data Input Files will be saved as Excel 97 files unless the Excel 5.0/95 format is specified on this screen. The only case in which this would be necessary is if the user's Excel version is Excel 5.0/95 or older.

Show Option to Display Reports 16 & 17 as of Year Selected

Unless this setting is set to the No option, a Report 16/17 Period Selection Screen will appear each time Reports 16 and 17 are selected from the Main Menu. The purpose of this screen is to run these reports through a year earlier than the last year closed. For example, if the last year closed is 12/31/2000 but the

user wants to run one of these reports through 12/31/1998 since this is the year subject to an IRS audit, this can be done by selecting 12/31/1998 in the Report 16/17 Period Selection Screen. If you do not want this screen to appear, the No option should be selected. For multiple company applications, this option must be selected for each company.

Period Names and Base Periods

Clicking on the Period Maintenance command button(this same button is labeled Pool Maintenance when the Period Names grid is visible) will cause the following screen to appear:
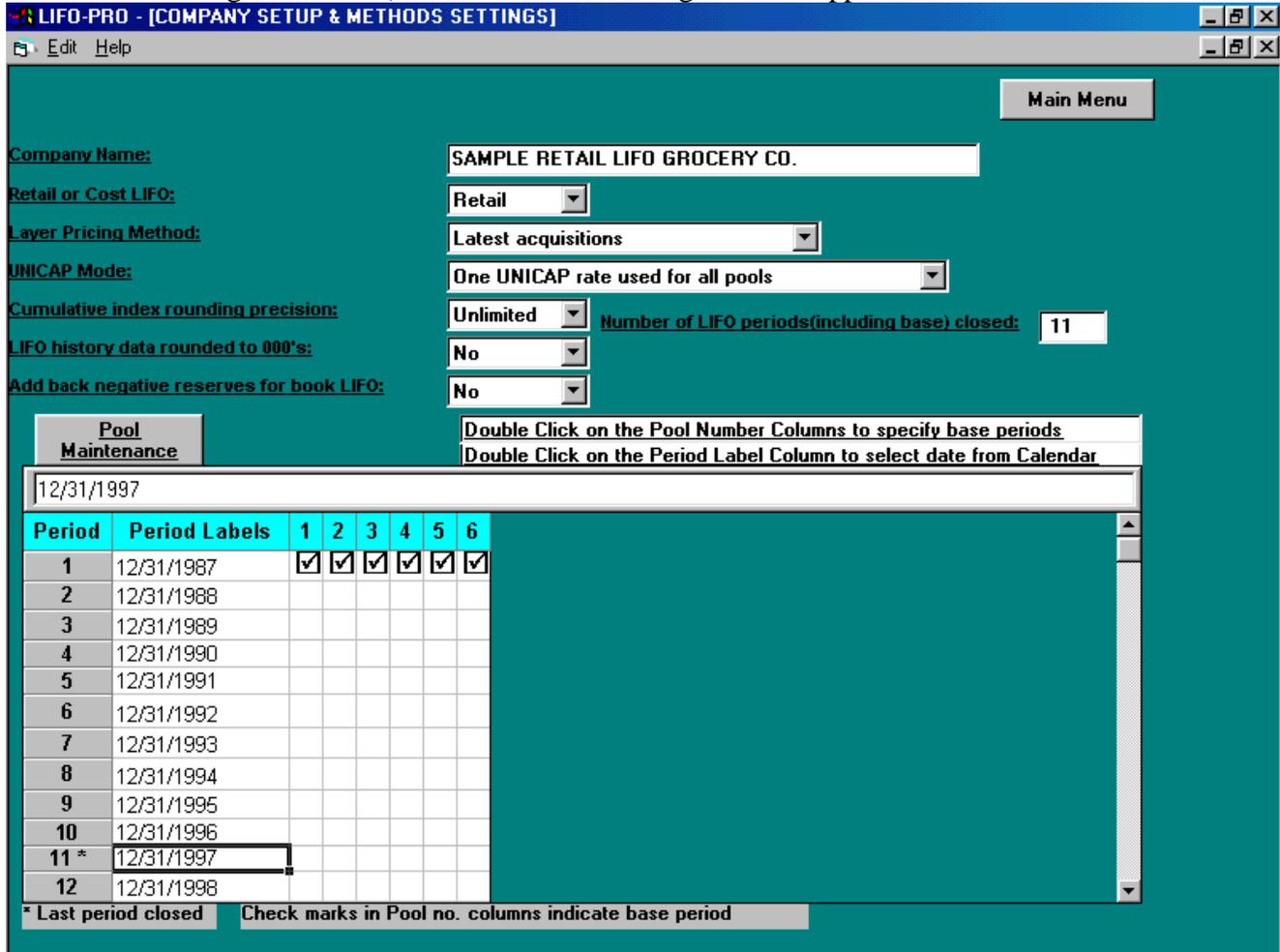
Period names should be entered in the leftmost column of this screen. Any text up to 25 characters may be entered but the standard m/d/yyyy (4 year digits) format is recommended especially for companies using the IPIC method because the year in period ends is needed for LIFO-PRO to determine which years' CPI or PPI indexes to look up. If rows are left blank, LIFO-PRO automatically fills the rows below it with the same day of the next year. For example, if 3/31/1997 is the last period entered, LIFO-PRO will fill the next row with 3/31/1998. If 1997 is the last period entered, LIFO-PRO will fill the next row with 1998. If a year is not the last characters entered, blank rows will be filled with "Period 10", etc.

The base periods for each pools should be checked by double clicking in the correct cell. If these base period is not specified, the base period defaults to the earliest period(Period 1). Base periods need not be the same for all pools. The check mark is placed by LIFO-PRO into the cells by using the letter "R" with the Wingdings 2 font. When LIFO-PRO is installed this font is installed(wingdng2.ttf file in the c:\widows\fonts directory) if it is not already present. If this font does not install properly, an "R" will appear instead of the check mark but LIFO-PRO will read this properly as if it appears as a check mark.

If pool names are not entered before period names, the pool columns for specifying base periods will not appear however they can be entered either before or after the period names.
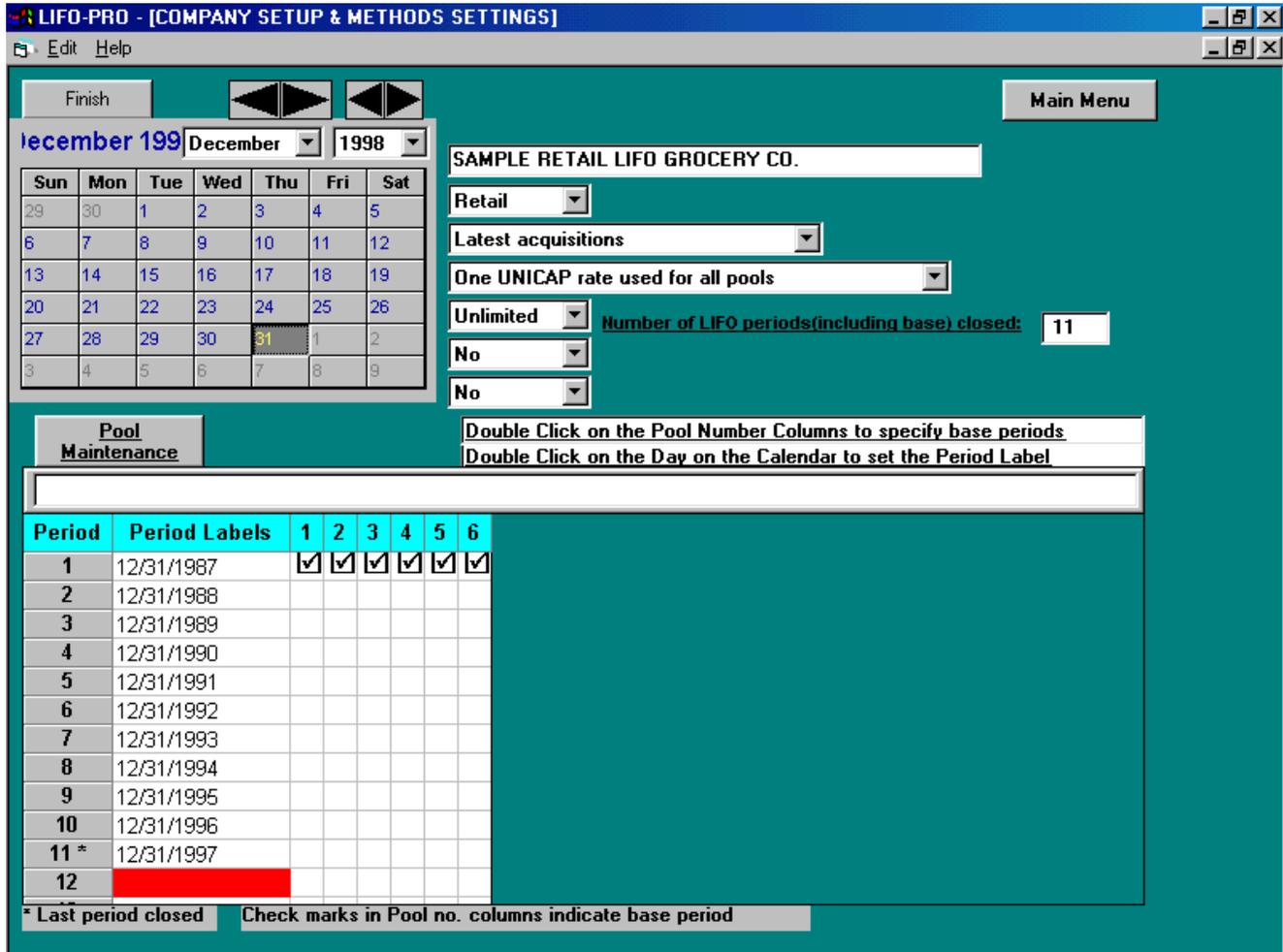
The calendar shown above is not visible when the Period Labels screen is first displayed. Follow these steps to access the Calendar and to enter dates from the Calendar in the Period Label cells below:
1. If the Calendar is not visible, double click on any Period Label row in the leftmost column
2. Place the Period Label grid cursor in cell the Calendar date is to be inserted
3. Using the left and right arrows above the Month & Year text boxes, select the desired Month & Year
4. Double click on the desired Day to insert that date in m/d/yyyy format into the selected Period Label cell below.

Adding Back Negative LIFO Reserves for Book LIFO

Many companies follow the policy of adding back negative reserves(LIFO inventory exceeds FIFO inventory) to the company total LIFO reserve for book LIFO. When this setting is "on" in LIFO-PRO, these negative reserves are added back for book LIFO on Report 18 at the bottom of the report. If UNICAP costs are applied for book LIFO in LIFO-PRO, this disclosure is only shown on the Before UNICAP costs version of this report. This disclosure also shows the effect of adding back the negative reserves on LIFO inventory and the LIFO provision as well. The adjusted LIFO provision balance is the current year's adjusted reserve(negative reserves added back) minus the prior year's adjusted reserve. The calculated LIFO reserve, LIFO inventory and LIFO provision amounts are all shown on the company total line and the negative reserve effect to be added back plus the adjusted balances are also shown. Some companies will only want to know what these amounts are while others will book the adjusted amounts. This information is provided for information purposes and does not effect the LIFO balances in the LIFO-PRO historical database. For companies for which book LIFO negative reserves are to be added back to the company total to determine the net amount to book, the Add Back Negative Reserves for Book LIFO setting in the Methods Settings Screen should be set to Yes. This mode may be used all the time or can be set to No all the time or Yes or No only temporarily. Because negative reserves cannot be added back for tax LIFO, this setting should be No for tax LIFO calculations.

For the negative LIFO reserves to be added back on consolidated reports, this setting should be Yes for all companies in the consolidated group. When running consolidated reports with the negative reserves being added back, it should be kept in mind that perhaps a more appropriate treatment of these negative reserves would be to first aggregate all pools with the same type of products, for example with the same BLS groups for retailers using BLS Department Stores Groups for pooling. For example, if one company's pool 9(BLS group 9) LIFO reserve is negative but another company in the consolidated group has a larger positive LIFO reserve for pool 9, the net reserve would be positive and an add back of the one company's negative reserve may not be appropriate. LIFO-PRO does not include an option to calculate the negative reserve add backs on this basis. The following is an example of the negative reserve disclosure on a LIFO-PRO Report 18:

LIFO-PRO REPORT 18(Year histories)

ABC COMPANY BOOK LIFO   10-30-1997   21:08:01
ACTUAL YEAR-END LIFO CALCULATION SUMMARY   REPORT 18
1996   Data path:d:\lifopro\nm\book\temp\

POOL NO.	POOL NAME	FIFO INVENTORY	1996 DEFLATOR INDEX	CUMLTV DEFLATOR INDEX	CUMLTV INFLATOR INDEX	LIFO INVENTORY	LIFO RESERVE	LIFO PROVISION
2	Domestics & draperies	5,724,533	1.003440	2.336000	2.336000	4,215,716	1,508,817	4,718
9	Womens outerwear&girls w	14,436,055	0.978470	1.409000	1.409000	15,450,500	-1,014,445	-1,192,693
10	Men's clothing	6,725,111	0.991740	1.680000	1.680000	6,787,420	-62,309	-284,108
13	Jewelry	3,284,704	0.997200	3.211000	3.211000	2,055,945	1,228,759	-25,328
15	Toilet articles & drugs	10,503,131	1.035400	3.100000	3.100000	7,640,698	2,862,433	294,765
18	Housewares	396,967	1.039270	2.064000	2.064000	407,735	-10,768	-7,586
	Totals	41,070,501	0.998880	1.878300	2.107900	3,655,805	4,512,486	-1,210,232
Add back negative LIFO Reserve effect						1,087,522	1,087,522	1,084,340
Balances excluding negative LIFO Reserves						35,470,492	5,600,009	-125,892

HISTORICAL DATA INPUT

Once LIFO historical data has been entered into LIFO-PRO, the historical data will never need to be edited since LIFO-PRO performs the actual year end LIFO calculation and automatically updates the LIFO history files to include the year just completed. Changes in the history can be made to correct errors in data input to LIFO-PRO or to give effect to IRS audit adjustments.

Loading a company's historical data files into LIFO-PRO is relatively simple if the source historical data is well organized because:
1. Only five columns(three columns for non-Retail Inventory Method companies) of data need be entered. LIFO-PRO calculates the other columns of data.
2. A complete LIFO history need not be entered. Only the data for years that still have layers need be entered although a more complete history will result if information is entered also for years for which the layers no longer remain.
3. For companies having separate book and tax LIFO calculations where the only difference between the two is the application of UNICAP costs for the tax LIFO, only the book historical data and the UNICAP rates need be entered and the tax LIFO historical data with UNICAP costs will be calculated automatically.

Historical Data Input Options
Complete History Method-Many companies keep a one page schedule containing a complete LIFO history for each pool. A complete history is one in which all years' LIFO calculations can be recalculated and proven with the data on the schedule without reference to other schedules for past years' data. The LIFO-PRO Report 16 is such a schedule because it includes such data plus the layers remaining as of the last period closed. Report 17 is a more complete history because it shows the status of all layers in all years, but the Report 16 format is easier to work with for entering and editing data. Historical LIFO data is entered into LIFO-PRO by entering or pasting(from spreadsheet files) the data into certain columns in Report 16.

For a complete history, data needs to be input for each of these five columns for Retail LIFO: B(FIFO Inventory or Retail FIFO), E(Inventory at Base), H(Increase or Decrease at Retail), J(Increase or Decrease at Cost) and L(Cost FIFO) for all years, even the years for which there was a decrease in inventory at base year prices. Column L(LIFO Inventory) balances may be substituted for the column J(Increase or Decrease at Cost) balances.

For decrement years, the Increase or Decrease at Retail(column H) amount is the total of the layers eroded that year priced out using the appropriate years' indexes and the Change at cost(column J) is the Increase or Decrease at Retail amounts times the appropriate years' cost complements.

For Cost LIFO, data need be entered for only these three columns: B(FIFO Inventory or Retail FIFO), E(Inventory at Base), H(Priced Increase or Decrease). Column I(LIFO Inventory) balances may be substituted for the column H(Priced Increase or Decrease) balances. For decrement years, the Priced Increase or Decrease(column H) amount is the total of the layers eroded that year priced out using the appropriate years' indexes.

Input of LIFO historical data is made in the same screen that historical data is viewed and printed. This is LIFO-PRO Report 16, accessed from the Main Menu. An example of this screen is shown below:

LIFO-PRO - [LIFO-PRO REPORT 16(Pool Histories)]

Cut Copy Paste Edit Historical Data Calculate Save New Data Help

Zoom 85 % ◄► | Index History Chart | Print Selected Sheet(s) | Print all Pools | Main Menu

A1 | SAMPLE RETAIL LIFO GROCERY CO.

◄ ► / 1 \/ 2 \/ 3 \/ 4 \/ 5 \/ 6 \/ Combined \

SAMPLE RETAIL LIFO GROCERY CO.   07-25-1999 20:04:19
LIFO INVENTORY HISTORY SCHEDULE   REPORT 16
Pool: 1   Food & beverages   Data path:C:\LIFOPRO\RIMCOST\DEMO\

PERIOD	RETAIL FIFO INVENTORY	CUR YR INDEX	CUMLTV DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV INFLATOR INDEX	INC(DEC) AT RETAIL	LIFO COST COMP	INC(DEC) AT COST	LIFO INVENTORY	COST FIFO INVENTORY
12/31/1987	110,892,575	0.963600	0.963600	115,081,543	115,081,543	0.963600	110,892,575	0.769700	85,354,014	85,354,014	85,354,014
12/31/1988	151,702,995	1.023661	0.986400	153,794,610	38,713,067	0.986400	38,186,567	0.779716	29,774,696	115,128,710	118,282,825
12/31/1989	159,781,668	1.013788	1.000000	159,781,670	5,987,060	1.000000	5,987,059	0.759300	4,545,974	119,674,684	121,322,221
12/31/1990	158,969,898	1.016000	1.016000	156,466,436	-3,315,234	1.000000	-3,315,233	0.759300	-2,517,257	117,157,427	121,071,474
12/31/1991	160,494,207	1.020480	1.036808	154,796,448	-1,669,988	1.000000	-1,669,988	0.759300	-1,268,022	115,889,405	121,124,978
12/31/1992	181,416,990	1.018321	1.055804	171,828,360	17,031,912	1.055804	17,982,353	0.755600	13,587,465	129,476,870	137,078,678
12/31/1993	181,416,990	1.000000	1.055804	171,828,360	0	1.055804	0	0.755600	0	129,476,870	137,078,678
12/31/1994	181,794,629	1.021642	1.078653	168,538,488	-3,289,872	1.055803	-3,473,458	0.755600	-2,624,545	126,852,325	135,764,229
12/31/1995	147,244,224	1.038041	1.119687	131,504,856	-37,033,632	1.012521	-37,497,345	0.769840	-28,866,940	97,985,385	108,780,900
12/31/1996	147,622,644	1.010467	1.131407	130,477,083	-1,027,773	0.986400	-1,013,795	0.779716	-790,472	97,194,913	107,003,508
12/31/1997	149,666,580	1.001771	1.133410	132,049,792	1,572,709	1.133410	1,782,524	0.715700	1,275,753	98,470,666	107,116,371
				132,049,792		0.968281	127,861,259	0.770137	98,470,666		

Shown above are the leftmost columns of a sample Report 16 for a company using Retail LIFO. Fewer columns are needed to document the calculations for companies using Cost LIFO and additional columns are needed to document the with UNICAP costs Report 16 calculations. Examples of Report 16s for these situations are shown in the sample reports sections. The data in the screen above is an example of the Complete History Method.

Shown below is the data that was necessary to create the Complete LIFO history shown above:

LIFO-PRO - [LIFO-PRO REPORT 16(Pool Histories)]

Cut Copy Paste Edit Historical Data Calculate Save New Data Help

Zoom 85 % ◄► | Index History Chart | Print Selected Sheet(s) | Print all Pools | Main Menu

F7 |

◄ ► / 1 \/ 2 \/ 3 \/ 4 \/ 5 \/ 6 \/ Combined \

SAMPLE RETAIL LIFO GROCERY CO.   07-25-1999 20:04:19
LIFO INVENTORY HISTORY SCHEDULE   REPORT 16
Pool: 1   Food & beverages   Data path:C:\LIFOPRO\RIMCOST\DEMO\

PERIOD	RETAIL FIFO INVENTORY	CUR YR INDEX	CUMLTV DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV INFLATOR INDEX	INC(DEC) AT RETAIL	LIFO COST COMP	INC(DEC) AT COST	LIFO INVENTORY	COST FIFO INVENTORY
12/31/1987	110,892,575			115,081,543			110,892,575		85,354,014		85,354,014
12/31/1988	151,702,995			153,794,610			38,186,567		29,774,696		118,282,825
12/31/1989	159,781,668			159,781,670			5,987,059		4,545,974		121,322,221
12/31/1990	158,969,898			156,466,436			-3,315,233		-2,517,257		121,071,474
12/31/1991	160,494,207			154,796,448			-1,669,988		-1,268,022		121,124,978
12/31/1992	181,416,990			171,828,360			17,982,353		13,587,465		137,078,678
12/31/1993	181,416,990			171,828,360			0		0		137,078,678
12/31/1994	181,794,629			168,538,488			-3,473,458		-2,624,545		135,764,229
12/31/1995	147,244,224			131,504,856			-37,497,345		-28,866,940		108,780,900
12/31/1996	147,622,644			130,477,083			-1,013,795		-790,472		107,003,508
12/31/1997	149,666,580			132,049,792			1,782,524		1,275,753		107,116,371
							127,861,259		98,470,666		

As shown on the screen above, only 5(3 for non-retail) of the columns from the Historical Data Schedule need be entered to produce a Complete LIFO History. The other columns are calculated automatically by LIFO-PRO. If the format of your historical data schedules does not include this data, you should be able to

convert your historical data schedule figures to fit this format. If you cannot determine how to do this, you should consult LIFO-PRO as to how to do this.

Other combinations of data could be entered instead of this. For example, for companies using the Latest Acquisitions Layer Pricing Method, it would also be possible to input only two columns, FIFO and current year indexes (plus the LIFO Cost Complements and Cost FIFO dollars for Retail LIFO). The above data is preferable so that the indexes are forced from dollars in the event indexes input are not precise enough. The LIFO inventory balances could also be entered in that column above instead of the preceding column. Often times, companies only have LIFO layers and layers at base remaining data as of a point in time. If this is the only data available, this should be copied to the Change at Base and Priced Inc(Dec) columns.

Once this data has been entered or pasted into LIFO-PRO, the top menu bar Calculate command will become visible(not grayed out). Selecting the Calculate command will cause LIFO-PRO to calculate the remaining LIFO data. Once this has been calculated, another top menu bar command, Save New Data will become visible. Selection of this command will save this data.

Remaining Layers Only Method-Using this method, complete historical data need only be entered for those years for which there are still layers. For the years in which a layer never existed or no longer exists, only the FIFO balance(Retail FIFO for Retail Inventory Method(RIM) companies) and Inventory at Base balance need be entered. The Inventory at Base will be the same as the last year in which a layer still exists for years with no layer for this mode. The FIFO or Retail FIFO balance will be the same as the last year in which a layer still exists if the index is not known but the actual balance is input if the index is known. For RIM LIFO, the Cost FIFO balances must also be entered although many companies do not keep a history of this in which case an estimate can be used which means the LIFO reserve and provision will not be correct for those years even though the LIFO balance will be. In such cases, it is advisable to at least get the correct Cost FIFO balance for the latest year so that year's LIFO reserve will be correct. Use of this method can decrease the time necessary to enter historical data although the resulting historical data schedule produced by the program will not contain as much information. Users are advised to enter complete historical data at least for those years still open to IRS audit. If complete LIFO historical data does not exist for those years, users cannot use LIFO-PRO to calculate pro forma LIFO balances for those years until the complete historical data for those years has been entered. The correct FIFO inventory balance is also required so that the LIFO provision amount for the next year is calculated correctly.

The screen below is an example of the same pool's LIFO-PRO Report 16 that would result from entering only the layers remaining as of 12/31/1997:

The screen above was created by entering the layers remaining at 12/31/1997 in the rightmost columns of the screen as shown below:

Although all dollar balances in LIFO-PRO reports are shown rounded to the nearest whole dollar or integer, unless the balances entered are very large, it may be necessary to enter dollar balances in greater precision than integers to exactly replicate the original LIFO history. For example, if a Layer at Retail is $50,123.65 and the Layer at Base is $34,415.44, the resulting Cumulative Inflator Index is 1.456429. If the rounded balances of $50,124 and $34,415 are entered, the resulting Cumulative Inflator Index is 1.456458. If layers only are entered but not the Retail FIFO(FIFO for Cost LIFO) and Inventory at Base, these balances calculated by LIFO-PRO may not be exactly what those balances actually were. For example, if the Inventory at Base in this case for this year was $1,000,000 the Cumulative Inflator Index of 1.456429 multiplied times the Inventory at Base(this is the math LIFO-PRO uses to calculate the FIFO balance) the resulting FIFO balance is $1,456,429 but it would be $1,456,458 if the layers entered were rounded to integers. This is not as great a problem with the Complete History input of data because the FIFO balance will be provided.

Company Setup Required Prior to Entering Historical Data

If a company starts using LIFO-PRO for a company that has been on LIFO for at least a year(base year plus first year LIFO adopted for), the LIFO history is typically entered for all years on LIFO. Before this is done, the Company Setup and Methods Settings Screen, accessed from the Main Menu, must be set to indicate how many LIFO periods have been closed(including base period) and which will be entered into LIFO-PRO. The last period closed is displayed on the Main Menu, so users should check this before entering historical data. If the number of LIFO periods closed is input incorrectly, this may be changed in one of two ways. Since this data is stored in the coinfow.dat file in the company's data directory and it is a text file, the line indicating the number of LIFO periods may be edited and resaved. This file could also be deleted altogether but users would have to reinput any Company Setup and Methods Settings data previously entered. Base years for each pool must also be first input into the Period Maintenance Screen, also accessed from the Main Menu.

Historical Data Input for Base Year Only

If only the base year data is to be input into LIFO-PRO, the number of LIFO periods close entered into the Company Setup and Methods Settings Screen should be 1. This would be done in for initial LIFO elections but could also be used if users want LIFO-PRO to recalculate all years LIFO balances. Data need be entered into two columns only in most cases, as shown below:

For Retail LIFO, only the Retail FIFO and Cost FIFO balances need be entered in most cases. If the Cost FIFO balance is a Lower of Cost or Market balance, e.g. a department store stock ledger balance, then that balance should be entered in the Cost FIFO column and the opening LIFO inventory determined as per the IRS Regulations should be entered in the LIFO Inventory column. If the initial LIFO election is a result of a Section 351 transfer of inventories valued at LIFO requiring compression of LIFO layers, another entry in the Increase(decrease) at Retail will be required.

For Cost LIFO situations not involving layer compressions, only the FIFO inventory column requires an entry. As with other situations involving data input into this screen, clicking on the Calculate option and then Clicking on the Save New Data option on the top menu bar is required to calculate and save the other columns of data.

EDIT OF HISTORICAL DATA

Any component of the LIFO history for any past year may be changed in either of two ways. Depending on the reason for change in historical data, users may want to set up the revised calculations in a different data directory. This involves making a new directory and copying the "old" files to the "new" directory

before making any changes and then adding the "new" directory. The two procedures available to change prior years' LIFO balances are:
1. Editing individual data fields.
2. "Unclosing" and then "reclosing" actual year end calculations using revised projection variables files.

Editing Individual Data Fields

Editing of historical data is also done on the Report 16 Screen. Clicking on the Main Menu Input/Edit Historical Data command button will cause Report 16 to appear with the Edit mode enabled. If Report 16 was accessed by clicking the Report 16 command button on the Main Menu, users must first select the Edit Historical Data top menu bar command to put this screen into the Edit mode. Since the screen is not protected, data may be changed but will not be recalculated until the Edit Historical Data mode is selected. This must be done first or the Calculate top menu bar command will not appear. If data has been changed but the user forgot to select the Edit Historical Data mode, this must be selected and then at least one cell edited after that before the Calculate command will appear.

When data is edited, the fields to be recalculated must be made blank with the delete key or the cut command. For example, if a new current year index is input four years before the last year closed because it was found to be in error, all columns to the right, starting at the cumulative indexes column must be blanked out starting in this year continuing for the remainder of the years. The Calculate command should then be selected. The Save New Data command will then appear. The newly calculated data can now be saved. Caution should be taken in doing this because the old historical data will be overwritten. It is advisable to back up the data files in this company's data directory before doing this or creating a new LIFO-PRO data directory for this recalculation.

UNICAP costs applied cannot be edited in this screen. This must be done by editing UNICAP rates in the UNICAP Rates Screen accessed from the Main Menu.

"Unclosing" and then "Reclosing" Actual Year end Calculations

This will be quicker than the previously described method if there are more than several fields to be edited. Using this procedure, one or more years must be "unclosed" using the Unclose Year end Main Menu command button. This should be done for as many years as is necessary to get back to the year(s) for which the LIFO calculations are to be rerun. For example, if the LIFO calculation for 1991 is to be rerun, the year end should be set back until 1990 is "last year closed" as shown on the Main Menu. When this method is used, the data to be used to rerun the LIFO calculation needs to be entered in Screen 3 as described in Section 5 and the year end "closed" by selecting the Close Year end command button on the Main Menu. LIFO-PRO automatically creates ACT____.PRN files where ____ is the year for each year for which LIFO-PRO was used for the actual LIFO calculation and for previous years where the year ends are set back beyond this point. These files are automatically updated for any changes made in LIFO history data via editing. These files contain the variables originally used(as edited, if applicable). This allows users to select these files when entering the data input Screen 3 and only change the applicable data. The fields that can be changed are the FIFO balances, the indexes and cost complements(for retailers). This method will be quicker than the Edit Historical Data procedure on Report 16 if many changes are to be made.

DATA INPUT FOR CURRENT YEAR LIFO CALCULATIONS

For most IPIC LIFO calculations, all current year LIFO data inputs can be made in the IPIC Data Input Screen. In all other cases, the current LIFO data inputs must be made in the LIFO-PRO Data Input Screen(Screen 3). Even for retailers using the BLS Department Stores Indexes for which these indexes are calculated in the LIFO-PRO BLS Department Stores Indexes Table, these indexes must subsequently be imported into Screen 3. This screen is accessed from the Main Menu using the Data Input for 1997(or the year after the last year closed) command button. An example of Screen 3 is shown below:

Screen 3- Internal Index LIFO Calculation Data Input Report Screen

LIFO-PRO - [1995 LIFO-PRO DATA INPUT SCREEN FOR ABC COMPANY]

File   Edit   Show L/Y   Global Var   Prov Components   Constant Cost FIFO   Dept Store Indexes   Help

Zoom 100%   ◀▶   Load Different File   Print   Close 1995 Year-end   Exit and Don't Save   Exit and Save

D7   23587952

ABC COMPANY
DATA INPUT FOR 1995 LIFO CALCULATIONS   LIFO-PRO Report 3
DATA FILE NAME:C:\LIFOPRO\ABC\PROJ95.PRN

POOL	RETAIL FIFO 1995	INDEX 1995	LIFO CC 1995	FIFO CC* 1995	COST FIFO INVENTORY	LIFO PROVISION	LIFO INVENTORY	
1 Piece goods	23,587,952	1.058700	.548400	.552000	13,020,549	706,463	4,417,510	
Provision breakdown==>	1,971	709,622	-411	-4,719				
2 Domestics&draperies	4,581,645	1.054800	.552302	.543800	2,491,498	123,043	1,262,242	
3 Womens&children	13,987,518	1.084800	.549800	.548700	7,674,951	405,757	4,748,712	E
4 Mens' shoes	4,484,774	1.087600	.556800	.536500	2,406,081	169,855	1,121,565	E
5 Infants' wear	15,737,481	1.065400	.554100	.549900	8,654,041	429,168	5,600,143	E
6 Womens underwear	15,854,874	1.054700	.541100	.540800	8,574,315	460,453	5,717,122	
7 Womens hoisery	19,842,652	1.087500	.542500	.548700	10,887,663	567,034	2,270,054	E
8 Womens&girls	18,643,298	1.078400	.551400	.554500	10,337,708	613,557	2,099,285	E
9 Womens outerwear	4,432,157	1.046338	.550500	.542000	2,402,229	42,592	1,214,875	E
10 Mens clothing	17,584,578	1.087900	.554800	.547800	9,632,832	724,585	6,201,519	E
11 Mens furnishings	17,071,012	1.059800	.535700	.548900	9,370,279	464,637	6,269,035	
12 Boys clothing	4,394,235	1.069800	.548195	.542300	2,382,994	121,511	1,126,550	
13 Jewelry	19,210,852	1.057800	.541700	.552300	10,610,153	33,587	2,251,963	E
14 Notions	5,458,786	1.083300	.558901	.542600	2,961,937	195,625	1,579,882	
15 Toilet articles	21,868,458	1.069793	.556900	.556000	12,158,863	737,036	3,354,500	
TOTALS OR WTD AVG	206,740,272	1.070035	.548432	.549318	113,566,093	5,794,903	49,234,957	
Provision breakdown==>	-1,342,179	7,553,997	-9,694	-407,221		5,794,903		
E-Layer erosion occurs for this pool.								

The screen above is the LIFO-PRO Data Input Screen(Screen 3). Although the LIFO-PRO program produces a number of different reports, Screen 3 will likely be the most used for non-IPIC applications. While the Screen 3 shows the calculated LIFO provision and LIFO inventory values, it is also the means by which the LIFO data inputs are input and edited. This is a spreadsheet, so that the user can change any of the retail FIFO, index and cost complements(FIFO and index only for non-Retail Inventory Method companies). Once a change has been entered, the effect of this new input on that pool's and the company total LIFO provision and LIFO inventory balance is recalculated automatically and instantly.

All LIFO-PRO historical data from the base year through the last year closed, for all pools, is maintained in a single history file named bhist.dat. To make the LIFO calculation for the next year, or current year, only the current LIFO inputs are needed and these are input in Screen 3.
The columns with the blue colored shading are data input columns. Any input or edit of these fields above the total rows will initiate a recalculation of the LIFO provision and inventory amounts and the company totals will be recalculated. Input or edit of columns not shade blue will have no effect.

The name of the current file is shown on line 3 of Screen 3 and will also appear in the heading of all other projection reports using these variables. This helpful feature is handy if users run projections for many different scenarios and periods. The projection variables used for all projections reports will be the "current" file which is the last one saved.

Columns Displayed in Screen 3
Based on the LIFO methods specified in the Company Setup & Methods Settings Screen(accessed from the Main Menu Methods Settings command button), LIFO-PRO automatically displays the appropriate data input columns. FIFO Inventory(Retail FIFO for retail LIFO applications) and index columns are displayed for all methods. For companies using the Latest Acquisitions Layer Pricing(also referred to as dual index) method, an additional index column is displayed. The first index column will have the "Deflator Index" column heading and the second index column will have the "Inflator Index" column heading. For companies using retail LIFO, three additional columns are displayed for the FIFO Cost Complement, LIFO Cost Complement and Cost FIFO Inventory inputs.

Show Last Year Values
Last year value columns are automatically inserted into Screen 3 by LIFO-PRO for all input variable(blue shading) columns(except for the Cost FIFO column for retail LIFO applications) as a handy reference. These are shown when Screen 3 is first displayed for non-retail LIFO applications but hidden for retail LIFO applications(so all columns are visible without scrolling). These columns can be hidden or displayed by selecting the Show L/Y top menu bar option. The two options available are Show L/Y Cols and Hide L/Y Cols.

Provision Components
The last line of Screen 3 showing data is the LIFO Provision Breakdown line which shows the separate quantity change effect, index(inflation) effect and margin effect(for Retail Inventory Method). Report 19 also shows this data for projected as well as past years' results. Provision breakdowns can be viewed or hidden for individual pools by selecting the Prov Components top menu bar selection. The four selection options this contains are:

- Show this Pool (F8)
- Show all Pools (Ctrl+F8)
- Hide this Pool (Shift+F8)
- Hide all Pools (Shift+Ctrl+F8)

Global Variable Mode

There is a means by which users can define projection input variables quickly in a global mode in Screen 3. The Global Variable options, accessed by selecting the <u>G</u>lobal Var top menu bar option, include:

- **Multiply x Last Year(F5)**-When the cursor is placed in any of the columns for current year projection variables and this is selected, all the projection variables for that column from the cursor row down will be set to the cursor cell value times the last year's actual value. For example, if 1.1 is entered(with Enter key pressed) on the FIFO(Retail FIFO for retail LIFO applications) or Cost FIFO(for retail LIFO applications only) column cell for pool 1 and then the F5 key is pressed, all values in this column will be set to a value 10% greater than last year's actual value. If 1.1 is entered in the index column, the inflation rate will be 10% higher than last year for all pool's indexes from that line down. For example, if a pool had an inflation rate of 5% last year, expressed as 1.05 in this program, the projected inflation rate that is 10% higher would be 5.5%, expressed as 1.055.
- **Copy(Ctrl+F5)**-Selecting this option will change all indexes(or Cost Complements, for retail LIFO applications) from that row down to be the same as entered in the cursor cell. For example, if 1.04 is entered(with the Enter key pressed after entering 1.04)in the index column for pool 1, all pool's indexes will be set to 1.04.

Other global variable selections may be made using the top menu bar <u>E</u>dit selection. Pressing this accesses the standard Windows Edit commands(Cut, Paste and Copy).

Edit Command

The <u>E</u>dit top menu bar allows users access to the standard Windows Edit commands(Cut, Paste and Copy). These commands may also be used to cut, copy and paste values from or to Screen 3 to or from Windows applications outside of LIFO-PRO.

Constant Cost FIFO

For retail LIFO applications, LIFO and FIFO cost complement columns and a Cost FIFO column will be displayed on Screen 3. When dollars are entered in the cost FIFO column, the FIFO cost complement column will change to be the cost FIFO dollars divided by the retail FIFO dollars ratio. If a cost complement is entered in the FIFO cost complement column, the cost FIFO dollars will change to be the retail FIFO dollars time the FIFO cost complement. The retail FIFO balance never changes when one of these other two column values changes because it is always treated as a constant by LIFO-PRO. When the retail FIFO balances are changed, users can choose to have either the FIFO cost complement or cost FIFO dollars column treated as a constant. This is controlled by users by selection of the mode in the <u>C</u>onstant Cost FIFO top menu bar setting. The two settings are <u>C</u>ost FIFO $ Constant and <u>F</u>IFO CC % Constant. A check mark in front of the selection indicates which mode has been selected. The mode is also indicated by which of the two column headings, in row 5, contains an asterisk(*).

If the * is in the cost FIFO column, the FIFO cost complement will be recalculated when the retail FIFO balance is changed. If the * is in the FIFO cost complement column, the cost FIFO dollars will be recalculated when the retail FIFO balance is changed. When entering actual year end values, the cost FIFO dollars column should be designated the constant, with the * in its column heading. When mid-year projections are being made, it is more likely that the FIFO cost complements column would be designated as constant. The reason for this is that the key input variables for planning are usually the retail FIFO amounts and indexes. The cost FIFO balances would typically vary with changes in the retail FIFO balances with the FIFO cost complements being constant. For example, if margins have not changed much from last year, the same FIFO cost complements as last year would be used. If they have changed, you may want to increase or decrease them by a percentage or so for one or all pools. If this is done, and

this is the constant column, then the cost FIFO balances are automatically recalculated when retail FIFO balances are changed. It is common practice to run projections, for example with the assumption that retail FIFO balances will all increase by 5% over last year's balances and then to do another projection at no change or a different amount of change. Having the cost FIFO column designated as constant in these cases can save a lot of time.

When entering the actual cost FIFO dollars at year end, the dollars entered in the cost FIFO column will not change even if the * is in the FIFO cost complement column, as long as the cost FIFO dollars are entered after the retail FIFO dollars. If the cost FIFO dollars are entered first with the * in the FIFO cost complement column, they will change if retail FIFO dollars are entered after the cost FIFO dollars.

Loading And Saving Projection Variable Files
When users enter Screen 3, the most recently saved, or "current" variables file is automatically loaded. To load another file, select the Load Different File command button at the top of the screen. When this option is selected, the standard Windows Load File Dialog box, an example of which is shown below, is displayed. When the Exit and Save command button is selected, the standard Windows Save File Dialog box is displayed. When the Load Different File command is selected and the data has been modified, the Save File box will first be displayed to allow users to save the modified data before loading another file. As is standard in Windows, if a file to be saved will overwrite an existing file with the same name, the user will be informed of this and asked whether or not the file should be

overwritten. The standard Windows directory tree selection easily allows selection of files from other directories. An example of where this could come in handy is when LIFO-PRO is used both for book and tax LIFO but they use different methods so their LIFO-PRO data is maintained in separate data directories. If book and tax uses the same number of pools and at least one of the data columns is the same, while making tax LIFO calculations, the book LIFO data file can be loaded so that data will not need to be input into the tax LIFO Screen 3.

Screen 3 File Format
The Screen 3 data is not saved as spreadsheet files as some other LIFO-PRO data files(UNICAP rates, for example) are. They are saved as spaced delimited text files. An example of a such a text file is shown below.

```
File named C:\LIFPRD\PROJ95.PRN containing LIFO input data for LIFO-PRO for Windows for ABC COMPANY

Data fields included in file:Pool number,Retail FIFO,Current index,LIFO Cost Complement,Cost FIFO

1    23,587,952      1.05869997   .5484004     13,020,549
2    4,581,645       1.05480003   .55230182    2,491,498
3    13,987,518      1.08479989   .54979998    7,674,951
4    4,484,774       1.08759975   .55680001    2,406,081
5    15,737,481      1.0654       .55409998    8,654,041
6    15,854,874      1.0546999    .54110014    8,574,315
7    19,842,652      1.08750033   .54250002    10,887,663
8    18,643,298      1.0783999    .55140001    10,337,708
9    4,432,157       1.04633844   .55049998    2,402,229
10   17,584,578      1.08790004   .55479997    9,632,832
11   17,071,012      1.05980003   .53569978    9,370,279
12   4,394,235       1.06980002   .54819548    2,382,994
13   19,210,852      1.05780029   .54170001    10,610,153
14   5,458,786       1.08330035   .55890071    2,961,937
15   21,868,458      1.06979299   .55689985    12,158,863
```

The text file example above is the one corresponding to the proj95.prn data file displayed in the earlier Screen 3 example. The .prn file name extension must be used for these files. As with other file names, the file name is limited to eight alphanumeric characters.

Because these are text files, they may be created outside of LIFO-PRO and can be read by LIFO-PRO so long as they are formatted the same way. The top line is not necessary but the second line, describing which data is included, must be and the variable description words used above should be used. For companies not using retail LIFO, the words "FIFO inventory" should be used instead of "Retail FIFO". For companies using retail LIFO, if FIFO cost complements are entered rather than Cost FIFO inventory balances(one or the other should be used but not both), the words "FIFO cost complements" should be used. Where the Earliest Acquisitions layer pricing method is used, the words "Inflator index" should be used for the inflator current LIFO indexes. If not all required inputs are included in this file and other .prn files already exist in the data directory, LIFO-PRO will first load the current .prn file and use the missing inputs from that file in Screen 3.

The line in the sample file above which reads FIFO CC=Constant means that the FIFO Cost Complement is defined as being constant. This is only applicable for companies using Retail LIFO.

Automatic Data File Creation for IPIC Calculations
For IPIC applications, .prn files are automatically created when IPIC calculations are run and this file is designated as the current .prn file.

Automatic Creation of Archive Data Files
When years are closed and unclosed, LIFO-PRO automatically creates archive file so that if years are subsequently unclosed, the LIFO data inputs for that year for all pools are saved and need not be reentered manually. For example, if 1/31/1997 were closed with a file named final97.prn as the current data file used to close the year end, an identical file named act1_97.prn is created by LIFO-PRO. This is done so that there is an absolute record of the file actually used for the closing so users need not remember this. If 1/31/1997 is then unclosed, another act1_97.prn archive file is created. This will contain exactly the same data as used for the original close unless historical data has been since edited in LIFO-PRO Report 16, in which case the edited data will be contained in the act1_97.prn file created when 1/31/1997 is unclosed. The data input file names actxxxx.prn should not be used when running LIFO-PRO projections because these files will be overwritten with the actual year end close data if it differs from the projection data.

CLOSING & UNCLOSING YEAR ENDS

Closing Year ends

There are separate command buttons on the LIFO-PRO Main Menu for closing and unclosing year ends. Using an example of a year ended 1/31/1997, before this year end is closed, the Main Menu will indicate that the Historical Data is from the earliest base year to 1/31/1996 and the text box under the company name on the right side will read "Last period closed = 1/31/1996". The Data Input command button will also read "Data Input for 1/31/1997". The LIFO-PRO historical data reports will reflect data and layers through 1/31/1996. If multiple companies or LIFO-PRO databases are set up, the Company Selection Menu also indicates, with a year to the right of the company name, the last year closed.

After the Close 1/31/1997 command button is pressed, LIFO calculations are made for 1/31/1997 for all pools using the current(most recently created or saved) LIFO-PRO .prn Data Input file. Once the year end has been closed, all applicable command buttons and text boxes will advance one year to indicate that 1/31/1997 is now the last year closed.

The year end close command can also be selected from within the Data Input for 1/31/1997(Screen 3) which contains a command button to close the year end.

Once 1/31/1997 has been closed, all the historical data reports(Reports 16 through 19) will include the 1/31/1997 data and layer.

Unclosing Year ends

Pressing the Unclose 1/31/1997 command button on the Main Menu will unclose the 1/31/1997 year so that 11/31/1996 is the last year closed. When a year is unclosed, any layer erosions of previous years that occurred in that year are automatically restored.

When years are closed and unclosed, LIFO-PRO automatically creates archive file so that if years are subsequently unclosed, the LIFO data inputs for that year for all pools are saved and need not be reentered manually. For example, if 1/31/1997 were closed with a file named final97.prn as the current data file used to close the year end, an identical file named act1_97.prn is created by LIFO-PRO. This is done so that there is an absolute record of the file actually used for the closing so users need not remember this. If 1/31/1997 is then unclosed, another act1_97.prn archive file is created. This will contain exactly the same data as used for the original close unless historical data has been since edited in LIFO-PRO Report 16, in which case the edited data will be contained in the act1_97.prn file created when 1/31/1997 is unclosed. The data input file names actYYYY.prn should not be used when running LIFO-PRO projections because these files will be overwritten with the actual year end close data if it differs from the projection data.

IPIC CALCULATION MODULE

All LIFO-PRO IPIC calculations are accessed from the IPIC command button on the Main Menu. The IPIC Menu appears first. The IPIC Menu is shown below.

IPIC Calculation Module Home Screen:

The CPI and PPI index, BLS Weights and other files present in the paths in which these files may be placed are automatically displayed on the right side of this screen. The second and third columns indicate the months' indexes contained in the files. A warning will appear if users attempt to run IPIC calculations for periods for which the required indexes or BLS Weights are not found. The fourth column indicates whether New(1998) CPI Series or Old(Pre-1998) Series categories are included. The rows listed at the bottom are the release dates of future CPI and PPI indexes.

CPI & PPI Index & BLS Weights Files

Separate files exist for each year's index files and there are separate CPI and PPI files. Index files are named indx97.cpi, e.g. or indx1997.cpi. This file contains indexes for all CPI Table 3 categories for all months. Files for the current year contain indexes through the last month updated. The BLS Weights files contain weights for all years beginning in 1986 for the blswts.cpi file and 1994 for the blswts.ppi file. The index files for the necessary years(a May 1999 index month calculation requires indexes for both that month and May 1998, so the files containing these two months are required) must be present. The BLS Weights file and a file named either catname.cpi or catname.ppi must be present for calculations. A warning message is given if these files are not present. These files must be present in one of several folders:

1. <Program File Directory>
2. <Program File Directory>\bls
3. <Top Level Data Directory>
4. <Top Level Data Directory>\bls
5. Company Data Directory

The Program File Directory is that in which the lp32bit.exe LIFO-PRO program file is located. The Top Level Data Directory is that directory specified in which LIFO-PRO starts searching(downward) for LIFO-PRO data files. The <Program File Directory>\bls is the recommended location for these files. This folder will be automatically created by LIFO-PRO versions 3.2 and higher if it does not already exist. These files can be downloaded from the LIFO-PRO Web site at www.lifopro.com and extracted to the folder shown on the top row on the right side of the screen shown above. The CPI index files are usually released by the Bureau of Labor Statistics the 15th of the following month and the PPI index files by a day to two earlier. LIFO-PRO, Inc. obtains these files immediately upon their release and processes them to create files readable by LIFO-PRO and these are uploaded to the Web site server by 9:30 A.M. CDT of the release date. Users should not attempt to update these files because these files must be created in a precise format to be read by LIFO-PRO. Versions 3.2 and later include a feature which automatically downloads all necessary CPI or PPI files and places the files in the proper location to be used by the software so that users need not do this.

Some companies have firewalls that prevent the download of these CPI or PPI files. If this happens for your company, you may want to have your IT department selectively allow downloads from the LIFO-PRO Web server at this URL address: ftp://66.113.252.250 for files with these file name extensions:.cpi, .ppi and .bls. These are text files.

The LIFO-PRO IPIC Settings Screen must be properly set up to correctly handle IPIC calculations. This Screen is accessed from the IPIC Settings command button on the IPIC Menu. An example of the IPIC Settings screen is shown below.

IPIC SETTINGS:

Company year end month-The correct month of a company's year end must be specified because LIFO-PRO uses this to automatically determine which year's indexes and BLS Weights to look up and use. The year end for which an IPIC calculation is to be made is specified in the IPIC Data Input Screen.

Index months specification -Select the proper index months to use. Months must be specified for both the current and prior years. The prior month may be set to a different month than for the current year to handle situations in which a short year's calculation must be made because of a company purchase transaction. The index years need not be specified because LIFO-PRO automatically calculates the proper year based on the month specified and the year selected in the IPIC Data Input Screen.

For mid-year projections, users could change the index months to determine what inflation there has been for the latest 12 months' inflation, e.g. Doing so would cause LIFO-PRO to make a calculation using the months specified. This is not necessary if users want to run projections using the most recent indexes contained in the LIFO-PRO index files. If for example, a company has a December year end and September is the most recent month the LIFO-PRO index files have been updated through, LIFO-PRO will make the IPIC calculation with September indexes(this September divided by last September) will be used. When this happens, a Message Box will appear to alert the user of this and the Summary Report 23 will include a footnote indicating this. For companies that must apply cost complements, these will not be applied because the projected cost complements for the entire year are normally not known at that point. If a user wants cost complements applied, they should change the index months settings to the month they wish to use and the cost complements entered will be applied.

Dual Index Method months-A second set of index months will be displayed for selection for companies using the Dual Index, Inflator=Deflator Index layer pricing method. This setting is made in the Company Setup & Methods Setting Screen. The second set of index months for the inflator index does not appear if the Index, Inflator=Deflator Index method has not been selected in the Company

Set-up & Methods Setting Screen. This should only be applicable for years for which the old(pre-2002) Regs. apply since the Dual Index Method is not permitted in the new Regs.

BLS Weights &10% test option(Use or Don't Use)-The three options are:
  1. Don't use BLS Weights & 10% test(Optional per New Regs.)
  2. Use BLS Weights & 10% test-Pool $s denominator(Optional per New Regs.)
  3. Use BLS Weights & 10% test-Total $s denominator(Mandatory per Old Regs.)

Calculation of pool indexes can either be made using a taxpayer's actual FIFO dollars or BLS Weights of relative importance. Under the old Regulations, only option 3 above was permitted. Either of options 1 and 2 are allowed under the new IPIC LIFO Regulations issued in 2002. The old Regulations were somewhat unclear as to what the denominator was. The Regulations specified "… total inventory value." The great majority of taxpayers considered this to be the sum of year end FIFO inventory dollars for which the IPIC method was used. Some considered this to be the sum of all FIFO inventory dollars including goods not valued using LIFO. A very small minority considered this to be the sum of each IPIC LIFO pool's year end FIFO inventory. Option 3 is the method the great majority of taxpayers used under the old Regulations. While the use of BLS Weights and the 10% test are allowed in the new IPIC LIFO Regulations, the IRS has specified that the sum of each IPIC LIFO pool's year end FIFO inventory is the proper 10% test denominator.

Inflation factor(80% or 100%)-The new IPIC LIFO Regulations issued in 2002 specify that 100% of CPI or PPI inflation should be used. The Regulations prior to that specified that 80% of CPI or PPI inflation should be used for IPIC calculations for taxpayers whose average sales for the past three years exceeded $5 million annually and that companies with sales below this threshold could use 100% of CPI or PPI inflation. The option on this screen to use 80% is required to allow companies to make LIFO calculations for periods affected by the old Regulations.

Cost Complements required-The old LIFO Regulations in effect before issuance in 2002 of the new IPIC LIFO Regulations required use of cost complements in certain cases. The option on this screen to use cost complements is required to allow companies to make LIFO calculations for periods affected by the old Regulations. This check box should contain a check mark(turned on and off with a mouse click) if cost complements are required. When this box is checked and cost complements are included in the IPIC Data Input Screen or in the IPIC Cost Complements by Pool Screen, cost complements will be used in the IPIC calculations. If this box is checked but cost complements are not input in either of these screens, cost complements of 1.00 will be used for both the current and prior years, which in effect, means that cost complements are not applied. If cost complements are entered but this box is not checked, cost complements will not be applied. A company that must apply cost complements can run a pro forma calculation not using cost complements by removing the check mark from this box before running the IPIC calculation.

Apply Cost Complements After Pool Index Calculation-If Cost Complements are required to be applied(applicable for old Regs. methods only), they can either be applied as the first step of the pool index calculations or the last. If this box is checked, the Report 23 and 24 CPI inflation indexes will be retail inflation and the adjustment of the pool index to a cost basis is made on Report 23 after the retail pool index has been calculated. If the box is left unchecked, the cost complements are used in Report 24 to calculate retail inflation and then cost inflation indexes which are used on Report 23 for the pool index calculation. For this box to be checked there must be cost complements calculated(via weighted average) and entered at the pool level rather than entering separate cost complements for the different CPI categories.

Dollar Weighting Method-The two options available are:
- Weighted Arithmetic Mean
- Weighted Harmonic Mean

The new IPIC LIFO Regulations issued in 2002 specify that the Weighted Harmonic Mean method be used for calculation of pool indexes. Prior to this, the great majority of taxpayers used the Weighted

Arithmetic Mean method. The Weighted Harmonic Mean method entails calculation of pool indexes by deflating current year FIFO dollars by category indexes to prior year price levels and then dividing the sum of current year FIFO dollars by the sum of the weighted deflated dollars. The Weighted Arithmetic Mean method entails calculation of pool indexes by inflating current year FIFO dollars by category indexes to prior year price levels and then dividing the sum of the weighted inflated dollars by the sum of current year FIFO dollars. The option on this screen to use Weighted Arithmetic Mean is required to allow companies to make LIFO calculations for periods affected by the old Regulations. This option does not apply to calculation of Category Indexes which occur when IPIC taxpayers use the BLS Weights and 10% test option. The new Regulations specify that the calculation of Category Indexes using BLS Weights should be made using the Weighted Arithmetic Mean method and this is the method that has always been used in LIFO-PRO for calculation of Category Indexes.

Total Inventory $s on LIFO Input-Under the old Regulations prior to the issuance in 2002 of the new IPIC LIFO Regulations, the 10% test was based on total inventory dollars. Whether these total dollars should be total dollars for which the IPIC method is used, total dollars for inventories for which LIFO is used or total inventory dollars including non-LIFO inventories is subject to interpretation. If all inventories are on LIFO and all pools use the IPIC method or the denominator for the 10% test is to be all inventory dollars on IPIC LIFO(and there are LIFO inventories not using IPIC), no entry is required here and LIFO-PRO automatically uses total IPIC dollars. Dollars should be entered here otherwise. For planning purposes, users may also enter a ratio here that is total IPIC dollars divided by total inventory dollars. For example, if total IPIC dollars are approximately $100,000 and total inventories are $120,000, entering the number 1.2 will have the same effect as entering $120,000. For actual year end IPIC calculations, dollars should always be entered but entering a ratio to run pro formas is a convenient option. When dollars or a ratio is entered in this field, a text box appears on the IPIC Data Input Screen allowing users to enter this balance here also which may be more convenient. This option is available to allow companies to make LIFO calculations in this manner for periods affected by the old Regulations.

Which Year's BLS Weights - The two options available are:
- Weights as per IRS Regulations
- Most recent available year

When BLS Weights are used, the IRS specifies that "… the BLS Weights for December of a given calendar year are to be used for taxable years that end during the 12-month period that begins on July 1 of the following calendar year." This provision is contained in the new IPIC LIFO Regulations issued in January 2002. This was not part of the old Regulations, however this accountingtreatment was specified in Rev. Proc. 84-57. This would dictate, for example, that the 1993 BLS Weights be used for an IPIC calculation for a year ended 5-31-95. Some companies however use the most recent Weights available and this is why this option is available.

Index at 80% convention- The two options available are:
- Multiply 80% times cumulative index
- Multiply 80% times current index

This option is only applicable to calculations made under the old Regulations prior to the issuance in 2002 of the new IPIC LIFO Regulations. The alternative methods exist because companies have interpreted the IRS Regulations differently with respect to using 80% of CPI or PPI inflation. A commonly used method(although incorrect) is to reduce the amount of current inflation(current index divided by prior year index) to 80%. The alternative method(the correct method) is to reduce the cumulative IPIC inflation(at 100%), since adoption of IPIC, to 80%. The current year IPIC inflation index under this method is calculated by dividing the 80% cumulative IPIC inflation index by the prior year's. Under the latter method, the link-chain method is still used for link-chain taxpayers, i.e. the 100% cumulative IPIC inflation is still using the link-chain method.

Automatic pool numbers assignment(5% test)-Retailers can elect to establish pools using the CPI Major Groups or PPI two digit categories, depending on which indexes are selected. Other taxpayers must use PPI indexes and can use the PPI two digit categories. When this box is not checked, LIFO-PRO automatically makes pool assignments using the 5% pooling rule specified in the IPIC Regulations. This is helpful for companies in the planning mode or for first year IPIC calculations. This box should be checked in all other cases and pool numbers should be entered in the IPIC Pool Numbers Screen. If pool numbers are entered but this check box is left blank, pool numbers will be assigned automatically.

Unrounded Dollars used for IPIC Calculations-This option only appears for companies for which their LIFO layers history is rounded to thousands, as specified in the Company Setup & Methods Settings Screen. For these companies, the IPIC dollars by pool calculated and then fed into the "back end" LIFO-PRO module will be those input into the IPIC data input screen unless this check box is checked, in which case the dollars fed from the IPIC to the back end module will be divided by $1,000.

Disable Automatic Web CPI and PPI file downloads-Check this to disable this feature. This setting is company specific and must be specified for each company for which you want this feature disabled. You may want to disable this feature if you don't have an online connection or file downloads are blocked by a company firewall. If your IT administrator is able to selectively allow for file downloads from specified URLs, the www.lifopro.com Web server URL is ftp://66.113.252.250. All files downloaded are text files with .ppi,.cpi or .bls file name extensions.

Disable Automatic Reassignment of Discontinued PPI Categories-Check this to disable this feature available in Versions 3.3.7 and later.

<u>POOL NUMBERS ASSIGNMENTS</u>

For IPIC 5% pooling method

Since pooling assignments using this method are made based on CPI or PPI General Categories, pool numbers may be assigned based on General Categories instead of on a CPI or PPI detailed category basis, as was the case in LIFO-PRO for DOS. An example of the LIFO-PRO IPIC Pool Number Maintenance Screen is shown below. The appropriate CPI or PPI General Categories will be displayed and users must indicate which LIFO pool number is assigned to each. For companies that use CPI indexes for one or more pool but also use PPI indexes for one or more pool, a separate sheet will appear for each.

If pool numbers have not yet been assigned, LIFO-PRO will automatically make pooling assignments using the IPIC 5% pooling test. For this option to be used, users must make sure the Pool Numbers Already Assigned check box in the IPIC Settings Screen is <u>not</u> checked. The automatic pooling assignments will be made for LIFO-PRO when this box is not checked, even if pool numbers have been assigned in the screen below, so it is important that the Pool Numbers Already Assigned check box in the IPIC Settings Screen <u>is</u> checked if the pool number assignments per the screen below are to be used. These pooling assignments should be the same unless the inventory mix changes significantly after adoption of the IPIC method.

The screen above shows the screen applicable when CPI indexes are used. The PPI tab used for PPI index elections lists the 15 PPI Table 6 two digit categories.

For pooling method other than IPIC 5% method

The pool numbers applicable should be entered in column B of the Excel IPIC Data Input sheet. The column heading required for this situation is the word "Pool" in cell B6 and "Number" in cell B7. There should be no pool number column used if the IPIC 5% pooling method is used and pool numbers are entered as shown.

<u>IPIC COST COMPLEMENTS BY POOL</u>

This feature is available for companies making calculations under the LIFO Regulations in effect prior to issuance in 2002 of the new IPIC LIFO Regulations which eliminate the need for cost complements adjustments in calculation of pool indexes. Cost complements can be entered either in the IPIC Data Input File or in the IPIC Cost Complements by Pool Screen. The latter should only be used if cost complements are calculated at the pool level.

LIFO-PRO - [COST COMPLEMENTS BY POOL FOR XYZ GROCERY T.

File   Edit   Help

| B21 | 0.8423 | | | |

XYZ GROCERY TAX LIFO
DATA INPUT SCREEN FOR COST COMPLEMENTS BY POOL
Data path:c:\lifopro\XYZTAX\

Period	Food & bev Pool 1	Medical care Pool 2	Toilet good Pool 3	All other Pool 4	
12/31/1983					
12/31/1984					
12/31/1985					
12/31/1986					
12/31/1987					
12/31/1988					
12/31/1989					
12/31/1990					
12/31/1991					
12/31/1992					
12/31/1993					
12/31/1994	0.8946	0.745	0.7256	0.66666666	
12/31/1995	0.8885	0.745	0.705	0.6743	
12/31/1996	0.876	0.74	0.71	0.6895	
12/31/1997	0.877	0.75555555	0.7	0.678	
12/31/1998	0.8423	0.762	0.6962	0.6723	
12/31/1999					

If users want to run IPIC calculations ignoring cost complements even though cost complements are required, e.g. for interim calculation purposes, the Cost Complements Required check box in the IPIC Methods Settings Screen should be unchecked.

IPIC DATA INPUT

LIFO-PRO IPIC Data Input Screen
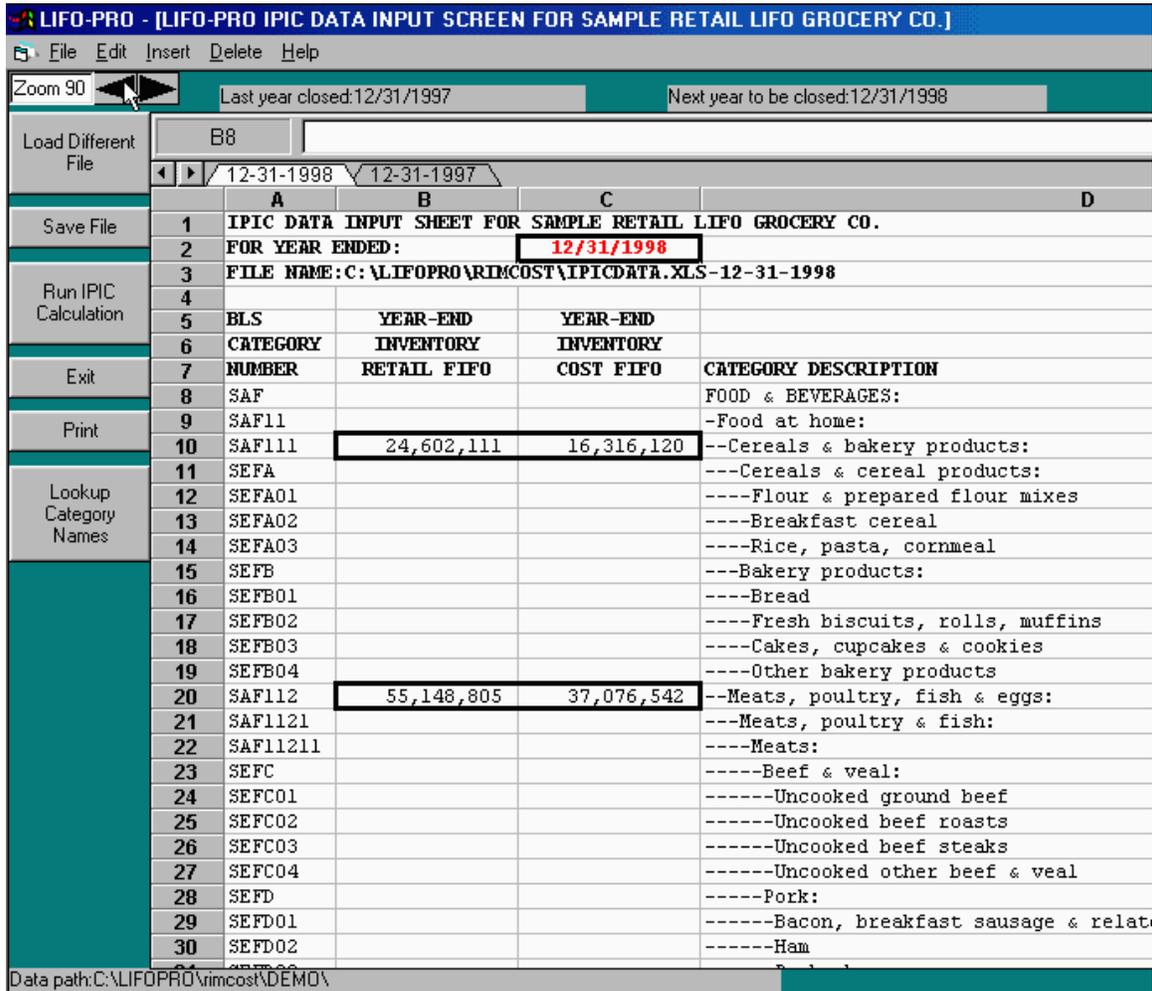
LIFO-PRO imports and reads Excel files containing year end company inventory balances summarized by CPI/PPI codes to perform IPIC LIFO calculations within the LIFO-PRO program. These Excel files are referred to in this Guide as IPIC Data Input files.

Reading & saving files-The Excel IPIC Data File most recently read by LIFO-PRO(n/a when LIFO-PRO is used for the first time) is automatically loaded when the FIFO $s Input command button(top button) is clicked from the IPIC Menu. If this is the first time LIFO-PRO is used or this Excel file's name or path has been changed, a standard Windows Load File dialog box will appear that will allow users to find this file and load it. If the last file used automatically loads, you can click on the Load Different File command button on the IPIC Data Input Screen. There is a Save File command button on this screen also. A Windows File Save prompt will also appear when you select the Exit command or choose the Run IPIC Calculation command if the data has been modified since it was loaded or last saved. When reading and saving IPIC files, the standard Windows file open and save dialog boxes appear. The file name is automatically inserted into the third line of the data file so it will appear when the report is printed. A prompt will appear for a file name when you save the file or when you exit the screen. If the IPIC Data File is created in Excel, the file needs to be closed before reading this file in LIFO-PRO because this will cause a Windows file sharing violation. No error message is given, only an hourglass is shown. Any file name may be used.

IPIC Data File format-LIFO-PRO uses .xls format Excel files as IPIC data input files. When IPIC Data Files are read, all .xls files in the directory selected are listed and when files are saved, the default file name extension is .xls. Using .xls files allows users to create IPIC data files outside of LIFO-PRO. If an IPIC Data File is created outside of LIFO-PRO, the arrangement of data within it must conform to that of the LIFO-PRO IPIC Data templates(described below). Versions 2 and later of LIFO-PRO are compatible with Excel 97 and Excel 2000 file formats. Earlier versions of LIFO-PRO could only read and write Excel 5.0/95 worksheets.

IPIC CPI & PPI Data Input File templates-Excel file templates containing all CPI(approximately 180 categories) and PPI Table 6(approximately 3,550 categories) categories are located in the \lifopro directory or whichever directory the LIFO-PRO program file(lp32bit.exe) is located. These files are named cpitemp.xls, cpitempo.xls and ppitemp.xls. The cpitemp.xls file contains two worksheets, one for Retail LIFO and one for Cost LIFO. The Retail LIFO sheet contains columns for both Retail FIFO and Cost FIFO dollar input by CPI category. The Cost LIFO sheet contains columns for Cost FIFO dollars, Current Year Cost Complements and Prior Year Cost Complements. The cpitemp.xls file contains New 1998 CPI Series categories. The cpitempo.xls file contains Old CPI Series categories. This file contains the same two sheets and columns as the cpitemp.xls file. The ppitemp.xls file does not include cost complement columns. If cost complement columns need to be added or deleted, users can use the insert or delete column menu commands. When the PPI template file is used, it is advisable to delete the rows for the General Categories not used to speed up the loading and saving of these files. Only categories for which dollar balances or X, * or # symbols are entered need to be included in LIFO-PRO IPIC Data Input files because rows that have valid category numbers but non entry in the dollar balance column are not read.

The CPI Old Series categories files can be used for IPIC calculations with index months June 1998 and before. The CPI New 1998 Series categories files can be used for IPIC calculations with index months January 1998 and later. LIFO-PRO will give users a warning message if these specifications are not followed.

<u>**Data required in IPIC Data Excel File**</u>

Year end date-This file must contain the applicable company year end on row 2, column 3. This should be a period end listed in the list of period ends in the Company Setup, Period Maintenance screen. These dates should be in the m/d/yyyy format however if a m/d/yy date format is used LIFO-PRO can read it. For example, a date of 12/31/97 will be read as 12/31/1997. The cpitemp.xls file date format for this cell is m/d/yyyy but if a file is used which does not have this formatting(the default Excel date format is m/d/yy) and the user wishes to change this format, this can be changed by Clicking on the Format, Cells top menu bar option. Click on the Custom option and enter m/d/yyyy in the File Type drop-down box. A date of 1997 or December, 1997 will also suffice since the year is all that LIFO-PRO actually reads since the company year end month is required to be specified in the IPIC Settings screen(accessed from the IPIC Menu). LIFO-PRO will recognize that an off month end date such as 1/2/1999 is actually a December 1998 calculation provided that December is specified as the year end month in the IPIC Settings screen. If the date in this file is not one listed in the period ends in the Company Setup, Period Maintenance screen, but is within 13 days of one listed, the user will be given a message allowing them to change the period list period end to the one in this file. For example, if the December 1998 period end is listed as 12/31/1998 in the list of period ends in the Company Setup, Period Maintenance screen and date in this file is 1/2/1999, the period end list can be changed to 1/2/1999 if the user clicks the appropriate button in the message box. If the file date is not within 13 days of the next period to be closed, a message is displayed noting. These dates need not be the same, i.e. LIFO-PRO will run IPIC calculations for any period for which it finds index and BLS Weights files but the resulting indexes and FIFO dollars by pools will not be passed to the "back-end" portion of LIFO-PRO that is required to close a year end unless the next period to be closed is the same year date entered in this file.

Data Input Columns

For Retail LIFO IPIC calculations using IPIC pooling method:

Column 2-Retail FIFO dollars by CPI or PPI category

Column 3-Cost FIFO dollars by CPI or PPI category

The required column headings are:

	Column 2	Column 3
Row 5	Year end	Year end
Row 6	Inventory	Inventory
Row 7	Retail FIFO	Cost FIFO

For old Regs. method Cost LIFO IPIC calculations:

Column 2-Cost FIFO dollars by CPI or PPI category

Column 3-This Year Cost Complements by CPI or PPI category

Column 4-Last Year Cost Complements by CPI or PPI category

The required column headings are:

	Column 2	Column 3	Column 4
Row 5	Year end	Cost Comp.	Cost Comp.
Row 6	Inventory	This	Last
Row 7	Balance	Year	Year

For old Regs. Cost LIFO calculations where Cost Complements are required to adjust indexes to a different stage-of-production basis(e.g., to cost basis from retail basis) and are calculated at the pool level and entered in the IPIC Pool Cost Complements table instead of in the Excel IPIC Data File, the Cost Complement columns are not necessary and may be deleted.

For pooling method other than IPIC 5% pooling method:

Column 2-Pool number

Columns 3, etc.-Same as above except these columns will all be shifted one column to the right.

	Column 2
Row 6	Pool
Row 7	Number

For Retail LIFO calculations where LIFO Cost Complements are not the same as the FIFO Cost Complements, the LIFO Cost Complements may be entered at the bottom of the data input file, below the FIFO balances by CPI or PPI category. An example of this data entry is:

Column 1	Column 2
Total FIFO $s	xxx,xxx,xxx

LIFO Cost Complements:

Pool No.	Cost Comp.
1	.6940
2	.7463
3	.5879

The LIFO Cost Complements may also be entered in Screen 3 before the period end is closed but entry in the same Excel file as the FIFO balances is preferable because the Report 23S LIFO Provision balances will not be the final balances if the final LIFO Cost Complements are entered in Screen 3 after the IPIC indexes are calculated in Report 23S. This is because the LIFO Cost Complements used will be the same as the FIFO Cost Complements calculated based on the Retail and Cost FIFO balances entered. Users are alerted to the fact no LIFO Cost Complements have been entered in the FIFO balances Excel file if they were not and the prior year's LIFO and FIFO Cost Complements were

not the same. If they should be the same, click on OK to continue and the LIFO and FIFO Cost Complements will be the same. For situations in which LIFO Cost Complements should be 1.000 and where they have been in prior years, they will automatically be set to 1.000 if no LIFO Cost Complements are included in the Excel FIFO balances input file.

For Retail LIFO calculations where LIFO Cost Complements are the same as the FIFO Cost Complements, no separate data entry is required for the Cost Complements because the sum of pools' Cost FIFO balances divided by the corresponding Retail LIFO balances are the FIFO Cost Complements and the LIFO Cost Complements are automatically set equal to these.

Formulas may be used to populate these data fields. For example, the Cost FIFO dollars may be calculated by a formula multiplying the Retail FIFO dollars times a Cost Complement that is either the same for all categories(in which case this Cost Complement should be entered below the last row containing category numbers) or different for various categories(in which case the Cost Complements should be entered to the right of the column containing category names). Another situation where formulas could be used is to link to another sheet. For example, if one sheet contains data for multiple companies, the individual company sheets could be populated by linking to the multiple company sheet.

No entries should be made on row 4.

Present(or not Present) in Inventory Symbols

If the 10% Method is used, it may be necessary to specify which categories are actually present in inventory. Where dollars are entered for CPI or PPI categories that are not Most Detailed Categories, and not all items are present under dollars entered for Less Detailed Categories, users should also make an accounting of which items are present in inventory by placing X, * or # symbols in the dollars column as described below to identify for the LIFO-PRO program which items are actually present in inventory so only those categories' indexes and BLS weights are used for the IPIC calculations. For IPIC calculations with both Retail FIFO and Cost FIFO dollar columns, these symbols can be entered in either column. If conflicting symbols are entered on the same row, the Retail FIFO column symbol will be used.

Use of x, * and # in dollar columns-The letter X(upper or lower case) entered in the dollar column is used to indicate items actually present in inventory. This should be entered for categories at more detailed index levels than where dollars are entered. If Xs are not entered at categories more detailed than where dollars are entered, it is presumed, notwithstanding entry of other symbols described below, that all categories included in the category where the dollars are entered are present in inventory. If an X is entered, this will indicate to the LIFO-PRO program that this item is present in inventory but others are not which are included in the category where dollars are entered. Xs need not be entered at the most detailed categories, i.e. if an X is entered for the PPI Table 6 category 104103, it is presumed that the two categories this contains, 10410311 and 10410321 are both present. Because this is an alphanumeric character being entered into a value field, the ' prefix is required, i.e. the entry should be: 'X.

A * should be entered in the dollar column to specify that this item is not present in inventory. This is necessary for categories for which dollars have been entered for a less detailed category that includes this one since LIFO-PRO assumes all items included in such dollars entry categories to be present in inventory unless specifically designated otherwise with a *. Because this is an alphanumeric character being entered into a value field, the ' prefix is required, i.e. the entry should be: '*.

Where items are present in inventory but are not recognized as such by LIFO-PRO, a # should be entered in the dollar column. For example, if both Apples and Oranges are present in inventory but the dollar breakdown between the two is not known and all the dollars are entered on the Apples line, a # should be placed in the dollar column for the Oranges line. The cases in which the # will be used are rare since most companies in this situation would enter these dollars at the next higher(less detailed) level, e.g. Fresh Fruits and then use asterisks to indicate which items are not present in inventory.

Use of the symbols described above give users the ability to explicitly or implicitly specify for the LIFO-PRO program which items are present in inventory. This is a very useful program feature because of the flexibility provided users in making this specification. The most simple means of making this specification is to enter dollars only at the most detailed category levels or only for categories for which all items encompassed by that category are included in inventory, however taxpayers that sort by the most detailed categories in all cases will probably not use the 10% method. If dollars are entered at a most detailed category level, this explicitly specifies to LIFO-PRO that these items are present in inventory. If dollars are entered at levels less detailed than the most detailed category levels and no further specification is made, this implicitly specifies to LIFO-PRO that all categories encompassed by that category are included in inventory. The use of the symbols provides users with additional flexibility to explicitly specify whether items are present in inventory.

Inventory Breakdown By CPI Or PPI Categories-Dollars may be entered in LIFO-PRO at any level from the Most Detailed categories to the CPI or PPI General Categories. Which levels are considered to be appropriate and how and whether the 10% test is to be applied and BLS Weights used is addressed in the Alternative Approaches to the use of the 10% Test section latter in the Users Guide.

CPI v. PPI data-LIFO-PRO determines whether the data is for CPI or PPI categories based on the Category Number entered on the first data line because these are unique. LIFO-PRO also distinguishes between New 1998 CPI Series and Old Series category codes so as to use the proper indexes and weights.

Category numbers-PPI numbers must be entered exactly as they appear in the PPI Detailed Index publication, that is, a leading zero must be entered, where applicable. For example, PPI category 091509 should be entered as such and not as 91509. The CPI letter characters need not be capitalized. If an invalid category number is entered, LIFO-PRO will display this in the Category Description column:!!!Invalid Category Number!!! These numbers must be in the leftmost column of the data file. The PPI publications indicate the PPI numbers but none are shown for the CPI categories. A complete listing of CPI category numbers and names is contained in the cpitemp.xls template file in the program directory

Category names-The LIFO-PRO IPIC CPI and PPI template files contain category names in column 3(column 5 for worksheets with cost complements) and IPIC data input .xls files created outside of LIFO-PRO may contain this column also. These are for information purposes only since LIFO-PRO automatically looks up category names from a LIFO-PRO file to use in the IPIC reports. If these names are erased, LIFO-PRO will automatically look up these names when the Lookup Category Names command button is pressed. Users should note that this category lookup occurs at a rate of about 200 lines per minute and could take several minutes for PPI files containing numerous categories. If the category number is not valid, a message indicates this in this column.

Pool numbers-Where these are input depends on the pooling method used:
1. **IPIC 5% pooling method-**The IPIC Pool Numbers Maintenance Screen is where pool numbers are specified for to indicate which pool is associated with each of the CPI or PPI General Categories. This only needs to be done the first time LIFO-PRO is used since these will probably not change in future periods.
2. **Other pooling method-**Pool numbers are entered in the second column of the IPIC Data Input File, as shown in the Data Input Columns paragraph on a preceding page.

Inserting & deleting rows & category names-Users can add or delete entire rows using the Insert or Delete commands on the menu bar at the top of the screen . If a new CPI or PPI Category Number is entered in the first column of a new row inserted, the corresponding category name is automatically looked up and displayed in the rightmost column when the Lookup Category Names command button on the right side of the screen.

Zero balance lines-There may be included CPI or PPI category lines for which no dollars are assigned.

Multiple dollar entries for same CPI or PPI Category-More than one line with the same CPI or PPI Category Number may be entered and LIFO-PRO will automatically add these dollars together for the IPIC calculation.

Copying prior year's Cost Complements-When Cost Complements are entered on this screen, and successive year's calculations are run, the This Year Cost Complements will be the Last Year Cost Complements the next year. The Cut, Copy and Paste commands under the top menu bar item Edit may be used to do this. As for most Windows applications, the shortcut keys for these three commands are Control X, Control C and Control V, respectively.

Cost complements by category or pool-Cost complements, where applicable, can be entered either in the IPIC Data Input File or in the IPIC Cost Complements by Pool Screen. The latter should only be used if cost complements are calculated at the pool level. Some companies do this but some use different cost complements for different CPI categories, when there are more than one per pool. When the latter is the case, the cost complements should be entered in the IPIC Data Input File. When this is done, the IPIC Data Input File must contain two columns for the current and prior years' cost complements. These columns must be the third(for current year cost complements) and fourth(for prior year cost complements) columns. The first two columns will always be for BLS Category numbers(column 1) and year end inventory dollars(column 2).

Multiple sheet data input files-In certain situations, companies use both CPI and PPI categories for their IPIC calculations. When this is the case, the same LIFO-PRO IPIC data input .xls file may be used with separate sheets for CPI and PPI data input. The IPIC calculation run will use the data in the sheet selected when the Run IPIC Calculation command button is pressed. The loading of the data input file and selection of all sheets applicable to a year end IPIC calculation should be done one sheet at a time with an IPIC calculation run for each for all sheets. Separate sheets could also be used to contain preliminary versus final data or the same file could be used for a number of different years' IPIC calculations with separate sheets used for each year. Sheets may be added or deleted using those commands in top menu bar. Sheet renaming may be done by double clicking the left mouse button on that sheet's tab. Any sheet name may be used.

IPIC CALCULATION REPORTS

Examples of the screen showing the LIFO-PRO reports documenting the IPIC calculation are shown below. Examples of the entire reports are included in the LIFO-PRO Sample Reports in Appendix A of the Users Guide. Users may scroll through the reports to review them before printing. This feature is handy since the reports can be many pages. LIFO-PRO also automatically creates an Excel file named IPICRptsmmyyyy.xlp when the year end specified in the IPIC Data Input Screen is the same as the next year to be closed, where mm is the month(year end month) and yyyy is the year. Although this file does not have the normal Excel file name extension, it can be read by Excel. It is given the .xlp file name extension so as not to confuse these files with the .xls IPIC data input files. These files may be read by Excel or from within LIFO-PRO. This option is the second command button labeled "View Previously Calculated IPIC Reports 23 and 24" and this will list all .xlp files contained in the company's data directory.

Sample IPIC LIFO Calculation Summary Report (Report 23S)

| | LIFO-PRO - [LIFO-PRO IPIC REPORTS FOR XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.] |

File   Edit   Help

| Zoom Control | ◀ ◆ ▶ | Print Sheet | Print all Sheets | Exit | Close 3/30/20(|

| C8 | 3625911.36776875 |

◀ ▶ / Report 23S √ Report 23 √ Report 24 √ Report 25 \

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.   03-21-2004   22:40:52
SUMMARY OF IPIC LIFO INDEX CALCULATIONS BY POOL   SUMMARY REPORT 23
FOR PERIOD ENDED 3/30/2002

			Cumulative	Cumulative	Current			
		FIFO	Index	Index	Index(100%)	LIFO	LIFO	LIFO
---------POOL---------	NAME	DOLLARS	3/31/2001	3/30/2002	3/30/2002	PROVISION	INVENTORY	RESERVE
NO								
1	PAPER AND ALLIED PRODUCTS(09)	3,625,911	1.104940	1.101966	.997308	-9,670	3,350,317	275,594
2	FURNITURE & HOUSEHOLD DURABLES(12)	5,615,563	1.067470	1.073762	1.005894	26,929	5,279,866	335,697
3	MISCELLANEOUS PRODUCTS(15)	26,914,633	.992166	1.009750	1.017723	539,362	26,654,736	259,897
4	ALL OTHER	16,932,699	1.034271	1.021502	.987654	-208,446	17,003,084	-70,385
	Total/Averages	53,088,806			1.005305	348,175	52,288,004	800,802

Inflation rates are Feb 2002 PPI indexes divided by Feb 2001 indexes as shown on Report 24
IPIC data file used for calculations:C:\LIFOPRO\SAMPLEWHOLESALE\IPICDATA.XLS-2002
There were missing indexes for 8 categories. Indexes used were those for the next less detailed category. See Reports 23 & 24 for details.
One or more PPI categories to which FIFO balances were originally assigned in the Excel data input sheet are no longer
valid categories and were automatically replaced with the proper valid category. These categories are shown on Report 25.

IPIC Methods used:
Inflation factor: 100%(New Regs. Method)
BLS Weights & 10% Test Option: Don't Use BLS Weights & 10% test(Optional New Regs. Method)
Dollar Weighting Method: Harmonic Mean Weighting(New Regs. Method)

Shown below the indexes calculated is the following information:
- Current and prior year indexes used
- Name of Excel file(& folder) used to schedule FIFO balances by CPI or PPI category
- Number of PPI categories for which there were missing indexes
- Whether PPI category reassignments were made for discontinued categories(detail of this shown in Report 25)
- Notes at the bottom of this report indicate whether old or new Regs. methods are used. LIFO-PRO Version 3 and higher support calculations using either old or new Regs. methods.

Warnings are also shown on this screen when:
- Old IPIC LIFO Regs. methods are used for periods for which new Regs. methods are required and vice versa.
- PPI category reassignments are required but there is more than one possible replacement category.

IPIC LIFO Index Calculation Report (Report 23)

The sample calculation shown above is using the new IRS Regs. methods and the 10% method.

For PPI IPIC calculations, there are a number of less detailed categories which include only one most detailed category. An example of this is:
021101   White pan bread
02110106 White pan bread, northeast
If the indexes and BLS Weights for such categories are identical, the LIFO-PRO Report 3 does not print the most detailed category, because it is redundant, unless dollars are entered for this category(dollars may be entered at either level with the same result). When such a most detailed category line is not printed, the category containing it includes a ^ suffix, for example:021101^.

IPIC LIFO Index by PPI Code Report (Report 24)

LIFO-PRO - [LIFO-PRO IPIC REPORTS FOR XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)]

File   Edit   Help

| Zoom Control | ◄ ► | Print Sheet | Print all Sheets | Exit | Close 3/30/2002 | Go to Screen 3 |

C8

◄ ► / Report 23S ∨ Report 23 ∨ Report 24 \

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)   01-26-2003 23:14:36
DETAIL OF IPIC LIFO INFLATION RATES   REPORT 24
FOR PERIOD ENDED 3/30/2002

		2000	--RAW INDEXES--		THIS	
------------------PPI CATEGORY------------------		BLS	Feb	Feb	YEAR	
----------------------- NAME -----------------------	NUMBER	WEIGHT	2002	2001	INFLATION	
POOL NUMBER:1 PAPER AND ALLIED PRODUCTS(09)						
PULP, PAPER AND ALLIED PRODUCTS	09	9.453	184.6	185.1	.997299	
-Pulp, paper, and prod., ex. bldg. paper	091	4.140	153.8	159.9	.961851	
--Woodpulp	0911	0.193	116.6	144.3	.808039	
--Wastepaper	0912	0.130	140.0	171.1	.818235	
--Paper	0913	0.944	144.6	152.0	.951316	
--Paperboard	0914	0.599	163.9	176.5	.928612	
--Converted paper and paperboard products	0915	2.120	163.3	164.2	.994519	
---Sanitary paper products, including stock	091501	0.550	147.4	145.8	1.010974	
---Paper, plastic, and foil bags	091502	0.239	171.2	173.1	.989024	
----Grocers' and variety bags (paper)	09150214	0.035	222.0	219.7	1.010469	INDEX USED
----Specialty bags and liners	09150216	0.159	129.5	131.7	.983295	INDEX USED
----Shipping sacks and multiwall bags, all	09150218	0.045	198.1	200.1	.990005	
---Paper boxes and containers	091503	0.966	173.1	175.4	.986887	
----Corrugated shipping containers	09150301	0.640	153.6	158.1	.971537	INDEX USED
----Setup paperboard boxes	09150322	0.018	165.5	164.6	1.005468	
----Folding paperboard boxes, including retail food	09150332	0.191	146.2	145.9	1.002056	INDEX USED
----Paperboard fiber drums	09150337	0.015	183.5	183.5	1.000000	
----Cups and liquid-tight containers	09150352	0.037	207.2	181.7	1.140341	
----Other sanitary food containers	09150359	0.044	133.1	130.9	1.016807	
---Packaging accessories	091504	0.034	173.1	178.1	.971926	
----Cor. & solid fiber pallets, pads, & part.	09150441	0.017	235.1	243.0	.967490	

Replaced & Discontinued PPI Codes Report (Report 25)

LIFO-PRO - [LIFO-PRO IPIC REPORTS FOR XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.]

File   Edit   Help

| Zoom Control | ◄ ► | Print Sheet | Print all Sheets | Exit | Close 3/30/2002 |

A6   ----------------------------NAME----------------------------

◄ ► / Report 23S ∨ Report 23 ∨ Report 24 ∨ Report 25 \

	A	B	C	D	E
1	XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.			03-21-2004	22:40:52
2	PPI CATEGORY REASSIGNMENTS REQUIRED FOR DISCONTINUTED CATEGORIES		REPORT 25		
3	FOR PERIOD ENDED 3/30/2002				
4					
5	-----------------REPLACEMENT PPI CATEGORY------------------		-------------REPLACED(DISCONTINUED) PPI CATEGORY--------------		DATE
6	-----------------------NAME----------------------	NUMBER	----------------------------NAME----------------------------	NUMBER	DISCONTINUED
7	Watches, clocks, watchcases, and parts	159603	Watches, clocks & timing mech., ex. parts	159601	6/2001
8	Sanitary paper products, including stock	09150123	Napkins and napkin stock	09150114	12/1999
9	Sanitary paper products, including stock	09150123	Toilet tissue and stock	09150115	12/1999
10	Sanitary paper products, including stock	09150123	Other sanitary paper products, inc. stock, n.e.c.	09150121	12/1999
11	Hollowware	12630121	Pewter	12630109	12/2000
12	Household flatware	12640121	Stainless steel	12640113	12/2000
13	Mica products and stationary art goods	13990303	Statuary and art goods (factory made)	13990302	12/2000
14	Nonmechanical pencils, crayons, and chalk	15950304	Other wood cased pencils, crayons, and chalk	15950302	12/2001
15	Watches, clocks, watchcases, and parts	15960301	Clocks	15960123	6/2001
16	Feathers, plumes & artificial trees/flowers	159A0303	Artifical flowers, feathers and plumes	159A0302	12/1998
17					
18	The PPI category replacements listed on this report were made on Reports 23 & 24. The categories subject to replacement on those reports have				
19	the @ symbol suffix in the PPI Category number column. FIFO balances should not be assigned to the discontinued categories.				

Missing PPI Indexes

When PPI indexes that should be present for IPIC calculations are not published, LIFO-PRO alerts users of this situation but also either: 1) automatically reassigns FIFO balances originally assigned to discontinued PPI categories to appropriate replacement categories (for software versions 3.3.7 and higher) or 2) the applicable category's index, BLS Weight and/or FIFO dollars are excluded from use in the pool index calculation. Messages at the bottom of Reports 23S(Summary), Report 23 and Report 24 indicate there is at least one missing index for categories for which indexes are required.

Missing PPI Table 6 indexes are a frequent occurrence for two reasons. One is that the numerous categories maintained by the BLS change twice a year with new categories being added and old ones being dropped. New categories are added because of new products being marketed or new variations of existing products. Existing categories are dropped because either a category becomes obsolete or the volume of that product's sales drops to a low level. Before categories are dropped, it is common for there to be no index compiled for that category. The other reason for missing indexes is lack of survey data for that index. BLS index calculations are statistical surveys that rely on companies selling products responding to inquiries about prices on their products. For products with low transaction volumes, they may receive no survey responses.

Substitute PPI indexes used-There may be categories that still have with missing indexes after the software makes the automatic reassignment of FIFO balances to appropriate valid categories. The indexes used by the software for both the current and the prior year for the missing index category are the indexes of the next less detailed category which includes the missing index category. Those categories for which substitute indexes are used are indicated in Report 23 by a >< notation in the Index Category Line Number column and the corresponding row on Report 24 indicates which categories' indexes were substituted and which(this or last year or both) index was missing.

For LIFO-PRO versions lower than 2.2, substitute index option was not available. For these old version calculations, no index, BLS Weight and/or FIFO dollars applicable to the missing index categories were used for the pool index calculation. If BLS Weights are missing, e.g. because the category is new or equals zero because the BLS Weight is less than .0005 and a BLS Weight is required based on application of the IPIC 10% test, this category will be excluded.

IRS Regulations regarding missing indexes-The IRS Regulations prior to the new IPIC LIFO Regulations issued in 2002 did not address how to deal with the missing indexes situations. The new Regulations specify that the Substitute Index method described above be used for cases for which PPI categories have not been discontinued by the BLS but for which indexes are not published for a period for which such indexes would be used for a pool index calculation. These new Regulations specify that a "reasonable method" be used to deal with situations where PPI categories are discontinued. They provide an example of a Compound Inflation method that can be used in these situations which would be considered a "reasonable method". This is similar to the procedure described in Rev. Proc. 98-49. The LIFO-PRO calculations for these situations also use the Substitute Index method because we consider this to be a "reasonable method". The Substitute Index method will be used in LIFO-PRO when the Missing PPI Index option in the IPIC Settings Screen is set to this method. The other method available should not be used in most cases. If indexes are missing for a category because the IRS no longer compiles indexes for this category, the FIFO dollars assigned to this category should be assigned to the next less detailed category which includes the missing index category unless there is another most detailed category that would be appropriate. The software(Versions 3.3.7 and higher) will automatically make these reassignments and list the replacements made on Report 25 but the replacement categories should be used for subsequent periods' Excel FIFO balances by PPI category data input sheets. All PPI Table 6 categories are reviewed semi-annually by LIFO-PRO to determine which categories no longer have indexes compiled and which categories have been added by the BLS and which categories should replace discontinued categories if this can be determined.

IPIC METHOD BACKGROUND

Congress enacted legislation in the early 1980s providing for this method whereby companies can use the Consumer Price Index(CPI) or Producer Price Index(PPI) inflation indexes for their LIFO indexes. This method is sometimes described as Simplified LIFO. The IRS Regulations addressing IPIC are at Section 1.472-8(e)(3) for both the old and new LIFO Regs. Other IRS guidance on IPIC is provided in Rev. Proc. 84-57 for old Regs. method calculations but this Rev. Proc was superseded by the new LIFO Regs. issued in 2002.

The *IPIC LIFO Method Guide for Planning and Implementation* prepared by LIFO-PRO, Inc. provides a more comprehensive description of the IPIC method and the steps necessary for adopting and applying this method along with examples of how LIFO-PRO can save a lot of time in the IPIC planning and implementation process. If more than just a handful of CPI or PPI index categories are involved, the IPIC calculations can be complicated if the 10% Method is used. The reason for this is that the IRS requires the inventory dollars that fall within a Most Detailed Index Category that is less than 10% of the pool total dollars to be weighted first by BLS Relative Importance Weights before a weighted average using actual dollars calculation is made. The calculations required in this two-tiered weighted average calculation lends itself well to automated LIFO software.

Inflation Indexes using IPIC

CPI or PPI indexes-The IRS Regulations and Rev. Proc. 84-57(for old Regs. periods) provide guidance as to whether CPI or PPI indexes are to be used by companies in different industries. Retailers may use either the CPI or PPI indexes, whichever is more appropriate. Non-retailers may only use PPI indexes. Retailers for which either is equally appropriate should consider the cost complement conversion requirements described below because IPIC calculations where no conversion to an appropriate cost basis is required will be much simpler.

Index month to use-Taxpayers are not required to use their year end as their index month although they may unless they are a retailer using the Retail Inventory Method.

Inflation rate-The inflation rate is this year's CPI or PPI indexes divided by last year's index, for the index month selected. Table 3 of the CPI Detailed Report or Table 6 of the Producer Price Indexes monthly BLS publications are the sources for these indexes. If companies eligible to use PPI indexes can demonstrate that the Table 5 PPI indexes are more appropriate than the Table 6 indexes, these may be used. Companies with annual sales of over $5 million could use only 80% of the CPI or PPI inflation under the old Regs. but all companies can use 100% under the new Regs.

Conversion of indexes to cost basis using cost complements for old Regs. periods- CPI indexes are a measure of retail selling prices of goods and PPI indexes are a measure of wholesale selling prices or the prices at which goods are sold from manufacturers or processors to wholesalers, retailers or distributors. If the cost basis of a company's FIFO inventory balances is not the same as the CPI or PPI indexes used, these indexes must be converted to the appropriate basis using the cost complement of the company's gross margins for each detailed index category used. For example, a supermarket chain using CPI indexes who uses the Retail Inventory Method LIFO need not convert their indexes because both are retail selling prices. A supermarket chain using CPI indexes that uses cost FIFO inventory balances for their LIFO calculation would have to convert the CPI retail prices to cost prices to calculate their LIFO indexes. This conversion is done by multiplying the CPI index times the cost complement of the gross profit margin for that inventory item for the year. The same procedure is followed to convert the prior year's index also using last year's cost complement. Manufacturers are required to use a similar procedure when using PPI indexes for finished goods. Since the PPI indexes measure prices manufacturers receive and they use the cost inventory method, they are required to convert the PPI indexes(wholesale prices) for finished goods to manufacturing cost indexes by multiplying them times the cost complements for each index category. Rev. Proc. 84-57 provides an example of this index conversion process.

Optional IPIC Pooling Method

Taxpayers electing the optional IPIC 5% pooling method establish pools using the CPI Major Groups or PPI two digit categories. Separate pools are required for the CPI Major Groups or PPI two digit categories that comprise 5% or more of total FIFO inventory dollars(on LIFO) in the year of adoption. Those that comprise less than 5% of total inventory may be combined to form a miscellaneous pool. If the aggregate dollars of this miscellaneous pool is less than 5% of total inventory, these items may be combined with the pool with the most dollars. These pools are established based on the inventory dollars as of the first year end for which IPIC is used and this is to be reviewed every third year. As described in preceding pages, LIFO-PRO has the capability of calculating the proper initial pooling assignments under the 5% rule if specified by the user.

New 1998 CPI Series

Refer to the Guide to Implications of New 1998 CPI Series on IPIC Calculations published by LIFO-PRO, Inc. for a complete description of the ways in which LIFO-PRO can handle 1998 CPI IPIC calculations. For companies using an index month other than December, there are three methods for handling 1998 calculations to address the fact that there is not a complete set of both 1998 and 1997 CPI indexes for either the New or Old Series. If Method 3 is used, the two separate index calculations must be made, one using the New Series and one using the Old Series and the entire year inflation rates for each pool are calculated by adding together the two partial year index calculations. Since the changes in CPI categories in 1998, there have been no cases of CPI indexes not being published for any of the CPI Table 3 commodity indexes.

IPIC CALCULATIONS PERFORMED BY THE LIFO-PRO SOFTWARE

Automatic download of Index & BLS Weights files-All necessary CPI or PPI files are automatically downloaded from the www.lifopro.com Web server is versions 3.2 and later.

Inflation rates calculations-The inflation rates are calculated and shown on Report 24 based on the raw CPI or PPI indexes and cost complements, if applicable, input. Both the 100% and 80%(if applicable for old Regs. periods) inflation rates are shown on Report 24 for each index category. The 100% rates are used in the detailed Report 23 calculation and when the 100% pool index has been calculated, the 80% inflation rate is calculated and used for calculation of the LIFO results using these pool indexes and dollars and for creation of the projection variables file for this calculation. This part of the IPIC calculation is not shown on Report 23 because there is not enough space.

Application of Cost Complements to convert indexes for old Regs. periods-The index category cost complements for the current and prior years are to be entered into the rightmost two data columns in the IPIC Data Screen. If either of these columns are left blank, neither this or last years' indexes are converted, i.e. the inflation rate will be calculated as if there is no cost complement conversion. This has the same effect as the cost complements for the two years being the same. The latter results in a converted to cost index but the inflation rate will be the same as if neither were converted. Companies that need to enter cost complements for the actual year end calculations may wish to omit this step of the calculation for preliminary estimates or to determine the margin change effect on the LIFO provision. To do this, the IPIC Setup Data setting for Cost Complements Required should be set temporarily to N for No. Leaving the cost complement fields blank or with this year's value the same as last year's will produce the same result. The cost complements are shown on Report 24 as part of the calculation of the adjusted inflation rates applied on Report 23. LIFO-PRO gives users the option of converting the retail CPI indexes to a cost index using the current and prior years' cost complements before or after an IPIC pool index has been calculated(in which pool cost complements are entered in a separate Pool Cost Complements table and not the IPIC Data Input Screen). This option is described in preceding pages.

Calculation of pool indexes–Use of the 10% Method was mandatory under the pre-2002 Regs. Use of this method is optional under the new Regs. with the Most Detail Category method as the alternative. These methods are described in detail in the *IPIC LIFO Calculation Method Guide for Planning and Implementation* prepared by LIFO-PRO, Inc.

PRO FORMA (prior years) IPIC CALCULATIONS USING THE LIFO-PRO SOFTWARE
The IPIC index calculation capability of LIFO-PRO may be used by companies that have not adopted the IPIC method yet or do not use LIFO-PRO for their existing LIFO calculations. This is because IPIC indexes can be calculated independently of using the indexes to calculate LIFO reserves and provisions. A company's LIFO history files and pooling assignments need not be present for LIFO-PRO to calculate IPIC indexes. This can be a valuable tool for companies that wish to determine what their LIFO indexes would be using the IPIC method. This can be done for any year or years although companies that wish to do this for multiple years should consider using the IPIC Evaluation service provided by LIFO-PRO, Inc. This service provides, based on inventory breakdowns provided by a company and their LIFO history, a complete pro forma for the last 10 years comparing what LIFO results using IPIC would have been compared to actual LIFO results. For retailers, wholesalers and distributors whose pooling may have been different under IPIC, this analysis will show not only the LIFO reserve difference attributable to different indexes but also differences caused by a different number of pools. LIFO-PRO maintains a complete history database of past years' indexes and uses a special version of LIFO-PRO that makes multiple year index and LIFO calculations automatically. Companies that wish to make IPIC pro forma calculations that have not already made this election or pooling assignments should do so by creating and using a new company data files directory. Users should create a new directory \LIFOPRO\TAXIPIC, for example and select this directory from the Company Selection Menu. All user prepared IPIC Data Input Excel files, Indexes, BLS Weights and CATNAME.CPI(or PPI) files that are required for other IPIC calculations and which are described in preceding pages are also required for this mode of IPIC pro formas. LIFO-PRO will calculate pools using the Rev. Proc. 84-57 5% rules if no pool numbers are assigned. The standard IPIC reports, Report 23(Detailed & Summary) & Report 24 can be printed. The number of pools & pool names may also be input or edited here as well by moving the cursor to the applicable field. No other LIFO calculation options are available until a company's LIFO & and company setup data has be entered. Because an IPIC data history file is created, as described on a previous page, pro forma IPIC calculations for more than one company should not be run within the same data directory. For example, if a pro forma IPIC calculation \LIFOPRO\ABC directory is set up for ABC Company and users wish to make pro forma IPIC calculations for XYZ Company, a new \LIFOPRO\XYZ directory should be created. This directory will be recognized by and listed on the LIFO-PRO Company Selection Menu(very first menu) . IPIC data files created outside of LIFO-PRO should be placed in this directory or if users wish to create an IPIC data file from within LIFO-PRO they need to first copy the CPITEMP.XLS or PPITEMP.XLS template file in this directory and then load this file for input.

RUNNING MID-YEAR PROJECTIONS IN THE LIFO-PRO SOFTWARE
Many companies using the IPIC method make midyear projections to get an estimate of the amount of LIFO inflation during the year. Companies using the IPIC method for book LIFO are more likely to do this than companies using IPIC only for tax LIFO but some companies using IPIC only for tax LIFO use the IPIC inflation rates for book LIFO projections. Midyear IPIC projections can be made using the latest 12 months CPI or PPI inflation or using the amount of CPI or PPI inflation since the prior year end. An example of the first inflation measurement scenario is for a company that has completed their December 1995 year end using a December appropriate month. Once the June 1996 PPI indexes are available, they could run a 1996 projection using the June, 1996 indexes divided by the June, 1995 indexes. There are several LIFO-PRO features that make running midyear projections simpler. When midyear projections are run, estimates are used as follows:

Indexes-When indexes in the LIFO-PRO index files are not updated through the year end appropriate index month for the projection year, the latest month's indexes in the index files will be used. For example, ABC Company has a May fiscal year end and their year end appropriate index month is March. Their last fiscal year completed is May, 1996 and it is now December, 1996. ABC Company wants to update their estimate of the LIFO provision for the fiscal year ending May, 1997 at the midpoint of their

year, which is November, 1996. For a November, 1996 month end closing, the October, 1996 CPI indexes will likely be the latest indexes available since the indexes are available on the BLS website by around the 15th of each month for the previous month. The October, 1996 CPI indexes divided by the October, 1995 indexes will be used as the most recent estimate of the IPIC inflation rates. A LIFO-PRO software readable Excel input file with either projected May, 1997 inventory balances by CPI category or the same balances by category as of May, 1996 is used for the projection.

BLS Weights-For 10% Method calculations, if the appropriate year's BLS Weights are not available, the BLS Weights for the previous year are used. This can happen when mid-year projections are run or an actual year end calculation is run without having updated the BLS Weights files. When the BLS Weights from an earlier year are used, the LIFO-PRO Report 24 will include a note indicating this. When making projected IPIC calculations, users must remember to specify the new projection year on Row 2 of the LIFO-PRO FIFO balances data input Excel file used for the projections. For companies using cost LIFO, unless the projected year end dollars are expected to be significantly less than the year before or the inventory mix is expected to change significantly, fairly accurate projections can be obtained by using the previous year end balances. Increases in inventory dollars beyond the amount of current year inflation will have no marginal effect on the LIFO provision although this will increase the amount of UNICAP costs applied for tax LIFO. Conversely, unless inventory decreases in dollars are significant, the inflation component of the LIFO provision is typically far greater than the dollar change effect unless inflation is very low.

UNICAP MODULE

ENTERING UNICAP RATES FOR SEC. 263A UNICAP COST CALCULATION

An important feature of LIFO-PRO is the application of Uniform Costs Capitalization(UNICAP) or Sec. 263A costs to the tax LIFO balances. Some companies capitalize these costs for book LIFO as well.

LIFO-PRO does not calculate a UNICAP cost rate based on UNICAP costs and the amount of purchased or manufactured goods during the year. Based on the UNICAP rates calculated and input into the program, LIFO-PRO applies these rates to the respective LIFO layers by year to arrive at the amount of UNICAP costs to be capitalized as well as the LIFO balances after application of these costs.

Companies have the option of, for a particular year, using the same UNICAP costs rate for all pools or they may calculate different rates for each pool or groups of pools. LIFO-PRO handles both these methods. For companies that use one rate for all pools, only that rate need be input to run projections. This is quicker than inputting that rate for all pools.

LIFO-PRO users can specify which of these methods is to be used in the Company Information(Company Setup & Methods Settings) Screen. The options for selecting the appropriate method are described in Section 2 of the Users Guide. The appropriate setting will already be made if LIFO-PRO, Inc. enters the company's historical data. The three UNICAP Method options are:
1. One UNICAP rate used for all pools
2. Multiple UNICAP rates used for at least one year
3. N/A or UNICAP Costs not calculated by LIFO-PRO

Most companies use one UNICAP rate, for a given year, for all pools within a company. These companies should select Mode 1. When this mode is selected, the UNICAP Rates Screen will display only two columns, one for the year and one for the single UNICAP rate for that year.

If more than one UNCAP rate is used, in any year since LIFO was adopted, Mode 2 must be selected. Mode 2 should also be selected if UNICAP is not applied for all pools for all years. When this mode is selected, the UNICAP Rates Screen will display separate UNICAP rate columns for all pools, for all years. If a company previously used multiple UNICAP rates but now use a single rate, or vice versa, users must enter the single rate for all pool columns.

These UNICAP mode codes are different in LIFO-PRO for Windows than in the DOS version. The old DOS UNICAP mode 4 is now mode 3 in Windows. The old DOS UNICAP modes 5, 6 and 7 are now mode 2 in Windows. All other DOS UNICAP modes are now mode 1 in Windows.

For companies using UNICAP modes 1 and 2, LIFO-PRO Reports 16, 17, 18 and 18 Consolidated can be printed both for before UNICAP costs application and after. For these companies, additional command buttons appear on the Main Menu to select With UNICAP reports.

Single UNICAP Rate Input

Whether a single UNICAP rate for all pools is used or not, the UNICAP rates are entered or edited in the LIFO-PRO UNICAP Rates Screen which is accessed by selecting the command button on the Main Menu with that caption. Shown below is an example of the screen when a single UNICAP rate is used for all pools.

LIFO-PRO SOFTWARE SINGLE UNICAP RATE ENTRY SCREEN
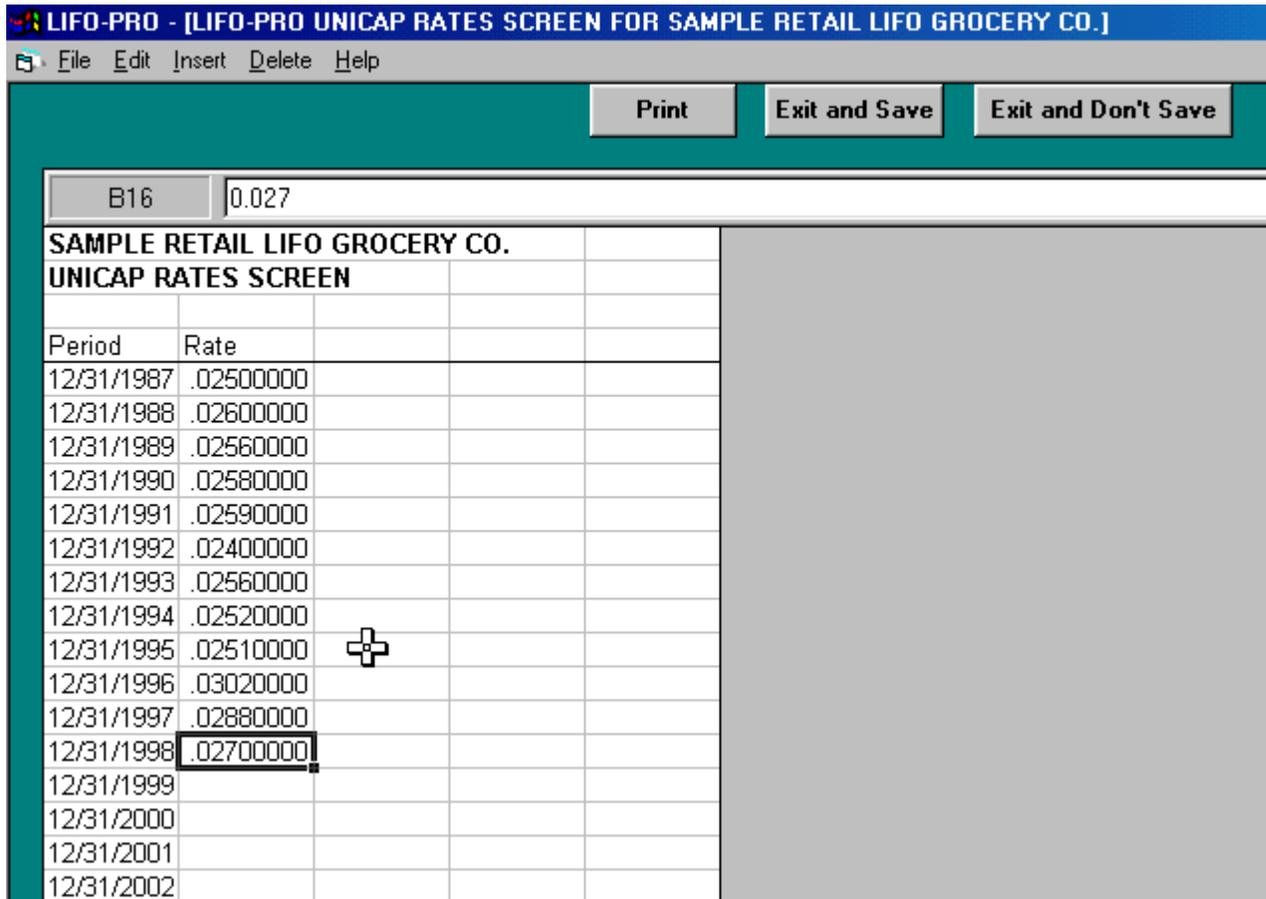
For companies using the UNICAP costs application features of LIFO-PRO for DOS, these UNICAP rates are not automatically transferred to the Windows version files, so this data must either be manually entered in this screen or pasted to this screen after reading these rates from the DOS coinfo.dat file. This is a text file that can be read by Excel or any other Windows spreadsheet in a fixed column with format. This may only be done for companies using a single UNICAP rate for all pools.

Multiple UNICAP Rate Input

Shown below is an example of the UNICAP Rates Screen for companies using Multiple UNICAP rates(rate is not the same for all pools) for at least one year.

LIFO-PRO SOFTWARE MULTIPLE UNICAP RATE ENTRY SCREEN

XYZ GROCERY TAX LIFO				
UNICAP RATES SCREEN				
	Food & be	Medical ca	Toilet good	All other
	Pool 1	Pool 2	Pool 3	Pool 4
1973	.01843000	.02560000	.19685000	.27430000
1974	.01843000	.02560000	.19685000	.27430000
1975	.01843000	.02560000	.19685000	.27430000
1976	.01843000	.02560000	.19685000	.27430000
1977	.01843000	.02560000	.19685000	.27430000
1978	.01843000	.02560000	.19685000	.27430000
1979	.01843000	.02560000	.19685000	.27430000
1980	.01843000	.02560000	.19685000	.27430000
1981	.01843000	.02560000	.19685000	.27430000
1982	.01843000	.02560000	.19685000	.27430000
1983	.01843000	.02560000	.19685000	.27430000
1984	.01843000	.02560000	.19685000	.27430000
1985	.01843000	.02560000	.19685000	.27430000
1986	.01843000	.02560000	.19685000	.27430000
1987	.01954000	.02574000	.02364000	.02163000

LIFO-PRO Reports Table of Contents

LIFO Projections Report (Report 1) - This shows the next year LIFO expense (income) amounts that would result from the range of year end inventory current year cost (FIFO) or a cost column and the range of inflation indexes shown on the sixth row.

Internal Index LIFO Calculation Data Input Report (Report 3) - This is the screen for entering the current year inflation index and year end current year cost inventory balances for completing internal index LIFO calculations. This report is the source of all other LIFO reports created for internal index LIFO calculations. Projection variables may be quickly set to multiples of last year's value.

LIFO Reserve by Layer Report (Report 15) - This report shows which years' layers the most recent year end LIFO reserve is attributable and in what amounts along with the FIFO balance required to erode each layer.

LIFO Inventory History Summary Report (Report 16) - This is a one page per pool LIFO history carry-forward schedule for all years, which includes all data fields involved in the calculation of LIFO balances once the current year index and current year cost (FIFO or average cost) total by pool has been determined. This format shows the amount of the original increment or decrement and the amount of all layers remaining as of the latest year closed.

LIFO Layer History Report (Report 16a) - This is a proof of the Report 16 decrement calculations and is a one page per pool schedule detail report by layer of all decrements and the detail by layer of all layers remaining.

LIFO Inventory History Detail Report (Report 17) - This is a one page per pool LIFO history for all years which includes all data contained in (Report 16 but also shows the remaining balance of all layers for all years.

Actual Year End LIFO Summary Report (Report 18) - Shows summary information for each pool and in total for the current and previous year ends (separate reports for each of these years). This report shows the balances necessary to make the LIFO accounting entries. Balances shown include the inventory current year cost (FIFO or average cost), current and cumulative indexes, LIFO inventory, reserve and expense and Sec. 263A costs (if applicable) for each pool.

LIFO Reserve Calculation Report (Report 18a) - This is a more detailed version of Report 18 that shows all the steps necessary to calculate all years' LIFO reserves and shows the details of decrement calculations where applicable. This report shows these calculations for all pools and in total for a given year. The bottom section of this report (except where retail LIFO is used) shows the breakdown of the LIFO expense or income components between the inflation index effect and the layer erosion effect.

Consolidated Reports for Multiple Entities (Report 18c)- For companies that require consolidated financial reporting.

LIFO Expense Components Report (Report 19) - This report shows the breakdown of the LIFO expense or income components between the inflation index effect and the layer erosion effect. The latter is the pre-tax amount that is required by GAAP to be disclosed in the notes to the financial statements (if material) for financial reporting purposes.

IPIC LIFO Calculation Summary Report (Report 23S) - Shows balances by pool & in total of for current/prior year IPIC pool indexes, cumulative indexes, FIFO and LIFO inventory balances and LIFO Reserve/Expense (Income) balances.

IPIC LIFO Index Calculation Report (Report 23) - This shows the details of the pool index calculations using Harmonic Mean Weighting specified in the IRS regulations.

IPIC LIFO Index by PPI Code Report (Report 24) - This report shows the current and prior year inflation indexes and calculation of current year inflation index for all PPIcategories.

Replaced & Discontinued PPI Codes Report (Report 25) - This report shows the PPI categories assigned to inventory balances on the Excel data input sheet (file) that have been discontinued or recoded (index series continues but a new commodity code is assigned). Separate report sections are printed for: 1) Categories for which replacements were automatically made by the LIFO-PRO software for the current period index calculations and 2) Categories for which replacements will be made for future periods based on when the categories were discontinued. Automatic replacements are not made for discontinued categories for which there are more than one possible replacement PPI categories. There is a separate report section for these categories.

IPIC 5% Method Proof Report (Report 26) - The IPIC Pooling Method 5% Method Proof Report shows the IPIC pooling method 5% test proof using IRS Reg. Sec. 1.472-8(b)(4) rules for establishing pools. This report assigns the appropriate BLS PPI Major Commodity Group (2-digit; 01-15) that are to be separate LIFO pools based on inclusion of 5% or more of total inventory.

UNICAP Reports - The LIFO-PRO software integrates Sec. 263A UNICAP costs into Reports 16, 16a, 17, 18, 18a & 18c.

IPIC LIFO Projections Report (Report 23S) - This report uses the current year cost inventory balances and inventory mix from the most recent year closed along with available IPIC indexes to make LIFO projection calculations for interim reporting periods.

LIFO Projections Report (Report 1)

Sample Ag & Farm Equipment Dealer, Inc.				10-12-2016 09:59:31					
LIFO PROJECTION REPORT FOR RANGE OF FIFO INVENTORY VALUES & INDEXES REPORT 1									
PROJECTION FOR:12/31/2016 For Pool 1 Lawn & Garden (PPI 12s)									
FIFO	----------------LIFO EXPENSE (INCOME) USING INDEXES ON FOLLOWING ROW---------------								
VALUES	.97	.98	.99	1.00	1.01	1.02	1.03	1.04	1.05	1.06
1,000,000	-42,527	-32,096	-21,877	-11,862	-2,044	7,581	17,018	26,275	35,354	44,263
1,100,000	-44,746	-33,273	-22,031	-11,014	-215	10,372	20,753	30,935	40,923	50,723
1,200,000	-46,966	-34,449	-22,185	-10,167	1,614	13,163	24,489	35,596	46,492	57,182
1,300,000	-49,185	-35,625	-22,340	-9,320	3,443	15,955	28,224	40,257	52,061	63,642
1,400,000	-51,404	-36,802	-22,494	-8,473	5,272	18,746	31,959	44,918	57,630	70,102
1,500,000	-53,624	-37,978	-22,648	-7,626	7,101	21,538	35,694	49,578	63,198	76,561
1,600,000	-55,843	-39,154	-22,802	-6,778	8,930	24,329	39,429	54,239	68,767	83,021
1,700,000	-58,062	-40,331	-22,957	-5,931	10,759	27,120	43,164	58,900	74,336	89,481
1,800,000	-60,282	-41,507	-23,111	-5,084	12,587	29,912	46,900	63,561	79,905	95,940
1,900,000	-62,501	-42,683	-23,265	-4,237	14,416	32,703	50,635	68,222	85,474	102,400
2,000,000	-64,720	-43,859	-23,420	-3,390	16,245	35,495	54,370	72,882	91,042	108,860
2,100,000	-66,940	-45,036	-23,574	-2,542	18,074	38,286	58,105	77,543	96,611	115,319
2,200,000	-69,159	-46,212	-23,728	-1,695	19,903	41,077	61,840	82,204	102,180	121,779
2,300,000	-71,379	-47,388	-23,883	-848	21,732	43,869	65,576	86,865	107,749	128,238
2,400,000	-72,022	-48,014	-24,007	0	23,561	46,660	69,311	91,526	113,318	134,698
2,500,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	118,886	141,158
2,600,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
2,700,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
2,800,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
2,900,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
3,000,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
3,100,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
3,200,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
3,300,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
3,400,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
3,500,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
3,600,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
3,700,000	-72,022	-48,014	-24,007	0	24,007	48,014	72,022	96,029	120,036	144,043
Actual FIFO balance at 12/31/2015 year end: 2,400,721									
Actual current year LIFO index for 12/31/2015 year end: 1.008									
12/31/2016 Minimum FIFO balance required to avoid LIFO layer erosions:									
	2,328,699	2,352,706	2,376,714	2,400,721	2,424,728	2,448,735	2,472,742	2,496,750	2,520,757	2,544,764

The LIFO Projections Report (Report 1) shows the projected LIFO expense (income) amounts that would result from the range of year end inventory current year cost (FIFO) or a cost column and the range of inflation indexes shown on the sixth row.

Internal Index LIFO Calculation Data Input Report (Report-Screen 3)

		FIFO $	FIFO $	INDEX	INDEX	LIFO	LIFO	
	POOL	**12/31/2015**	**12/31/2016**	**12/31/2015**	**12/31/2016**	**EXPENSE**	**INVENTORY**	
1	Lawn & Garden (PPI 12s)	2,400,721	2,723,713	1.007945	1.010580	25,400	2,621,826	
2	All Other (PPI 11s)	22,257,269	22,214,789	1.008823	1.016430	359,089	16,834,577	E
	TOTALS OR WTD AVG	24,657,990	24,938,502	1.008737	1.015788	384,488	19,456,403	
	Provision breakdown==>		-6,598		391,087	384,488		
	E-Layer erosion occurs for this pool.							

Sample Ag & Farm Equipment Dealer, Inc. 10-12-2016 10:03:07
DATA INPUT FOR 12/31/2016 LIFO CALCULATIONS LIFO-PRO Report 3
DATA FILE NAME:Y:\LIFOPRO1\SAMPLE_AG_EQUIPMENT_DEALER\LP_Data_Files\Link-chain pro for

The Internal Index LIFO Calculation Data Input Report (Report 3) is the screen for entering the current year inflation index and year end current year cost inventory balances for completing internal index LIFO calculations. The balances in the shaded columns are those in which data is to be input. Projection variables may be quickly set to multiples of last year's value.

LIFO Reserve by Layer Report (Report 15)

Sample Ag & Farm Equipment Dealer, Inc.   10-12-2016 10:04:40

LIFO Reserve by Layer Schedule   REPORT 15

Pool: 1   Lawn & Garden (PPI 12s)   Data path:y:\LIFOPRO1\Sample_Ag_Equipment_Dealer\LP_Data_Files\Link-chain pro forma\

PERIOD	FIFO INVENTORY	CUR. YR. DEFLATOR INDEX	CUMLTV. DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY	LIFO RESERVE	LIFO EXPENSE	LAYER AT BASE	LAYER AT COST	FIFO LAYER	INFLATION DIFFERENCE	LIFO RESERVE ATTRIBUTABLE TO THIS LAYER	FIFO BALANCE REQUIRED TO ERODE THIS LAYER
12/31/1980	125,982	.801066	.801066	157,268	157,268	.801066	125,982	125,982	0	0	157,268	125,982	166,165	.255508	40,183	166,165
12/31/1983	190,008	1.109353	.888665	213,813	56,545	.888665	50,250	176,232	13,777	13,777	56,545	50,250	59,744	.167909	9,494	225,909
12/31/1984	234,839	.979621	.870555	269,758	55,945	.870555	48,704	224,935	9,904	-3,872	55,945	48,704	59,110	.186019	10,407	285,020
12/31/1985	234,297	.986588	.858878	272,794	3,036	.858878	2,608	227,543	6,755	-3,150	3,036	2,608	3,208	.197695	600	288,227
12/31/1986	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/1987	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/1988	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/1989	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/1990	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/1994	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/2000	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/2002	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/2003	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/2005	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/2006	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/2008	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0	0			
12/31/2009	628,708	1.240909	1.065790	589,898	317,104	1.065790	337,966	565,509	63,199	56,444	317,104	337,966	335,044	-.009217	-2,923	623,271
12/31/2010	631,503	.995074	1.060540	595,454	5,556	1.060540	5,892	571,401	60,102	-3,097	5,556	5,892	5,870	-.003967	-22	629,141
12/31/2011	763,828	.972404	1.031273	740,665	145,211	1.031273	149,752	721,153	42,675	-17,427	145,211	149,752	153,426	.025300	3,674	782,567
12/31/2012	860,925	1.001543	1.032864	833,532	92,867	1.032864	95,919	817,072	43,853	1,179	92,867	95,919	98,120	.023709	2,202	880,688
12/31/2013	2,370,078	1.014288	1.047622	2,262,341	1,428,809	1.047622	1,496,852	2,313,924	56,154	12,301	1,428,809	1,496,852	1,509,642	.008952	12,790	2,390,330
12/31/2014	5,367,490	1.000595	1.048245	5,120,453	2,858,112	1.048245	2,996,002	5,309,926	57,564	1,410	9,835	10,309	10,391	.008328	82	2,400,721
12/31/2015	2,400,721	1.007945	1.056573	2,272,176	-2,848,277	1.048245	-2,985,693	2,324,233	76,488	18,923	0	0	0			
				2,272,176	1.022911	2,324,233			76,488	2,272,176	2,324,233	2,400,721		76,488		

The LIFO Reserve by Layer Report (Report 15) shows which years' layers the most recent year end LIFO reserve is attributable and in what amounts along with the FIFO balance required to erode each layer. This report is printed out by pool.

LIFO Reserve by Layer Report (Report 15)

Sample Ag & Farm Equipment Dealer, Inc.   10-12-2016 10:04:40
LIFO Reserve by Layer Schedule   REPORT 15
Pool: 2   Data path:y:\LIFOPRO1\Sample_Ag_Equipment_Dealer\LP_Data_Files\Link-chain pro forma\

PERIOD	FIFO INVENTORY	CUR. YR. DEFLATOR INDEX	CUMLTV. DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY	LIFO RESERVE	LIFO EXPENSE	LAYER AT BASE	LAYER AT COST	FIFO LAYER	INFLATION DIFFERENCE	LIFO RESERVE ATTRIBUTABLE TO THIS LAYER	FIFO BALANCE REQUIRED TO ERODE THIS LAYER
12/31/1980	749,153	.819800	.819800	913,824	913,824	.819800	749,153	749,153	0	0	913,824	749,153	1,228,667	.524733	479,514	1,228,667
12/31/1983	864,792	1.109295	.909400	950,948	37,124	.909400	33,760	782,913	81,879	81,879	37,124	33,760	49,914	.435133	16,154	1,278,581
12/31/1984	879,922	.979657	.890900	987,677	36,729	.890900	32,722	815,636	64,286	-17,593	36,729	32,722	49,384	.453633	16,662	1,327,965
12/31/1985	906,950	.986643	.879000	1,031,797	44,120	.879000	38,781	854,417	52,533	-11,753	44,120	38,781	59,320	.465533	20,539	1,387,285
12/31/1986	1,076,146	1.014903	.892100	1,206,307	174,510	.892100	155,680	1,010,097	66,049	13,517	174,510	155,680	234,634	.452433	78,954	1,621,920
12/31/1987	1,178,441	1.003251	.895000	1,316,694	110,387	.895000	98,796	1,108,894	69,548	3,498	110,387	98,796	148,419	.449533	49,623	1,770,339
12/31/1988	1,606,593	.985028	.881600	1,822,360	505,666	.881600	445,795	1,554,689	51,904	-17,644	505,666	445,795	679,885	.462933	234,090	2,450,224
12/31/1989	3,522,060	1.016334	.896000	3,930,871	2,108,510	.896000	1,889,225	3,443,914	78,146	26,242	2,108,510	1,889,225	2,834,962	.448533	945,737	5,285,186
12/31/1990	4,258,369	.914955	.819800	5,194,400	1,263,529	.819800	1,035,841	4,479,756	-221,386	-299,532	1,263,529	1,035,841	1,698,857	.524733	663,016	6,984,043
12/31/1994	5,841,225	1.142230	.936400	6,237,960	1,043,560	.936400	977,189	5,456,945	384,281	605,667	1,043,560	977,189	1,403,101	.408133	425,911	8,387,143
12/31/2000	6,390,813	1.029902	.964400	6,626,724	388,765	.964400	374,925	5,831,870	558,943	174,663	388,765	374,925	522,707	.380133	147,782	8,909,850
12/31/2002	8,250,279	1.023019	.986600	8,362,335	1,735,610	.986600	1,712,353	7,544,223	706,057	147,113	1,735,610	1,712,353	2,333,585	.357933	621,232	11,243,436
12/31/2003	8,659,129	1.013582	1.000000	8,659,129	296,794	1.000000	296,794	7,841,017	818,112	112,055	296,794	296,794	399,049	.344533	102,255	11,642,485
12/31/2005	9,258,643	1.066540	1.066540	8,681,009	21,880	1.066540	23,336	7,864,353	1,394,291	576,179	21,880	23,336	29,418	.277993	6,082	11,671,904
12/31/2006	10,270,298	1.028409	1.096839	9,363,542	682,533	1.096839	748,629	8,612,982	1,657,317	263,026	682,533	748,629	917,688	.247694	169,059	12,589,592
12/31/2008	15,415,619	1.046835	1.148210	13,425,784	4,062,242	1.148210	4,664,307	13,277,288	2,138,331	481,014	4,062,242	4,664,307	5,461,819	.196323	797,512	18,051,411
12/31/2009	16,439,173	1.052264	1.208220	13,606,109	180,325	1.208220	217,872	13,495,161	2,944,012	805,681	180,325	217,872	242,453	.136313	24,581	18,293,864
12/31/2010	16,439,173	1.000000	1.208220	13,606,109	0	1.208220	0	13,495,161	2,944,012	0	0	0	0			
12/31/2011	21,221,905	1.037725	1.253800	16,926,069	3,319,960	1.253800	4,162,566	17,657,727	3,564,178	620,166	2,451,368	3,073,525	3,295,945	.090733	222,420	21,589,809
12/31/2012	22,279,669	1.039823	1.303730	17,089,173	163,104	1.303730	212,644	17,870,370	4,409,299	845,121	0	0	0			
12/31/2013	39,003,819	1.005941	1.311476	29,740,408	12,651,235	1.311476	16,591,786	34,462,156	4,541,663	132,364	0	0	0			
12/31/2014	21,400,987	1.016240	1.332774	16,057,476	-13,682,932	1.307722	-17,893,471	16,568,685	4,832,302	290,639	0	0	0			
12/31/2015	22,257,269	1.008823	1.344533	16,553,902	496,426	1.344533	667,461	17,236,146	5,021,123	188,822	496,426	667,461	667,461	.000000	0	22,257,269
					16,553,902	1.041213	17,236,146			5,021,123	16,553,902	17,236,146	22,257,269		5,021,123	

LIFO Inventory History Summary Report (Report 16)

PERIOD	CURRENT YEAR COST	CUR. YR. DEFLATOR INDEX	CUMLTV. DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY	LIFO RESERVE	LIFO EXPENSE	LAYER AT BASE	LAYER AT COST
12/31/1980	125,982	.801066	.801066	157,268	157,268	.801066	125,982	125,982	0	0	157,268	125,982
12/31/1983	190,008	1.109353	.888665	213,813	56,545	.888665	50,250	176,232	13,777	13,777	56,545	50,250
12/31/1984	234,839	.979621	.870555	269,758	55,945	.870555	48,704	224,935	9,904	-3,872	55,945	48,704
12/31/1985	234,297	.986588	.858878	272,794	3,036	.858878	2,608	227,543	6,755	-3,150	3,036	2,608
12/31/1986	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/1987	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/1988	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/1989	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/1990	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/1994	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/2000	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/2002	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/2003	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/2005	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/2006	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/31/2008	234,297	1.000000	.858878	272,794	0	.858878	0	227,543	6,755	0	0	0
12/37/2009	628,708	1.240909	1.065790	589,898	317,104	1.065790	337,966	565,509	63,199	56,444	317,104	337,966
12/31/2010	631,503	.995074	1.060540	595,454	5,556	1.060540	5,892	571,401	60,102	-3,097	5,556	5,892
12/31/2011	763,828	.972404	1.031273	740,665	145,211	1.031273	149,752	721,153	42,675	-17,427	145,211	149,752
12/31/2012	860,925	1.001543	1.032864	833,532	92,867	1.032864	95,919	817,072	43,853	1,179	92,867	95,919
12/31/2013	2,370,078	1.014288	1.047622	2,262,341	1,428,809	1.047622	1,496,852	2,313,924	56,154	12,301	1,428,809	1,496,852
12/31/2014	5,367,490	1.000595	1.048245	5,120,453	2,858,112	1.048245	2,996,002	5,309,926	57,564	1,410	9,835	10,309
12/31/2015	2,400,721	1.007945	1.056573	2,272,176	-2,848,277	1.048245	-2,985,693	2,324,233	76,488	18,923	0	0
					2,272,176	1.022911	2,324,233			76,488	2,272,176	2,324,233

The LIFO Inventory History Summary Report (Report 16) is a one page per pool LIFO history carry-forward schedule for all years, which includes all data fields involved in the calculation of LIFO balances once the current year index and current year cost (FIFO or average cost) total by pool has been determined. This format shows the amount of the original increment or decrement and the amount of all layers remaining as of the latest year closed. The cumulative inflator indexes for years in which there are decrements is the weighted average index of the layers eroded and is equal to the priced increase (decrease) in LIFO cost divided by the decrease at base prices

LIFO Inventory History Summary Report (Report 16)

Sample Ag & Farm Equipment Dealer, Inc.   **09-25-2016 15:12:54**
LIFO INVENTORY HISTORY SCHEDULE   REPORT 16
Pool: 2   All Other (PPI 11s)   Data path:y:\LIFOPRO1\Sample_Ag_Equipment_Dealer\LP_Data_Files\Link-chain pro forma\

PERIOD	CURRENT YEAR COST	CUR. YR. DEFLATOR INDEX	CUMLTV. DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY	LIFO RESERVE	LIFO EXPENSE	LAYER AT BASE	LAYER AT COST
12/31/1980	749,153	.819800	.819800	913,824	913,824	.819800	749,153	749,153	0	0	913,824	749,153
12/31/1983	864,792	1.109295	.909400	950,948	37,124	.909400	33,760	782,913	81,879	81,879	37,124	33,760
12/31/1984	879,922	.979657	.890900	987,677	36,729	.890900	32,722	815,636	64,286	-17,593	36,729	32,722
12/31/1985	906,950	.986643	.879000	1,031,797	44,120	.879000	38,781	854,417	52,533	-11,753	44,120	38,781
12/31/1986	1,076,146	1.014903	.892100	1,206,307	174,510	.892100	155,680	1,010,097	66,049	13,517	174,510	155,680
12/31/1987	1,178,441	1.003251	.895000	1,316,694	110,387	.895000	98,796	1,108,894	69,548	3,498	110,387	98,796
12/31/1988	1,606,593	.985028	.881600	1,822,360	505,666	.881600	445,795	1,554,689	51,904	-17,644	505,666	445,795
12/31/1989	3,522,060	1.016334	.896000	3,930,871	2,108,510	.896000	1,889,225	3,443,914	78,146	26,242	2,108,510	1,889,225
12/31/1990	4,258,369	.914955	.819800	5,194,400	1,263,529	.819800	1,035,841	4,479,756	-221,386	-299,532	1,263,529	1,035,841
12/31/1994	5,841,225	1.142230	.936400	6,237,960	1,043,560	.936400	977,189	5,456,945	384,281	605,667	1,043,560	977,189
12/31/2000	6,390,813	1.029902	.964400	6,626,724	388,765	.964400	374,925	5,831,870	558,943	174,663	388,765	374,925
12/31/2002	8,250,279	1.023019	.986600	8,362,335	1,735,610	.986600	1,712,353	7,544,223	706,057	147,113	1,735,610	1,712,353
12/31/2003	8,659,129	1.013582	1.000000	8,659,129	296,794	1.000000	296,794	7,841,017	818,112	112,055	296,794	296,794
12/31/2005	9,258,643	1.066540	1.066540	8,681,009	21,880	1.066540	23,336	7,864,353	1,394,291	576,179	21,880	23,336
12/31/2006	10,270,298	1.028409	1.096839	9,363,542	682,533	1.096839	748,629	8,612,982	1,657,317	263,026	682,533	748,629
12/31/2008	15,415,619	1.046835	1.148210	13,425,784	4,062,242	1.148210	4,664,307	13,277,288	2,138,331	481,014	4,062,242	4,664,307
12/31/2009	16,439,173	1.052264	1.208220	13,606,109	180,325	1.208220	217,872	13,495,161	2,944,012	805,681	180,325	217,872
12/31/2010	16,439,173	1.000000	1.208220	13,606,109	0	1.208220	0	13,495,161	2,944,012	0	0	0
12/31/2011	21,221,905	1.037725	1.253800	16,926,069	3,319,960	1.253800	4,162,566	17,657,727	3,564,178	620,166	2,451,368	3,073,525
12/31/2012	22,279,669	1.039823	1.303730	17,089,173	163,104	1.303730	212,644	17,870,370	4,409,299	845,121	0	0
12/31/2013	39,003,819	1.005941	1.311476	29,740,408	12,651,235	1.311476	16,591,786	34,462,156	4,541,663	132,364	0	0
12/31/2014	21,400,987	1.016240	1.332774	16,057,476	-13,682,932	1.307722	-17,893,471	16,568,685	4,832,302	290,639	0	0
12/31/2015	22,257,269	1.008823	1.344533	16,553,902	496,426	1.344533	667,461	17,236,146	5,021,123	188,822	496,426	667,461
				16,553,902	1.041213	17,236,146				5,021,123	16,553,902	17,236,146

LIFO Inventory History Summary Report (Report 16)

Sample Ag & Farm Equipment Dealer, Inc.   **09-25-2016 15:12:54**

LIFO INVENTORY HISTORY SCHEDULE   REPORT 16

All Pools Combined   Data path:y:\LIFOPRO1\Sample_Ag_Equipment_Dealer\LP_Data_Files\Link-chain pro forma\

PERIOD	CURRENT YEAR COST	CUR. YR. DEFLATOR INDEX	CUMLTV. DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY	LIFO RESERVE	LIFO EXPENSE	LAYER AT BASE	LAYER AT COST
12/31/1980	875,135			1,071,092	1,071,092	.817049	875,135	875,135	0	0	1,071,092	875,135
12/31/1983	1,054,800	1.109305		1,164,761	93,669	.896883	84,010	959,145	95,655	95,655	93,669	84,010
12/31/1984	1,114,761	.979649		1,257,436	92,675	.878618	81,426	1,040,571	74,190	-21,465	92,675	81,426
12/31/1985	1,141,247	.986631		1,304,591	47,156	.877705	41,389	1,081,959	59,287	-14,903	47,156	41,389
12/31/1986	1,310,444	1.012206		1,479,101	174,510	.892100	155,680	1,237,640	72,804	13,517	174,510	155,680
12/31/1987	1,412,738	1.002710		1,589,488	110,387	.895000	98,796	1,336,436	76,302	3,498	110,387	98,796
12/31/1988	1,840,890	.986909		2,095,155	505,666	.881600	445,795	1,782,232	58,659	-17,644	505,666	445,795
12/31/1989	3,756,357	1.015300		4,203,665	2,108,510	.896000	1,889,225	3,671,457	84,900	26,242	2,108,510	1,889,225
12/31/1990	4,492,666	.919031		5,467,194	1,263,529	.819800	1,035,841	4,707,298	-214,632	-299,532	1,263,529	1,035,841
12/31/1994	6,075,523	1.135999		6,510,754	1,043,560	.936400	977,189	5,684,487	391,035	605,667	1,043,560	977,189
12/31/2000	6,625,110	1.028814		6,899,519	388,765	.964400	374,925	6,059,412	565,698	174,663	388,765	374,925
12/31/2002	8,484,577	1.022370		8,635,129	1,735,610	.986600	1,712,353	7,771,765	712,811	147,113	1,735,610	1,712,353
12/31/2003	8,893,426	1.013219		8,931,923	296,794	1.000000	296,794	8,068,559	824,867	112,055	296,794	296,794
12/31/2005	9,492,940	1.064791		8,953,803	21,880	1.066540	23,336	8,091,895	1,401,045	576,179	21,880	23,336
12/31/2006	10,504,595	1.027758		9,636,336	682,533	1.096839	748,629	8,840,524	1,664,071	263,026	682,533	748,629
12/31/2008	15,649,916	1.046102		13,698,578	4,062,242	1.148210	4,664,307	13,504,831	2,145,085	481,014	4,062,242	4,664,307
12/31/2009	17,067,881	1.058190		14,196,007	497,429	1.117423	555,839	14,060,670	3,007,211	862,126	497,429	555,839
12/31/2010	17,070,676	.999817		14,201,563	5,556	1.060540	5,892	14,066,562	3,004,114	-3,097	5,556	5,892
12/31/2011	21,985,733	1.035309		17,666,734	3,465,171	1.244475	4,312,318	18,378,880	3,606,853	602,739	2,596,579	3,223,277
12/31/2012	23,140,595	1.038347		17,922,705	255,971	1.205459	308,562	18,687,442	4,453,152	846,299	92,867	95,919
12/31/2013	41,373,897	1.006415		32,002,749	14,080,044	1.284700	18,088,638	36,776,080	4,597,817	144,665	1,428,809	1,496,852
12/31/2014	26,768,477	1.013064		21,177,930	-10,824,819	1.376233	-14,897,469	21,878,611	4,889,866	292,049	9,835	10,309
12/31/2015	24,657,990	1.008737		18,826,078	-2,351,852	.985705	-2,318,232	19,560,379	5,097,611	207,745	496,426	667,461
				18,826,078	1.039004	19,560,379				5,097,611	18,826,078	19,560,379

LIFO Layer History Report (Report 16a)

Sample Ag & Farm Equipment Dealer, Inc.   **09-25-2016 15:13:11**

LIFO LAYER HISTORY PROOF   REPORT 16a

DECREMENT & LAYERS REMAINING AS OF 12/31/2015 CALCULATION DETAIL

Pool: 1 Lawn & Garden (PPI 12s)

LAYERS AT BASE:	12/31/1980	12/31/1983	12/31/1984	12/31/1985	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	Increase (Decrease) At Base
12/31/1980	157,268										157,268
12/31/1983		56,545									56,545
12/31/1984			55,945								55,945
12/31/1985				3,036							3,036
12/31/2009					317,104						317,104
12/31/2010						5,556					5,556
12/31/2011							145,211				145,211
12/31/2012								92,867			92,867
12/31/2013									1,428,809		1,428,809
12/31/2014										2,858,112	2,858,112
12/31/2015										-2,848,277	-2,848,277
Layer remaining	157,268	56,545	55,945	3,036	317,104	5,556	145,211	92,867	1,428,809	9,835	2,272,176
											Inc(Dec)
Cum. inflator index	.801066	.888665	.870555	.858878	1.065790	1.060540	1.031273	1.032864	1.047622	1.048245	in LIFO
LIFO LAYERS AT COST:											Inventory
12/31/1980	125,982										125,982
12/31/1983		50,250									50,250
12/31/1984			48,704								48,704
12/31/1985				2,608							2,608
12/31/2009					337,966						337,966
12/31/2010						5,892					5,892
12/31/2011							149,752				149,752
12/31/2012								95,919			95,919
12/31/2013									1,496,852		1,496,852
12/31/2014										2,996,002	2,996,002
12/31/2015										-2,985,693	-2,985,693
Layer remaining	125,982	50,250	48,704	2,608	337,966	5,892	149,752	95,919	1,496,852	10,309	2,324,233

The LIFO Layer History Report (Report 16a) is a one page per pool schedule showing the detail by layer of all decrements and the detail by layer of all layers remaining. This report is a proof of the Report 16 decrement calculations.

LIFO Layer History Report (Report 16a)

LIFO LAYER HISTORY PROOF   REPORT 16a
DECREMENT & LAYERS REMAINING AS OF 12/31/2015 CALCULATION DETAIL
Pool: 2 All Other (PPI 11s)

LAYERS AT BASE:	12/31/1980	12/31/1983	12/31/1984	12/31/1985	12/31/1986	12/31/1987	12/31/1988	12/31/1989	12/31/1990	12/31/1994	12/31/2000	12/31/2002	12/31/2003	12/31/2005	12/31/2006	12/31/2008	12/31/2009	12/31/2011	12/31/2012	12/31/2013	12/31/2015	Increase (Decrease) At Base
12/31/1980	913,824																					913,824
12/31/1983		37,124																				37,124
12/31/1984			36,729																			36,729
12/31/1985				44,120																		44,120
12/31/1986					174,510																	174,510
12/31/1987						110,387																110,387
12/31/1988							505,666															505,666
12/31/1989								2,108,510														2,108,510
12/31/1990									1,263,529													1,263,529
12/31/1994										1,043,560												1,043,560
12/31/2000											388,765											388,765
12/31/2002												1,735,610										1,735,610
12/31/2003													296,794									296,794
12/31/2005														21,880								21,880
12/31/2006															682,533							682,533
12/31/2008																4,062,242						4,062,242
12/31/2009																	180,325					180,325
12/31/2011																		3,319,960				3,319,960
12/31/2012																			163,104			163,104
12/51/2013																				12,651,235		12,651,235
-13/682,932																		-868,592	-163,104	-12,651,235		-13,682,932
12/31/2015																					496,426	496,426
Layer remaining	913,824	37,124	36,729	44,120	174,510	110,387	505,666	2,108,510	1,263,529	1,043,560	388,765	1,735,610	296,794	21,880	682,533	4,062,242	180,325	2,451,368	0	0	496,426	16,553,902
																						Inc(Dec)
Cum. inflator index	.819800	.909400	.890900	.879000	.892100	.895000	.881600	.896000	.819800	.936400	.964400	.986600	1.000000	1.066540	1.096839	1.148210	1.208220	1.253800	1.303730	1.311476	1.344533	in LIFO

LIFO LAYERS AT COST:	12/31/1980	12/31/1983	12/31/1984	12/31/1985	12/31/1986	12/31/1987	12/31/1988	12/31/1989	12/31/1990	12/31/1994	12/31/2000	12/31/2002	12/31/2003	12/31/2005	12/31/2006	12/31/2008	12/31/2009	12/31/2011	12/31/2012	12/31/2013	12/31/2015	Inventory
12/31/1980	749,153																					749,153
12/31/1983		33,760																				33,760
12/31/1984			32,722																			32,722
12/31/1985				38,781																		38,781
12/31/1986					155,680																	155,680
12/31/1987						98,796																98,796
12/31/1988							445,795															445,795
12/31/1989								1,889,225														1,889,225
12/31/1990									1,035,841													1,035,841
12/31/1994										977,189												977,189
12/31/2000											374,925											374,925
12/31/2002												1,712,353										1,712,353
12/31/2003													296,794									296,794
12/31/2005														23,336								23,336
12/31/2006															748,629							748,629
12/31/2008																4,664,307						4,664,307
12/31/2009																	217,872					217,872
12/31/2011																		4,162,566				4,162,566
12/31/2012																			212,644			212,644
16/31/2013																				16,591,786		16,591,786
12/31/2014																		-1,089,041	-212,644	-16,591,786		-17,893,471
12/31/2015																					667,461	667,461
Layer remaining	749,153	33,760	32,722	38,781	155,680	98,796	445,795	1,889,225	1,035,841	977,189	374,925	1,712,353	296,794	23,336	748,629	4,664,307	217,872	3,073,525	0	0	667,461	17,236,146

LIFO Inventory History Detail Report (Report 17)

	12/31/1980	12/31/1983	12/31/1984	12/31/1985	12/31/1986	12/31/1987	12/31/1988	12/31/1989	12/31/1990	12/31/1994	12/31/2000	12/31/2002	12/31/2003	12/31/2005	12/31/2006	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Current-year cost	125,982	190,008	234,839	234,297	234,297	234,297	234,297	234,297	234,297	234,297	234,297	234,297	234,297	234,297	234,297	234,297	628,708	631,503	763,828	860,925	2,370,078	5,367,490	2,400,721
Current yr. index	.801066	1.109353	.979621	.986588	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.240909	.995074	.972404	1.001543	1.014288	1.000595	1.007945
Cumulative index	.801066	.888665	.870555	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	1.065790	1.060540	1.031273	1.032864	1.047622	1.048245	1.056573
Inventory at base	157,268	213,813	269,758	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	589,898	595,454	740,665	833,532	2,262,341	5,120,453	2,272,176
Change at base	157,268	56,545	55,945	3,036	0	0	0	0	0	0	0	0	0	0	0	0	317,104	5,556	145,211	92,867	1,428,809	2,858,112	-2,848,277
Cum. inflator index	.801066	.888665	.870555	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	.858878	1.065790	1.060540	1.031273	1.032864	1.047622	1.048245	1.056573
Change at LIFO cost	125,982	50,250	48,704	2,608	0	0	0	0	0	0	0	0	0	0	0	0	337,966	5,892	149,752	95,919	1,496,852	2,996,002	-2,985,693
LAYERS AT BASE:																							
12/31/1980	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268	157,268
12/31/1983		56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545	56,545
12/31/1984			55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945	55,945
12/31/1985				3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036	3,036
12/31/1986					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/1987						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/1988							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/1989								0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/1990									0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/1994										0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/2000											0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/2002												0	0	0	0	0	0	0	0	0	0	0	0
12/31/2003													0	0	0	0	0	0	0	0	0	0	0
12/31/2005														0	0	0	0	0	0	0	0	0	0
12/31/2006															0	0	0	0	0	0	0	0	0
12/31/2008																0	0	0	0	0	0	0	0
12/31/2009																	317,104	317,104	317,104	317,104	317,104	317,104	317,104
12/31/2010																		5,556	5,556	5,556	5,556	5,556	5,556
12/31/2011																			145,211	145,211	145,211	145,211	145,211
12/31/2012																				92,867	92,867	92,867	92,867
12/31/2013																					1,428,809	1,428,809	1,428,809
12/31/2014																						2,858,112	9,835
12/31/2015																							
Totals	157,268	213,813	269,758	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	272,794	589,898	595,454	740,665	833,532	2,262,341	5,120,453	2,272,176
LIFO LAYERS AT COST:																							
12/31/1980	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982	125,982
12/31/1983		50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250	50,250
12/31/1984			48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704	48,704
12/31/1985				2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608	2,608
12/31/1986					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/1987						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/1988							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/1989								0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/1990									0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/1994										0	0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/2000											0	0	0	0	0	0	0	0	0	0	0	0	0
12/31/2002												0	0	0	0	0	0	0	0	0	0	0	0
12/31/2003													0	0	0	0	0	0	0	0	0	0	0
12/31/2005														0	0	0	0	0	0	0	0	0	0
12/31/2006															0	0	0	0	0	0	0	0	0
12/31/2008																0	0	0	0	0	0	0	0
12/31/2009																	337,966	337,966	337,966	337,966	337,966	337,966	337,966
12/31/2010																		5,892	5,892	5,892	5,892	5,892	5,892
12/31/2011																			149,752	149,752	149,752	149,752	149,752
12/31/2012																				95,919	95,919	95,919	95,919
12/31/2013																					1,496,852	1,496,852	1,496,852
12/31/2014																						2,996,002	10,309
12/31/2015																							
Totals	125,982	176,232	224,935	227,543	227,543	227,543	227,543	227,543	227,543	227,543	227,543	227,543	227,543	227,543	227,543	227,543	565,509	571,401	721,153	817,072	2,313,924	5,309,926	2,324,233
LIFO RESERVE	0	13,777	9,904	6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	6,755	63,199	60,102	42,675	43,853	56,154	57,564	76,488
LIFO EXPENSE	0	13,777	-3,872	-3,150	0	0	0	0	0	0	0	0	0	0	0	0	56,444	-3,097	-17,427	1,179	12,301	1,410	18,923

The LIFO Inventory History Detail Report (Report 17) is a one page per pool LIFO history for all years which includes all data contained in Report 16, but also shows the remaining balances of all layers for all years.

LIFO Inventory History Detail Report (Report 17)

Sample Ag & Farm Equipment Dealer, Inc. 09-25-2016 15:13:27
LIFO INVENTORY HISTORY SCHEDULE   REPORT 17
Pool: 2 All Other (PPI 11s)

	12/31/1980	12/31/1983	12/31/1984	12/31/1985	12/31/1986	12/31/1987	12/31/1988	12/31/1989	12/31/1990	12/31/1994	12/31/2000	12/31/2002	12/31/2003	12/31/2005	12/31/2006	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Current-year cost	749,153	864,792	879,922	906,950	1,076,146	1,178,441	1,606,593	3,522,060	4,258,369	5,841,225	6,390,813	8,250,279	8,659,129	9,258,643	10,270,298	15,415,619	16,439,173	16,439,173	21,221,905	22,279,669	39,003,819	21,400,987	22,257,269
Current yr. index	.819800	1.109295	.979657	.986643	1.014903	1.003251	.985028	1.016334	.914955	1.142230	1.029902	1.023019	1.013582	1.066540	1.028409	1.046835	1.052264	1.000000	1.037725	1.039823	1.005941	1.016240	1.008823
Cumulative index	.819800	.909400	.890900	.879000	.892100	.895000	.881600	.896000	.819800	.936400	.964400	.986600	1.000000	1.066540	1.096839	1.148210	1.208220	1.208220	1.253800	1.303730	1.311476	1.332774	1.344533
Inventory at base	913,824	950,948	987,677	1,031,797	1,206,307	1,316,694	1,822,360	3,930,871	5,194,400	6,237,960	6,626,724	8,362,335	8,659,129	8,681,009	9,363,542	13,425,784	13,606,109	13,606,109	16,926,069	17,089,173	29,740,408	16,057,476	16,553,902
Change at base	913,824	37,124	36,729	44,120	174,510	110,387	505,666	2,108,510	1,263,529	1,043,560	388,765	1,735,610	296,794	21,880	682,533	4,062,242	180,325	0	3,319,960	163,104	12,651,235	-13,682,932	496,426
Cum. inflator index	.819800	.909400	.890900	.879000	.892100	.895000	.881600	.896000	.819800	.936400	.964400	.986600	1.000000	1.066540	1.096839	1.148210	1.208220	1.208220	1.253800	1.303730	1.311476	1.332774	1.344533
Change at LIFO cost	749,153	33,760	32,722	38,781	155,680	98,796	445,795	1,889,225	1,035,841	977,189	374,925	1,712,353	296,794	23,336	748,629	4,664,307	217,872	0	4,162,566	212,644	16,591,786	-17,893,471	667,461
LAYERS AT BASE:																							
12/31/1980	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824	913,824
12/31/1983		37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124	37,124
12/31/1984			36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729	36,729
12/31/1985				44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120
12/31/1986					174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510
12/31/1987						110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387
12/31/1988							505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666
12/31/1989								2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510
12/31/1990									1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529
12/31/1994										1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560
12/31/2000											388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765
12/31/2002												1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610
12/31/2003													296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794
12/31/2005														21,880	21,880	21,880	21,880	21,880	21,880	21,880	21,880	21,880	21,880
12/31/2006															682,533	682,533	682,533	682,533	682,533	682,533	682,533	682,533	682,533
12/31/2008																4,062,242	4,062,242	4,062,242	4,062,242	4,062,242	4,062,242	4,062,242	4,062,242
12/31/2009																	180,325	180,325	180,325	180,325	180,325	180,325	180,325
12/31/2010																		0	0	0	0	0	0
12/31/2011																			3,319,960	3,319,960	3,319,960	2,451,368	2,451,368
12/31/2012																				163,104	163,104	0	0
12/31/2013																					12,651,235	0	0
12/31/2014																						0	0
12/31/2015																							496,426
Totals	913,824	950,948	987,677	1,031,797	1,206,307	1,316,694	1,822,360	3,930,871	5,194,400	6,237,960	6,626,724	8,362,335	8,659,129	8,681,009	9,363,542	13,425,784	13,606,109	13,606,109	16,926,069	17,089,173	29,740,408	16,057,476	16,553,902
LIFO LAYERS AT COST:																							
12/31/1980	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153	749,153
12/31/1983		33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760	33,760
12/31/1984			32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722	32,722
12/31/1985				38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781	38,781
12/31/1986					155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680
12/31/1987						98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796
12/31/1988							445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795
12/31/1989								1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225
12/31/1990									1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841
12/31/1994										977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189
12/31/2000											374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925
12/31/2002												1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353
12/31/2003													296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794
12/31/2005														23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336
12/31/2006															748,629	748,629	748,629	748,629	748,629	748,629	748,629	748,629	748,629
12/31/2008																4,664,307	4,664,307	4,664,307	4,664,307	4,664,307	4,664,307	4,664,307	4,664,307
12/31/2009																	217,872	217,872	217,872	217,872	217,872	217,872	217,872
12/31/2010																		0	0	0	0	0	0
12/31/2011																			4,162,566	4,162,566	4,162,566	3,073,525	3,073,525
12/31/2012																				212,644	212,644	0	0
12/31/2013																					16,591,786	0	0
12/31/2014																						0	0
12/31/2015																							667,461
Totals	749,153	782,913	815,636	854,417	1,010,097	1,108,894	1,554,689	3,443,914	4,479,756	5,456,945	5,831,870	7,544,223	7,841,017	7,864,353	8,612,982	13,277,288	13,495,161	13,495,161	17,657,727	17,870,370	34,462,156	16,568,685	17,236,146
LIFO RESERVE	0	81,879	64,286	52,533	66,049	69,548	51,904	78,146	-221,386	384,281	558,943	706,057	818,112	1,394,291	1,657,317	2,138,331	2,944,012	2,944,012	3,564,178	4,409,299	4,541,663	4,832,302	5,021,123
LIFO EXPENSE	0	81,879	-17,593	-11,753	13,517	3,498	-17,644	26,242	-299,532	605,667	174,663	147,113	112,055	576,179	263,026	481,014	805,681	0	620,166	845,121	132,364	290,639	188,822

LIFO Inventory History Detail Report (Report 17)

Sample Ag & Farm Equipment Dealer, Inc.   09-25-2016 15:13:27
LIFO INVENTORY HISTORY SCHEDULE   REPORT 17
All Pools Combined

	12/31/1980	12/31/1983	12/31/1984	12/31/1985	12/31/1986	12/31/1987	12/31/1988	12/31/1989	12/31/1990	12/31/1994	12/31/2000	12/31/2002	12/31/2003	12/31/2005	12/31/2006	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Current-year cost	875,135	1,054,800	1,114,761	1,141,247	1,310,444	1,412,738	1,840,890	3,756,357	4,492,666	6,075,523	6,625,110	8,484,577	8,893,426	9,492,940	10,504,595	15,649,916	17,067,881	17,070,676	21,985,733	23,140,595	41,373,897	26,768,477	24,657,990
Current yr. index		1.109305	.979649	.986631	1.012206	1.002710	.986909	1.015300	.919031	1.135999	1.028814	1.022370	1.013219	1.064791	1.027758	1.046102	1.058190	.999817	1.035309	1.038347	1.006415	1.013064	1.008737
Cumulative index																							
Inventory at base	1,071,092	1,164,761	1,257,436	1,304,591	1,479,101	1,589,488	2,095,155	4,203,665	5,467,194	6,510,754	6,899,519	8,635,129	8,931,923	8,953,803	9,636,336	13,698,578	14,196,007	14,201,563	17,666,734	17,922,705	32,002,749	21,177,930	18,826,078
Change at base	1,071,092	93,669	92,675	47,156	174,510	110,387	505,666	2,108,510	1,263,529	1,043,560	388,765	1,735,610	296,794	21,880	682,533	4,062,242	497,429	5,556	3,465,171	255,971	14,080,044	-10,824,819	-2,351,852
Cum. inflator index																							
Change at LIFO cost	875,135	84,010	81,426	41,389	155,680	98,796	445,795	1,889,225	1,035,841	977,189	374,925	1,712,353	296,794	23,336	748,629	4,664,307	555,839	5,892	4,312,318	308,562	18,088,638	-14,897,469	-2,318,232
LAYERS AT BASE:																							
12/31/1980	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092	1,071,092
12/31/1983		93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669	93,669
12/31/1984			92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675	92,675
12/31/1985				47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156	47,156
12/31/1986					174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510	174,510
12/31/1987						110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387	110,387
12/31/1988							505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666	505,666
12/31/1989								2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510	2,108,510
12/31/1990									1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529	1,263,529
12/31/1994										1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560	1,043,560
12/31/2000											388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765	388,765
12/31/2002												1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610	1,735,610
12/31/2003													296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794
12/31/2005														21,880	21,880	21,880	21,880	21,880	21,880	21,880	21,880	21,880	21,880
12/31/2006															682,533	682,533	682,533	682,533	682,533	682,533	682,533	682,533	682,533
12/31/2008																4,062,242	4,062,242	4,062,242	4,062,242	4,062,242	4,062,242	4,062,242	4,062,242
12/31/2009																	497,429	497,429	497,429	497,429	497,429	497,429	497,429
12/31/2010																		5,556	5,556	5,556	5,556	5,556	5,556
12/31/2011																			3,465,171	3,465,171	3,465,171	2,596,579	2,596,579
12/31/2012																				255,971	255,971	92,867	92,867
12/31/2013																					14,080,044	1,428,809	1,428,809
12/31/2014																						2,858,112	9,835
12/31/2015																							496,426
Totals	1,071,092	1,164,761	1,257,436	1,304,591	1,479,101	1,589,488	2,095,155	4,203,665	5,467,194	6,510,754	6,899,519	8,635,129	8,931,923	8,953,803	9,636,336	13,698,578	14,196,007	14,201,563	17,666,734	17,922,705	32,002,749	21,177,930	18,826,078
LIFO LAYERS AT COST:																							
12/31/1980	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135	875,135
12/31/1983		84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010	84,010
12/31/1984			81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426	81,426
12/31/1985				41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389	41,389
12/31/1986					155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680	155,680
12/31/1987						98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796	98,796
12/31/1988							445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795	445,795
12/31/1989								1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225	1,889,225
12/31/1990									1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841	1,035,841
12/31/1994										977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189	977,189
12/31/2000											374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925	374,925
12/31/2002												1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353	1,712,353
12/31/2003													296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794	296,794
12/31/2005														23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336	23,336
12/31/2006															748,629	748,629	748,629	748,629	748,629	748,629	748,629	748,629	748,629
12/31/2008																4,664,307	4,664,307	4,664,307	4,664,307	4,664,307	4,664,307	4,664,307	4,664,307
12/31/2009																	555,839	555,839	555,839	555,839	555,839	555,839	555,839
12/31/2010																		5,892	5,892	5,892	5,892	5,892	5,892
12/31/2011																			4,312,318	4,312,318	4,312,318	3,223,277	3,223,277
12/31/2012																				308,562	308,562	95,919	95,919
12/31/2013																					18,088,638	1,496,852	1,496,852
12/31/2014																						2,996,002	10,309
12/31/2015																							667,461
Totals	875,135	959,145	1,040,571	1,081,959	1,237,640	1,336,436	1,782,232	3,671,457	4,707,298	5,684,487	6,059,412	7,771,765	8,068,559	8,091,895	8,840,524	13,504,831	14,060,670	14,066,562	18,378,880	18,687,442	36,776,080	21,878,611	19,560,379
LIFO RESERVE	0	95,655	74,190	59,287	72,804	76,302	58,659	84,900	-214,632	391,035	565,698	712,811	824,867	1,401,045	1,664,071	2,145,085	3,007,211	3,004,114	3,606,853	4,453,152	4,597,817	4,889,866	5,097,611
LIFO EXPENSE	0	95,655	-21,465	-14,903	13,517	3,498	-17,644	26,242	-299,532	605,667	174,663	147,113	112,055	576,179	263,026	481,014	862,126	-3,097	602,739	846,299	144,665	292,049	207,745

Actual Year End LIFO Summary Report (Report 18)

Sample Ag & Farm Equipment Dealer, Inc.   **09-25-2016   15:12:14**
ACTUAL YEAR-END LIFO SUMMARY REPORT 18
12/31/2015   **Data path:y:\LIFOPRO1\Sample_Ag_Equipment_Dealer\LP_Data_Files\Link-chain pro forma**

POOL NO.	POOL NAME	CURRENT YEAR COST	12/31/2015 DEFLATOR INDEX	CUMLTV DEFLATOR INDEX	CUMLTV INFLATOR INDEX	LIFO INVENTORY	12/31/2015 LIFO RESERVE	12/31/2014 LIFO RESERVE	12/31/2015 LIFO EXPENSE
1	Lawn & Garden (PPI 12s)	2,400,721	1.007945	1.056573	E 1.056573	2,324,233	76,488	57,564	18,923
2	All Other (PPI 11s)	22,257,269	1.008823	1.344533	1.344533	17,236,146	5,021,123	4,832,302	188,822
	Totals	24,657,990	1.008737			19,560,379	5,097,611	4,889,866	207,745

The Actual Year End LIFO Summary Report (Report 18) provides summary information for each pool and in total for the current and previous year ends (separate reports for each year). This report shows the balances necessary to make all Book & Tax LIFO accounting entries. Balances shown include the inventory current year cost (FIFO or average cost), current and cumulative indexes, LIFO inventory, reserve and expense.

Actual Year End LIFO Summary Report (Report 18)

Sample Ag & Farm Equipment Dealer, Inc.   **09-25-2016   15:12:14**
ACTUAL YEAR-END LIFO SUMMARY REPORT 18
12/31/2014   **Data path:y:\LIFOPRO1\Sample_Ag_Equipment_Dealer\LP_Data_Files\Link-chain pro forma**

POOL NO.	POOL NAME	CURRENT YEAR COST	12/31/2014 DEFLATOR INDEX	CUMLTV DEFLATOR INDEX	CUMLTV INFLATOR INDEX	LIFO INVENTORY	12/31/2014 LIFO RESERVE	12/31/2013 LIFO RESERVE	12/31/2014 LIFO EXPENSE
1	Lawn & Garden (PPI 12s)	5,367,490	1.000595	1.048245	1.048245	5,309,926	57,564	56,154	1,410
2	All Other (PPI 11s)	21,400,987	1.016240	1.332774	E 1.332774	16,568,685	4,832,302	4,541,663	290,639
	Totals	26,768,477	1.013064			21,878,611	4,889,866	4,597,817	292,049

LIFO Reserve Calculation Report (Report 18a)

Sample Ag & Farm Equipment Dealer, Inc.   **09-25-2016 15:12:38**
CALCULATION OF LIFO RESERVE   REPORT 18a
12/31/2015

Data path:y:\LIFOPRO1\Sample_Ag_Equipment_Dealer\LP_Data_Files\Link-chain pro forma\

Pool number			**1**	**2**	
Pool name	Row	Formula/Source	**Lawn & Garden**	**All Other**	**TOTALS/AVG.**
Current-year cost	7	Inventory total per Report 23s	2,400,721	22,257,269	24,657,990
Current year deflator index	8	Pool index calculated per Report 23s	1.007945	1.008823	1.008737
Prior year cumulative deflator index	9	Layer history Report 16	1.048245	1.332774	
Current year cumulative deflator index	10	Row 8 times Row 9	1.056573	1.344533	
Current year inventory at base	11	Row 7 divided by Row 10	2,272,176	16,553,902	18,826,078
Prior year inventory at base	12	Layer history Report 16	5,120,453	16,057,476	21,177,930
Increase(decrease) at base	13	Row 11 minus Row 12	-2,848,277	496,426	-2,351,852
Current year cumulative inflator index	14	Same as Row 10 for increment	n/a	1.344533	
Increase(decrease) in LIFO cost	15	13 x 14; Row 28 for decrement	-2,985,693	667,461	-2,318,232
Prior year LIFO inventory	16	Layer history Report 16	5,309,926	16,568,685	21,878,611
Current year LIFO inventory	17	Row 15 plus Row 16	2,324,233	17,236,146	19,560,379
Current year LIFO reserve	18	Row 7 minus Row 17	76,488	5,021,123	5,097,611
Prior year LIFO reserve	19	Layer history Report 16	57,564	4,832,302	4,889,866
Current year LIFO expense(income)	20	Row 18 minus Row 19	18,923	188,822	207,745
Detail of decrements calculation:					
Decrease at base by year:	23				
	24	Report 16a	-2,848,277 14		
Cumulative inflator indexes for decrements:	25				
	26	Report 16a	1.048245 14		
Decrease at LIFO cost by year:	27				
	28	Report 16a	-2,985,693 14		
Proof of current year LIFO expense(income):					
Current year inflation(deflation)	30	Row 8 minus one as a percentage	0.80%	0.88%	0.87%
Prior year current-year cost	31	Layer history Report 16	5,367,490	21,400,987	26,768,477
C/Y expense(income) due to inflation	32	Row 30 times Row 31	42,645	188,822	231,467
C/Y cum. def. index minus avg. index of layers eroded	33	Row 10 - Row 26 (pools w/decr only)	.008328	n/a	
Expense(income) due to layer erosions	34	Row 13 * Row 33 (pools w/decr only)	-23,721	n/a	-23,721
Total current year LIFO expense(income)	35	Row 32 plus Row 34(ties to Row 20)	18,924	188,822	207,746

The LIFO Reserve Calculation Report (Report 18a) shows all the steps necessary to calculate all years' LIFO reserves and shows the details of decrement calculations where applicable. This report shows these calculations by pool & in total for the year. The bottom section of this report shows the breakdown of the LIFO expense or income components between the inflation index effect and the layer erosion effect.

Actual Year End LIFO Summary for Consolidated Entities Report

CONSOLIDATED REPORT 18
ACTUAL YEAR-END LIFO CALCULATION SUMMARY   REPORT 18c   **10-12-2016**
COMPANY TOTALS ONLY   **10:12:36**
Consolidated Data Folder: y:\LIFOPRO1\Sample_Consolidated_Company

COMPANY NAME	CURRENT YEAR COST	CURRENT DEFLATOR INDEX	LIFO INVENTORY	THIS YEAR LIFO RESERVE	PRIOR YEAR LIFO RESERVE	LIFO EXPENSE
Sample Company Stores, Inc.	41,373,898	.999972	36,968,928	4,404,970	4,415,592	-10,622
Sample Company Store Warehouses, LLC	24,657,990	1.009609	19,473,933	5,184,057	4,955,699	228,359
Sample Company Online Warehouse, LLP	24,657,990	1.008737	19,560,379	5,097,611	4,889,866	207,745
Sample Company Shares, Inc.	24,657,990	1.009529	19,979,483	4,678,507	4,955,699	-277,192
Grand total	115,347,868	1.005929	95,982,723	19,365,145	19,216,856	148,289

The Actual Year End LIFO Summary for Consolidated Entities Report (Report 18c) is for companies that require consolidated financial reporting. Shown above provides a summary of LIFO balances and the consolidated total resulting from combined sum of the current year LIFO calculations for all entities.

Actual Year End LIFO Summary for Consolidated Entities Report

CONSOLIDATED REPORT 18
ACTUAL YEAR-END LIFO CALCULATION SUMMARY   REPORT 18s   10-12-2016
POOL DETAIL   10:12:36
Consolidated Data Folder: y:\LIFOPRO1\Sample_Ag_Equipment_Dealer\LP_Data_Files\

POOL NO.	POOL NAME	CURRENT YEAR COST	CURRENT DEFLATOR INDEX	CUMLTV DEFLATOR INDEX	CUMLTV INFLATOR INDEX	LIFO INVENTORY	THIS YEAR LIFO RESERVE	PRIOR YEAR LIFO RESERVE	LIFO EXPENSE
Sample Company Stores, Inc. 12/31/2015 Y:\LIFOPRO1\Sample_Consolidated_Company									
1	Lawn & Garden (PPI 12s)	2,370,079	1.021505	1.081041	1.081041	2,288,885	81,194	62,680	18,514
2	All Other (PPI 11s)	39,003,819	.998692	1.298698	1.298698	34,680,043	4,323,776	4,352,912	-29,136
	Totals/avg.	41,373,898	.999972			36,968,928	4,404,970	4,415,592	-10,622
Sample Company Store Warehouses, LLC 12/31/2015 Y:\LIFOPRO1\Sample_Consolidated_Company									
1	Lawn & Garden (PPI 12s)	2,400,721	1.006726	1.006726	E 1.006726	2,302,629	98,091	82,052	16,039
2	All Other	22,257,269	1.009921	1.009921	1.009921	17,171,303	5,085,966	4,873,647	212,319
	Totals/avg.	24,657,990	1.009609			19,473,933	5,184,057	4,955,699	228,359
Sample Company Online Warehouse, LLC 12/31/2015 Y:\LIFOPRO1\Sample_Consolidated_Company									
1	Lawn & Garden (PPI 12s)	2,400,721	1.007945	1.056573	E 1.056573	2,324,233	76,488	57,564	18,923
2	All Other (PPI 11s)	22,257,269	1.008823	1.344533	1.344533	17,236,146	5,021,123	4,832,302	188,822
	Totals/avg.	24,657,990	1.008737			19,560,379	5,097,611	4,889,866	207,745
Sample Company Shares, Inc. 12/31/2015 Y:\LIFOPRO1\Sample_Consolidated_Company									
1	Lawn & Garden (PPI 12s)	2,400,721	1.006704	1.088682	1.088682	2,365,310	35,411	24,616	10,795
2	All Other (PPI 11s)	22,257,269	1.009835	1.302933	E 1.302933	17,614,173	4,643,096	4,931,083	-287,987
	Totals/avg.	24,657,990	1.009529			19,979,483	4,678,507	4,955,699	-277,192
	Grand total	115,347,868	1.005929			95,982,723	19,365,145	19,216,856	148,289

The Actual Year End LIFO Summary for Consolidated Entities Report (Report 18s) is for companies that require consolidated financial reporting. Shown above provides the details of LIFO balances by pool and in total by entity along with the consolidated total resulting from combined sum of the current year LIFO calculations for all entities.

LIFO Expense Components Report (Report 19)

Sample Ag & Farm Equipment Dealer, Inc.				09-25-2016 15:14:03	
BREAKDOWN OF LIFO EXPENSE COMPONENTS REPORT 19					
ALL POOLS					
			LAYER		
		INFLATION	EROSIONS	TOTAL LIFO	
YEAR		EFFECT	EFFECT	EXPENSE	
12/31/1980		0	0	0	
12/31/1983		95,655	0	95,655	
12/31/1984		-21,465	0	-21,465	
12/31/1985		-14,903	0	-14,903	
12/31/1986		13,517	0	13,517	
12/31/1987		3,498	0	3,498	
12/31/1988		-17,644	0	-17,644	
12/31/1989		26,242	0	26,242	
12/31/1990		-299,532	0	-299,532	
12/31/1994		605,667	0	605,667	
12/31/2000		174,663	0	174,663	
12/31/2002		147,113	0	147,113	
12/31/2003		112,055	0	112,055	
12/31/2005		576,179	0	576,179	
12/31/2006		263,026	0	263,026	
12/31/2008		481,014	0	481,014	
12/31/2009		862,126	0	862,126	
12/31/2010		-3,097	0	-3,097	
12/31/2011		602,739	0	602,739	
12/31/2012		846,299	0	846,299	
12/31/2013		144,665	0	144,665	
12/31/2014		634,833	-342,785	292,049	
12/31/2015		231,466	-23,721	207,745	
	TOTAL	5,464,117	-366,506	5,097,611	

The LIFO Expense Components Report (Report 19) shows the LIFO provision components for each pool and for the company total. This can be run for any past year or projection year. This data is also displayed and/or printed from Screen 3 and Report 18a. The company total balance in the Layer Erosions Effect is the pre-tax amount that is required to be disclosed, if material, in the notes to financial statements. This is the amount pre-tax earnings were increased(when when this is negative on LIFO-PRO Report 19) or decreased as a result of LIFO layer erosions.

IPIC LIFO Calculation Summary Report (Report 23S)

POOL NO.	POOL NAME	CURRENT YEAR COST	Cumulative Index 12/31/2014	Cumulative Index 12/31/2015	Current Year Index 12/31/2015	LIFO EXPENSE	LIFO INVENTORY	LIFO RESERVE
	Sample Ag & Farm Equipment Dealer, Inc.			**07-29-2016**	**22:04:21**			
	SUMMARY OF IPIC LIFO INDEX CALCULATIONS BY POOL SUMMARY REPORT 23S							
	FOR PERIOD ENDED Dec, 2015							
1	Lawn & Garden (PPI 12s)	2,400,721	1.048245	1.056573	1.007945	18,923	2,324,233	76,488
2	All Other (PPI 11s)	22,257,269	1.332774	1.344533	1.008823	188,822	17,236,146	5,021,123
	Total/Averages	24,657,990			1.008737	207,745	19,560,379	5,097,611

Inflation rates are Mar 2015 PPI Prelim indexes divided by Mar 2014 Prelim indexes as shown on Report 24

IPIC data file used for calculations:Y:\LIFOPRO1\SAMPLE_AG_EQUIPMENT_DEALER\DIS\DIS_LP_PPI_Codes_2015.xlsx-DIS__2015_LP

There were missing indexes for one category. Indexes used were those for the next less detailed category.

Optional IPIC Methods used:

10% Method used(BLS Weights used)?: 10% Method not used

U.S. Bureau of Labor Statistics inflation indexes source: PPI Detailed Reports Table 9

The IPIC LIFO Index Calculation Summary Report (Report 23S) shows values by pool and in total showing the IPIC method pool indexes for the current year as well as the prior and current year cumulative indexes, FIFO and LIFO inventory balances, LIFO reserve, and LIFO expense.

IPIC LIFO Index Calculation Detail Report (Report 23)

--------PPI CATEGORY------------	CATEGORY	YEAR-END	% OF	CATEGORY INDEX FROM	HARMONIC DOLLARS WEIGHTED	
-------------- NAME ---------------	NUMBER	INVENTORY BALANCE	POOL INV.	REPORT 24	EXTENSION	
Sample Ag & Farm Equipment Dealer, Inc.		07-29-2016 22:04:21				
DETAIL OF IPIC LIFO INDEX CALCULATIONS BY POOL REPORT 23						
FOR PERIOD ENDED Dec, 2015						
POOL NUMBER:1 Lawn & Garden (PPI 12s)						
---Consumer riding lawn, garden, and snow equipment	126604^	470,306	19.59%	1.002208	469,270	
---Parts and attachments for consumer lawn, garden, and snow equipment	126605^	1,669,395	69.54%	1.010830	1,651,509	
---Consumer nonriding lawn, garden, and snow equipment	126606^	261,019	10.87%	1.000000	261,019	
Pool 1 Totals/Weighted average pool index		2,400,721	100.00%	1.007945	2,381,798	
				Pool index		
POOL NUMBER:2 All Other (PPI 11s)						
---Commercial turf and grounds care equipment, including parts and attachments	111401^	2,078,200	9.34%	1.004736	2,068,405	
---Farm plows, harrows, rollers, pulverizers, etc., and attachments	111402^	2,159,062	9.70%	1.011669	2,134,159	
---Farm-type (power take-off hp) wheel tractors (2/4-wheel drive)(with or without attachments)	111403^	4,793,419	21.54%	1.018779	4,705,061	
---Farm dairy equipment, sprayers and dusters, farm blowers, and attachments	111404^	425,165	1.91%	1.015759	418,569	
---Planting, seeding, and fertilizing machinery and attachments	111405^	1,247,396	5.60%	1.021893	1,220,672	
---Harvesting machinery (except hay and straw) and attachments	111406^	1,843,332	8.28%	.994643	1,853,260	
---Haying machinery and attachments	111407^	117,789	0.53%	1.029453	114,419	
---All other farm machinery and equipment, excluding parts, including attachments	111408^	1,086,792	4.88%	1.014076	1,071,707	
---Parts for farm machinery, for sale separately	111409^	5,850,710	26.29%	1.004622	5,823,790	
---Tractors and attachments, ex. parts	112A	29,602	0.13%	1.004264	29,476	
---Construction machinery for mounting (excluding parts, winches, snow clearing attachments)	112A03^	52,992	0.24%	1.001511	52,913	
---Tractor shovel loaders (skid steer, wheel, crawler, and integral design backhoes)	112A04^	848,806	3.81%	1.005387	844,258	
--Power cranes, draglines, and shovels (including surface mining equipment), excluding parts	112B^	792,738	3.56%	1.013659	782,055	
---Graders, rollers and compactors, forklifts, scrapers, trenchers, etc. (excluding parts)	112D03^	5,560	0.02%	1.040972	5,341	
---Power-driven handtools, including parts and attachments	113211	240		1.022543	235	
------Other pumps, except automotive circulating pumps, and measuring & dispensing pumps	114112155	4,843	0.02%	1.039370	4,660	
---Integral horsepower motors and generators (excluding land transportation types)	117304^	60,069	0.27%	1.000807	60,021	
-----Automobile and light truck trailers	14911104	11,725	0.05%	1.003572	11,683	
-----All other miscellaneous transportation equipment, including all-terrain vehicles	14911105					
------All-terrain vehicles and parts	149111051	848,829	3.81%	.984794	861,936	><
Pool 2 Totals/Weighted average pool index		22,257,269	100.00%	1.008823	22,062,620	
				Pool index		
GRAND TOTAL INVENTORY DOLLARS		24,657,990				
Inflation rates are Mar 2015 PPI Prelim indexes divided by Mar 2014 Prelim indexes as shown on Report 24.						
IPIC data file used for calculations:Y:\LIFOPRO1\SAMPLE_AG_EQUIPMENT_DEALER\DIS\DIS_LP_PPI_Codes_2015.xlsx-DIS__2015_LP						
>< No index published for this category. Indexes(this year & last) for the next less detailed category containing this category were used.						
^This category subsumes a more detailed PPI category but it is not listed because there is a single such category and						
the inflation rate is identical to this category's and no $s were assigned to it.						
Company data folder= Y:\LIFOPRO1\SAMPLE_AG_EQUIPMENT_DEALER\LP_Data_Files\Link-chain pro forma\						
LIFO-PRO software version used: 5.4.3. Program file path= C:\LIFOPRO						
BLS folder= C:\LIFOPRO\bls\						

The IPIC LIFO Index Calculation Detail Report (Report 23) shows the details of the pool index calculations using Harmonic Mean Weighting specified in IRS Regulations.

IPIC LIFO Index by PPI Code Report (Report 24)

PPI CATEGORY NAME	NUMBER	Prelim -BLS Mar 2015	Prelim INDEXES- Mar 2014	CUR YEAR INFLATION INDEX To Report 23	
		07-29-2016 22:04:21			
POOL NUMBER:1 Lawn & Garden (PPI 12s)					
---Consumer riding lawn, garden, and snow equipment	126604^	136.2	135.9	1.002208	INDEX USED
---Parts and attachments for consumer lawn, garden, and snow equipment	126605^	168.0	166.2	1.010830	INDEX USED
---Consumer nonriding lawn, garden, and snow equipment	126606^	110.2	110.2	1.000000	INDEX USED
POOL NUMBER:2 All Other (PPI 11s)					
---Commercial turf and grounds care equipment, including parts and attachments	111401^	127.3	126.7	1.004736	INDEX USED
---Farm plows, harrows, rollers, pulverizers, etc., and attachments	111402^	173.4	171.4	1.011669	INDEX USED
---Farm-type (power take-off hp) wheel tractors (2/4-wheel drive)(with or without attachments)	111403^	130.2	127.8	1.018779	INDEX USED
---Farm dairy equipment, sprayers and dusters, farm blowers, and attachments	111404^	141.8	139.6	1.015759	INDEX USED
---Planting, seeding, and fertilizing machinery and attachments	111405^	144.7	141.6	1.021893	INDEX USED
---Harvesting machinery (except hay and straw) and attachments	111406^	222.8	224.0	.994643	INDEX USED
---Haying machinery and attachments	111407^	220.2	213.9	1.029453	INDEX USED
---All other farm machinery and equipment, excluding parts, including attachments	111408^	165.7	163.4	1.014076	INDEX USED
---Parts for farm machinery, for sale separately	111409^	130.4	129.8	1.004622	INDEX USED
--Tractors and attachments, ex. parts	112A	141.3	140.7	1.004264	INDEX USED
---Construction machinery for mounting (excluding parts, winches, snow clearing attachments)	112A03^	132.6	132.4	1.001511	INDEX USED
---Tractor shovel loaders (skid steer, wheel, crawler, and integral design backhoes)	112A04^	205.3	204.2	1.005387	INDEX USED
--Power cranes, draglines, and shovels (including surface mining equipment), excluding parts	112B^	141.0	139.1	1.013659	INDEX USED
---Graders, rollers and compactors, forklifts, scrapers, trenchers, etc. (excluding parts)	112D03^	149.9	144.0	1.040972	INDEX USED
---Power-driven handtools, including parts and attachments	113211	113.4	110.9	1.022543	INDEX USED
------Other pumps, except automotive circulating pumps, and measuring & dispensing pumps	114112155	118.8	114.3	1.039370	INDEX USED
---Integral horsepower motors and generators (excluding land transportation types)	117304^	248.1	247.9	1.000807	INDEX USED
-----Automobile and light truck trailers	14911104	168.6	168.0	1.003572	INDEX USED
-----All other miscellaneous transportation equipment, including all-terrain vehicles	14911105	136.0	138.1	.984794	
------All-terrain vehicles and parts	149111051	136.0	138.1	.984794	INDEX USED(14911105) T
IPIC data file used for calculations:Y:\LIFOPRO1\SAMPLE_AG_EQUIPMENT_DEALER\DIS\DIS_LP_PPI_Codes_2015.xlsx-DIS__2015_LP					
No index published for categories above with PPI Code in parenthesis in rightmost column. Indexes(this year & last)					
for the next less detailed category(indicated in parenthesis) containing this category were used. The letter T in the					
rightmost column indicates this year's index was missing and the letter P indicates the prior year's index was missing.					
^This category subsumes a more detailed PPI category but it is not listed because there is a single such category and					
the inflation rate is identical to this category's and no $s were assigned to it.					

The IPIC LIFO Inflation Index Report (Report 24) shows the current and prior year inflation indexes and calculation of current year inflation indexes for all PPI categories.

Replaced & Discontinued BLS PPI Codes Report

--------------------REPLACEMENT PPI CATEGORY------------------- ------------------------------NAME------------------------------	NUMBER	---------------REPLACED(DISCONTINUED) PPI CATEGORY--------------- ------------------------------NAME------------------------------	NUMBER	DATE DISCON'D	FIFO $S ASSIGNED
Watches, clocks, watchcases, and parts	1596	Watches, clocks & timing mech., ex. parts	159601	6/2001	9,799
Watches, clocks, watchcases, and parts	1596	Clocks	15960123	6/2001	200,746
Lead pencils, art goods, office supplies and small office equipment, exc	159503	Other wood cased pencils, crayons, and chalk	15950302	12/2001	1,465,551
Apparel 50 pct or greater plastic or rubber, incl raincoats and rubber pa	0381044117	Waterproof outergarments, n.e.c.	03810421	6/2002	2,356
Primary nonferrous metals	102201	Gold, refined tr. oz.	10220271	12/2003	15,938
Other sheet metal work	107301G	Other sheet metal work, not steel or aluminum	10730189	12/2003	1,826,659
Bedroom furniture (nonupholstered), wood	12120381	Chests	12120351	12/2003	24,921
Speakers and commercial sound equipment	12570708	Speakers and commercial sound equipment	12530707	12/2003	172,634
Miscellaneous nonmetallic mineral products	139903	Mica products and stationary art goods	13990303	12/2003	118,308
Costume jewelry and novelties	15940415	Costume jewelry & novelties made of base metal	15940411	12/2003	338,303
Costume jewelry and novelties	15940415	Other costume jewelry, novelties, compacts and cases	15940412	12/2003	4,460,655
Reproduction of audio discs and video media	159C0101	Compact discs	15980104	12/2003	79,503
Prerecorded audio and video media reproduction	159C01	Audio tapes	159802	12/2003	45,677
Folding paperboard boxes	09150336	Folding paperboard boxes, including retail food	09150332	12/2004	281,290
Living room furniture (nonupholstered), wood	12120181	Table	12120101	12/2004	23,017
Living room furniture (nonupholstered), wood	12120181	Chairs	12120105	12/2004	21,205
Living room furniture (nonupholstered), wood	12120181	Cabinets, except sewing machines	12120107	12/2004	36,319
Living room furniture (nonupholstered), wood	12120181	Other nonupholstered living rm furniture	12120109	12/2004	34,967
Dining room furniture (nonupholstered), wood	12120281	Buffets and servers	12120221	12/2004	42,804
Bedroom furniture (nonupholstered), wood	12120381	Other nonupholstered bedroom furniture	12120355	12/2004	8,164
Other wood household furniture	12120481	Unpainted wood furniture	12120463	12/2004	37,940
Mirrors (decorated and undecorated)	12650104	Framed mirrors	12650102	12/2004	75,062
Other textiles, incl towels and bed textiles	03820312	Other textile housefurnishings	03820311	6/2005	766,415
Stationery, tablets and related products	09150656	Stationery	09150652	6/2005	227,783
Stationery, tablets and related products	09150656	Tablets and related products	09150653	6/2005	447,435
Upholstered wood household furniture	12130141	Chairs, including rockers and recliners	12130111	6/2005	6,449
Carpets and rugs	12310101	Woven carpets and rugs, made from textile yarns	12310301	6/2005	429,093
Carpets and rugs	12310101	Carpets & rugs, not made from textile yarn	12310401	6/2005	143,335
Curtains and draperies	03820304	Curtains, except lace	03820308	12/2005	69,239
Marking devices	159504	Other marking devices	15950405	12/2005	171,799
Bread (white, wheat, rye, etc.), including frozen	021102	Other bread	021104	6/2006	674
Other handtools, nec	10420155	All other hand tools, except edge tools	10420183	6/2006	37,147
Other corrugated & solid fiber products, incl. containers, etc.	091504	Gift wrapping paper	09150451	6/2007	6,284
Office and store machines and equipment	1193	Calculating and accounting machines	119301	6/2007	2,095
All other pottery products (including china decorated for the trade)	12610105	Art, decorative and novelty pottery	12610201	6/2008	665,326
All other pottery products (including china decorated for the trade)	12610105	Other pottery products	12610202	6/2008	2,128,491
Other household durable goods	126	Pressed and blown consumer glassware	1262	12/2011	24,981
Silverware and holloware	126A0122	Holloware	12630121	12/2011	19,090
Silverware and holloware	126A0122	Household flatware	12640121	12/2011	16,355
Notions	153	Buttons, button blanks and parts	15310121	12/2011	260,162
Pens, markers, mechanical pencils, and associated parts	15950210	Other pens, mechanical pencils, and parts	15950209	12/2011	290,706
Lead pencils, art goods, office supplies and small office equipment, exc	15950307	Artists' equipment and supplies	15950303	12/2011	241,703

The PPI category replacements listed above were made on Reports 23 & 24. The categories subject to replacement on those reports have
the @ symbol suffix in their PPI code. FIFO balances should not be assigned to the discontinued categories in the future.

Categories discontinued but no reassignment made because there is more than one PPI category that could be used in its place:
Manual reassignment of category(s) are required for these on the Excel input schedule listing FIFO balances by PPI category

Men's and boys' knit dress and sport shirts	03810721	Men's/boys' knit sportshirts incl. sweatshirts	03810298	12/2003	42,991
Knit outerwear	03810807				
Men's and boys' sweaters, sweatpants, beachwear (exc. swim), & ski a	03810743				
Women's and girls' other outerwear, incl. nontailored coats/service app	03810639	Other outerwear, n.e.c.	03810355	12/2003	1,309,887
Infants' outerwear	038106542				
Men's and boys' fabric, straw, and felt hats	03810414	Milling, hats, and caps	03810413	12/2009	1,357,416
Women's, girls', and infants' fabric, straw, and felt hats	03810415				
Hat bodies and fabric caps	03810416				

The categories below were discontinued but after Dec 2014. The categories below were not replaced in Reports 23 & 24 but these changes should
be made for data input sheets prepared for years after MAR, 2016. The PPI code in these reports includes a # symbol suffix for these categories.

Office supplies and accessories	091506	Inked ribbons	09150642	1/2015	321,838

The categories below were recoded by the BLS on the date shown below. The prior periods' index history is
retained for a recoded category; a new commodity code is assigned to a category that already exists.

Books printing	09440114	Adult trade and juvenile	09330416	6/2009	156,452
General book (trade, etc.) printing and binding	094401147	General reference books	093305	6/2009	49,381
Machine-made table, kitchen, & novelty glassware, made by glass prod	131301161	Pressed and blown consumer glassware	12620102	12/2011	963,507
Other machine-made pressed and blown glassware, made by glass pro	131301171	Other pressed and blown glassware	13130112	12/2011	745,855

The Replaced & Discontinued BLS PPI Codes Summary Report (Report 25) shows the PPI categories assigned to inventory balances on the Excel input schedule which have been discontinued or recoded (index series continues for this item but another commodity code number is assigned). This report is organized into three sections:

1. Categories for which replacements were automatically made by the LIFO-PRO software for the current period index calculations
2. BLS PPI category replacements made for future periods based on when the categories were discontinued
3. Instances where manual PPI category replacements for discontinued BLS categories are required due to more than one replacement PPI category being present.

IPIC Pooling Method 5% Test Proof Report (Report 26)

Sample Ag & Farm Equipment Dealer, Inc.			07-29-2016	22:04:21	
IPIC POOLING METHOD 5% METHOD PROOF	REPORT 26				
FOR PERIOD ENDED DEC, 2015					
CURRENT-YEAR COST FOR EXISTING LIFO POOLS:					
1	Lawn & Garden (PPI 12s)	2,400,721	9.7%		
2	All Other (PPI 11s)	22,257,269	90.3%		
	Total/Averages	24,657,990	100.0%		
CURRENT-YEAR COST FOR EACH PPI 2-DIGIT CODES:					
NO	PPI 2-DIGIT CODES				
1	Farm products(01)		.0%		
2	Processed food(02)		.0%		
3	Textile products & apparel(03)		.0%		
4	Leather products(04)		.0%		
5	Fuels(05)		.0%		
6	Chemical & allied products(06)		.0%		
7	Rubber & plastic products(07)		.0%		
8	Lumber & wood products(08)		.0%		
9	Paper products(09)		.0%		
10	Metal & metal products(10)		.0%		
11	Machinery & equipment(11)	21,396,715	86.8%		
12	Furniture & household durables(12)	2,400,721	9.7%		
13	Nonmetallic mineral products(13)		.0%		
14	Transportation equipment(14)	860,554	3.5%		
15	Miscellaneous products(15)		.0%		
	Total	24,657,990	100.0%		
LIFO POOLS FOR EACH PPI 2-DIGIT CODE WITH > 5% OF TOTAL CURRENT-YEAR COST:					
NO	PPI 2-DIGIT CODES				
1	Machinery & equipment(11)	21,396,715	86.8%		
2	Furniture & household durables(12)	2,400,721	9.7%		
3	All other(< 5%) pool	860,554	3.5%		
	Total	24,657,990	100.0%		
LIFO POOLS FOR EACH PPI 2-DIGIT CODE WITH > 5% OF TOTAL CURRENT-YEAR COST & ALL OTHER POOL COMB					
NO	PPI 2-DIGIT CODES				
1	Machinery & equipment(11) & All other(< 5%)	22,257,269	90.3%		
2	Furniture & household durables(12)	2,400,721	9.7%		
	Total	24,657,990	100.0%		

The IPIC Pooling Method 5% Test Proof Report (Report 25) shows the IPIC pooling method 5% test proof using IRS Reg. Sec. 1.472-8(b)(4) rules for establishing pools. This shows which of the 15 PPI 2-digit are to be LIFO pools based on inclusion of 5% or more of total inventory.

Integrated Sec. 263A UNICAP Costs Reports

LIFO HISTORY WITH UNICAP COSTS   REPORT 16
Pool: 1   DOMESTICS   Data path:Y:\LIFOPRO\Sample_Company

PERIOD	CURRENT YEAR COST	CUR. YR. DEFLATOR INDEX	CUMLTV. DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY BEFORE UNICAP	UNICAP RATE	UNICAP COSTS APPLIED	LIFO INVENTORY PLUS UNICAP	LIFO RESERVE BEFORE UNICAP	LIFO RESERVE WITH UNICAP	LAYER AT BASE	LAYER AT COST BEFORE UNICAP	UNICAP COSTS APPLIED	LAYER INCLUDING UNICAP
12/31/2005	11,126,153	1.000000	1.000000	11,126,153	11,126,153	1.000000	11,126,153	11,126,153	.015633	173,940	11,300,093	0	-173,940	11,126,153	11,126,153	173,940	11,300,093
12/31/2006	11,841,014	1.007176	1.007176	11,756,649	630,496	1.007176	635,020	11,761,173	.017286	10,977	11,946,090	79,841	-105,075	630,496	635,020	10,977	645,997
12/31/2007	16,402,335	1.012943	1.020212	16,077,381	4,320,732	1.020212	4,408,062	16,169,235	.017005	74,959	16,429,111	233,100	-26,775	580,668	592,404	10,074	602,478
12/31/2008	12,943,925	1.028383	1.049169	12,337,316	-3,740,064	1.020212	-3,815,658	12,353,577	.017005	-64,885	12,548,568	590,348	395,357	0	0	0	0
12/31/2009	13,439,358	1.010885	1.060589	12,671,601	334,285	1.060589	354,539	12,708,116	.019179	6,800	12,909,906	731,242	529,452	334,285	354,539	6,800	361,339
12/31/2010	20,302,012	1.009550	1.070717	18,961,129	6,289,528	1.070717	6,734,307	19,442,423	.021662	145,879	19,790,092	859,589	511,920	3,564,473	3,816,544	82,674	3,899,218
12/31/2011	18,168,035	1.045086	1.118992	16,236,074	-2,725,055	1.070717	-2,917,764	16,524,660	.021662	-63,205	16,809,124	1,643,375	1,358,911	0	0	0	0
12/31/2012	19,652,104	1.043511	1.167680	16,830,038	593,964	1.167680	693,560	17,218,219	.016999	11,790	17,514,474	2,433,885	2,137,630	593,964	693,560	11,790	705,350
12/31/2013	22,966,572	.980661	1.145098	20,056,416	3,226,378	1.145098	3,694,520	20,912,740	.020923	77,301	21,286,295	2,053,832	1,680,277	3,226,378	3,694,520	77,301	3,771,821
12/31/2014	29,559,083	1.002534	1.148000	25,748,327	5,691,911	1.148000	6,534,315	27,447,054	.019389	126,691	27,947,300	2,112,028	1,611,783	5,691,911	6,534,315	126,691	6,661,005
12/31/2015	33,917,271	1.010470	1.160020	29,238,531	3,490,204	1.160020	4,048,705	31,495,760	.021305	86,257	32,082,263	2,421,512	1,835,009	3,490,204	4,048,705	86,257	4,134,963
				29,238,531		1.077200	31,495,760		.018622	586,503				29,238,531	31,495,760	586,503	32,082,263

The LIFO Inventory History Summary with UNICAP Costs Report (Report 16) shows the LIFO data with UNICAP costs applied for all pools combined. This is a one page per pool LIFO history carry-forward schedule for all years, which includes all data fields involved in the calculation of LIFO balances once the current year index and current year cost (FIFO or average cost) total by pool has been determined. This format shows the amount of the original increment or decrement and the amount of all layers remaining as of the latest year closed.

Integrated Sec. 263A UNICAP Costs Reports

Sample Company
LIFO HISTORY WITH UNICAP COSTS   REPORT 16
Pool: 2   FARM, HDWE & OUTDOOR LIVING   Data path:Y:\LIFOPRO\Sample_Company

10-12-2016 10:28:22

PERIOD	CURRENT YEAR COST	CUR. YR. DEFLATOR INDEX	CUMLTV. DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY BEFORE UNICAP	UNICAP RATE	UNICAP COSTS APPLIED	LIFO INVENTORY PLUS UNICAP	LIFO RESERVE BEFORE UNICAP	LIFO RESERVE WITH UNICAP	LAYER AT BASE	LAYER AT COST BEFORE UNICAP	UNICAP COSTS APPLIED	LAYER INCLUDING UNICAP
12/31/2005	28,845,016	1.000000	1.000000	28,845,016	28,845,016	1.000000	28,845,016	28,845,016	.015633	450,946	29,295,962	0	-450,946	28,845,016	28,845,016	450,946	29,295,962
12/31/2006	36,726,690	1.046960	1.046960	35,079,363	6,234,347	1.046960	6,527,112	35,372,128	.017286	112,825	35,935,900	1,354,562	790,790	1,383,412	1,448,378	25,036	1,473,414
12/31/2007	37,819,304	1.036300	1.084965	34,857,637	-221,726	1.046960	-232,138	35,139,990	.017286	-4,013	35,699,749	2,679,314	2,119,555	0	0	0	0
12/31/2008	35,079,727	1.069609	1.160488	30,228,428	-4,629,209	1.046960	-4,846,597	30,293,394	.017286	-83,777	30,769,376	4,786,333	4,310,351	0	0	0	0
12/31/2009	48,621,593	.995170	1.154883	42,100,892	11,872,463	1.154883	13,711,303	44,004,696	.019179	262,973	44,743,652	4,616,897	3,877,941	11,872,463	13,711,303	262,973	13,974,276
12/31/2010	54,803,093	1.015028	1.172238	46,750,810	4,649,918	1.172238	5,450,812	49,455,508	.021662	118,076	50,312,540	5,347,584	4,490,553	3,472,610	4,070,727	88,180	4,158,907
12/31/2011	55,551,219	1.039837	1.218937	45,573,502	-1,177,308	1.172238	-1,380,085	48,075,423	.021662	-29,895	48,902,559	7,475,796	6,648,660	0	0	0	0
12/31/2012	62,846,221	1.023082	1.247072	50,395,010	4,821,508	1.247072	6,012,769	54,088,192	.016999	102,212	55,017,540	8,758,029	7,828,680	4,821,508	6,012,769	102,212	6,114,981
12/31/2013	65,452,080	1.012897	1.263156	51,816,314	1,421,305	1.263156	1,795,329	55,883,521	.020923	37,564	56,850,433	9,568,558	8,601,646	1,421,305	1,795,329	37,564	1,832,893
12/31/2014	73,476,798	1.008014	1.273279	57,706,765	5,890,451	1.273279	7,500,186	63,383,707	.019389	145,417	64,496,037	10,093,091	8,980,761	5,890,451	7,500,186	145,417	7,645,603
12/31/2015	77,433,933	1.002597	1.276585	60,657,071	2,950,306	1.276585	3,766,318	67,150,025	.021305	80,241	68,342,596	10,283,908	9,091,337	2,950,306	3,766,318	80,241	3,846,559
				60,657,071		1.107044	67,150,025		.017760	1,192,571				60,657,071	67,150,025	1,192,571	68,342,596

Integrated Sec. 263A UNICAP Costs Reports

Sample Company 10-12-2016 10:28:22
LIFO HISTORY WITH UNICAP COSTS   REPORT 16
Pool: 3   AUTO   Data path:Y:\LIFOPRO\Sample_Company

PERIOD	CURRENT YEAR COST	CUR. YR. DEFLATOR INDEX	CUMLTV. DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY BEFORE UNICAP	UNICAP RATE	UNICAP COSTS APPLIED	LIFO INVENTORY PLUS UNICAP	LIFO RESERVE BEFORE UNICAP	LIFO RESERVE WITH UNICAP	LAYER AT BASE	LAYER AT COST BEFORE UNICAP	UNICAP COSTS APPLIED	LAYER INCLUDING UNICAP
12/31/2005	4,658,082	1.000000	1.000000	4,658,082	4,658,082	1.000000	4,658,082	4,658,082	.015633	72,822	4,730,904	0	-72,822	4,658,082	4,658,082	72,822	4,730,904
12/31/2006	5,837,321	1.064826	1.064826	5,481,949	823,867	1.064826	877,275	5,535,357	.017286	15,164	5,623,343	301,965	213,979	823,867	877,275	15,164	892,439
12/31/2007	8,184,385	1.030200	1.096984	7,460,808	1,978,859	1.096984	2,170,776	7,706,133	.017005	36,914	7,831,033	478,252	353,352	1,978,859	2,170,776	36,914	2,207,690
12/31/2008	9,623,700	1.073912	1.178064	8,169,081	708,273	1.178064	834,391	8,540,524	.019740	16,471	8,681,895	1,083,177	941,805	387,301	456,266	9,007	465,273
12/31/2009	9,017,173	.975296	1.148961	7,848,109	-320,972	1.178064	-378,125	8,162,398	.019740	-7,464	8,296,305	854,774	720,868	0	0	0	0
12/31/2010	10,584,984	1.036475	1.190870	8,888,449	1,040,341	1.190870	1,238,910	9,401,308	.021662	26,837	9,562,052	1,183,675	1,022,931	806,564	960,512	20,807	981,319
12/31/2011	11,069,263	1.073999	1.278993	8,654,672	-233,777	1.190870	-278,398	9,122,910	.021662	-6,031	9,277,624	1,946,353	1,791,639	0	0	0	0
12/31/2012	15,481,830	1.014679	1.297767	11,929,590	3,274,918	1.297767	4,250,080	13,372,991	.016999	72,248	13,599,952	2,108,839	1,881,877	2,568,933	3,333,877	56,673	3,390,550
12/31/2013	14,569,530	1.000268	1.298115	11,223,605	-705,985	1.297767	-916,204	12,456,787	.016999	-15,575	12,668,174	2,112,743	1,901,356	0	0	0	0
12/31/2014	15,235,388	1.011266	1.312740	11,605,796	382,191	1.312740	501,717	12,958,504	.019389	9,728	13,179,618	2,276,884	2,055,770	382,191	501,717	9,728	511,445
12/31/2015	15,238,177	.988787	1.298020	11,739,556	133,760	1.298020	173,623	13,132,127	.021305	3,699	13,356,940	2,106,050	1,881,237	133,760	173,623	3,699	177,322
				11,739,556		1.118622	13,132,127		.017119	224,813				11,739,556	13,132,127	224,813	13,356,940

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PERIOD	CURRENT YEAR COST	CUR. YR. DEFLATOR INDEX	CUMLTV. DEFLATOR INDEX	INVENTORY AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY BEFORE UNICAP	UNICAP RATE	UNICAP COSTS APPLIED	LIFO INVENTORY PLUS UNICAP	LIFO RESERVE BEFORE UNICAP	LIFO RESERVE WITH UNICAP	LAYER AT BASE	LAYER AT COST BEFORE UNICAP	UNICAP COSTS APPLIED	LAYER INCLUDING UNICAP
12/31/2005	44,629,251		1.000000	44,629,251	44,629,251	1.000000	44,629,251	44,629,251	.015633	697,708	45,326,959	0	-697,708	44,629,251	44,629,251	697,708	45,326,959
12/31/2006	54,405,026	1.039892		52,317,960	7,688,709	1.045612	8,039,407	52,668,658	.017286	138,966	53,505,332	1,736,368	899,694	2,837,775	2,960,672	51,177	3,011,849
12/31/2007	62,406,024	1.029263		58,395,826	6,077,865	1.044232	6,346,701	59,015,358	.017005	107,860	59,959,892	3,390,666	2,446,132	2,559,527	2,763,180	46,988	2,810,168
12/31/2008	57,647,352	1.060770		50,734,826	-7,661,000	1.021781	-7,827,864	51,187,495	.019740	-132,190	51,999,839	6,459,857	5,647,513	387,301	456,266	9,007	465,273
12/31/2009	71,078,124	.995523		62,620,602	11,885,776	1.151605	13,687,716	64,875,211	.019179	262,309	65,949,863	6,202,913	5,128,260	12,206,748	14,065,842	269,773	14,335,615
12/31/2010	85,690,088	1.016319		74,600,388	11,979,786	1.120557	13,424,029	78,299,240	.021662	290,792	79,664,685	7,390,848	6,025,404	7,843,647	8,847,783	191,661	9,039,444
12/31/2011	84,788,517	1.045303		70,464,249	-4,136,139	1.106405	-4,576,247	73,722,993	.021662	-99,131	74,989,307	11,065,523	9,799,210	0	0	0	0
12/31/2012	97,980,154	1.025768		79,154,638	8,690,389	1.260750	10,956,409	84,679,402	.016999	186,250	86,131,966	13,300,752	11,848,188	7,984,404	10,040,205	170,675	10,210,880
12/31/2013	102,988,181	1.003746		83,096,335	3,941,698	1.160324	4,573,646	89,253,048	.020923	99,290	90,804,902	13,735,133	12,183,280	4,647,682	5,489,850	114,865	5,604,714
12/31/2014	118,271,268	1.007055		95,060,888	11,964,553	1.214940	14,536,218	103,789,266	.019389	281,836	105,622,955	14,482,003	12,648,314	11,964,553	14,536,218	281,836	14,818,053
12/31/2015	126,589,381	1.003005		101,635,158	6,574,270	1.215138	7,988,646	111,777,912	.021305	170,198	113,781,799	14,811,469	12,807,582	6,574,270	7,988,646	170,198	8,158,844
				101,635,158		1.099796	111,777,912		.017927	2,003,887				101,635,158	111,777,912	2,003,887	113,781,799

Integrated Sec. 263A UNICAP Costs Reports

POOL NO.	POOL NAME	CURRENT YEAR COST	12/31/2015 DEFLATOR INDEX	CUMLTV DEFLATOR INDEX	CUMLTV INFLATOR INDEX	LIFO INVENTORY	12/31/2015 LIFO RESERVE	12/31/2014 LIFO RESERVE	12/31/2015 LIFO EXPENSE	UNICAP COSTS APPLIED
1	DOMESTICS	33,917,271	1.010470	1.160020	1.160020	31,495,760	2,421,512	2,112,028	309,483	586,503
2	FARM, HDWE & OUTDOOR LIVI	77,433,933	1.002597	1.276585	1.276585	67,150,025	10,283,908	10,093,091	190,817	1,192,571
3	AUTO	15,238,177	.988787	1.298020	1.298020	13,132,127	2,106,050	2,276,884	-170,834	224,813
	Totals excluding UNICAP costs	126,589,381	1.003005			111,777,912	14,811,469	14,482,003	329,467	2,003,887
	Total UNICAP costs					2,003,887	2,003,887	1,833,689	-170,198	
	Totals including UNICAP costs					113,781,799	12,807,582	12,648,314	159,269	
	UNICAP costs ratio for this year: .02130495									
	12/31/2014 (last year) UNICAP costs applied									1,833,689
	12/31/2015 Increase(decrease) in UNICAP costs applied									170,198
	12/31/2015 LIFO expense(income) excluding UNICAP costs applied									329,467
	12/31/2015 LIFO reserve before UNICAP costs applied									14,811,469
	12/31/2015 LIFO inventory balance before UNICAP costs applied									111,777,912

The Actual Year End LIFO Summary with UNICAP Costs Report (Report18) is an all pools summary of any year's LIFO calculation. The bottom 6 lines show the LIFO balances before application of UNICAP costs, where applicable. The far right column is the cumulative amount of UNICAP costs applied for all years. This report can be run in a consolidated mode for multiple company applications.

IPIC LIFO Projections Report (Report 23S)

Sample Machinery & Equipment Dealer			10-12-2016 11:30:17				
SUMMARY OF IPIC LIFO INDEX CALCULATIONS BY POOL SUMMARY REPORT 23S							
FOR PERIOD ENDED Dec, 2016							
			Cumulative	Cumulative	Current		
--------------------POOL--------------------		CURRENT	Index	Index	Year Index	LIFO	LIFO	LIFO
NO	NAME	YEAR COST	12/31/2015	12/31/2016	12/31/2016	EXPENSE	INVENTORY	RESERVE
1	All Goods	40,027,639	1.122235	1.127530	1.004718	183,429	36,396,211	3,631,428
Inflation rates are AUG 2016 PPI Prelim indexes divided by Nov 2015 Prelim indexes as shown on Report 24 <<<<<<<<<<Temporary Index month use							
This is not this company's index month(Appropriate month).							
IPIC data file used for calculations:Y:\LIFOPRO1\Sample_Machinery_Equipment_Dealer\IPIC_Calc_PF\IPICRpts122015.xlp							
Optional IPIC Methods used:							
10% Method used(BLS Weights used)?: 10% Method not used							
U.S. Bureau of Labor Statistics inflation indexes source: PPI Detailed Reports Table 9							

The IPIC LIFO Projections Report (Report 23S) uses the current year cost inventory balances and inventory mix from the most recent year closed along with available IPIC indexes to make LIFO projection calculations for interim reporting periods.