

# 2020 Top LIFO Candidates & LIFO Tax Savings Opportunity ID Procedures



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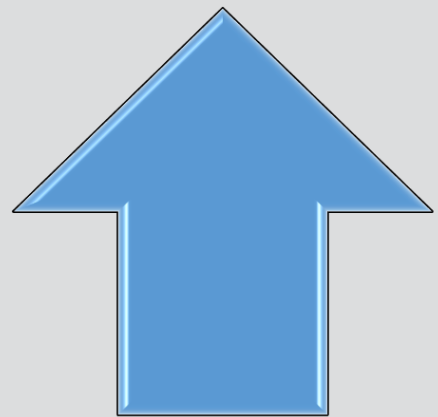
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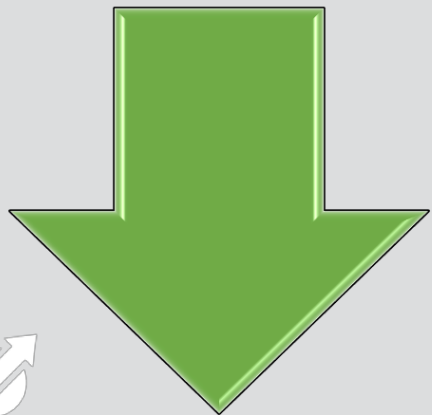
# LIFO Tax Incentive Opportunities Abound

## Effect of Inflation on the Balance Sheet & Income Statement

### With LIFO

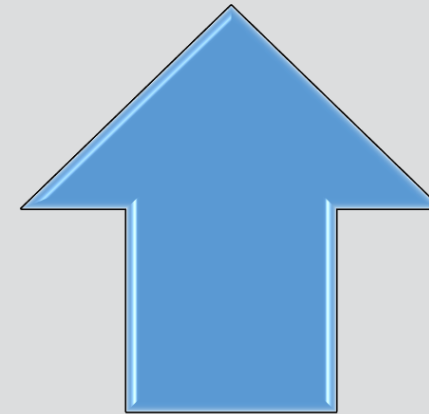


Cost of Goods Sold

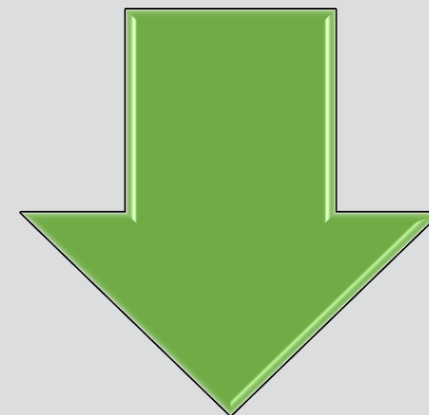


Ending Inventory  
Net Income  
Tax Liability

### Without LIFO



Ending Inventory  
Net Income  
Tax Liability



Cost of Goods Sold



# LIFO Tax Incentive Opportunities Abound

- More accurately reflects income by matching current costs against current revenues
- Eliminates artificial profits from earnings resulting from inflationary increases in inventory costs
- Transfers artificially inflated ending inventory values from the balance sheet to the income statement
- Increases cost of goods sold & reduces ending inventory balances in periods of inflation
- Reduces taxable income in periods of inflation & creates material long-term after-tax cash savings
- Inventories maintained at same costs historically used & annual side calculation made to adjust inventories at cost (i.e. FIFO or average cost) to LIFO cost using contra inventory account called LIFO reserve
- Benefits grow in perpetuity & only decreases when there's deflation or substantial inventory liquidation
- Quick LIFO tax savings formula:
  - $\text{CY Taxable Income Reduction (LIFO expense)} = \text{Current Year Inflation Rate} * \text{Prior year ending inventory balance @ cost (i.e. FIFO, average cost)}$
  - $\text{CY After Tax Cash Savings} = \text{Current Year LIFO Expense} * \text{Tax Rate}$
- LIFO tax savings example
  - Inputs
    - Prior year end FIFO balance: \$10M
    - Current year inflation rate: 2.5%
    - Tax rate: 30%
  - Outputs:
    - CY Taxable Income Reduction: \$250,000
    - CY After Tax Cash Savings: \$75,000



# 2020 Top LIFO Candidates

- Uses both industry & commodity pricing data published by Producer Price Index (PPI) division of Bureau of Labor Statistics (BLS)
- Candidates are organized below into the following groupings:
  - Industry: IRS primary business activities or PBAs & their corresponding BLS PPI Table 11 industry-based indexes (126 inventory-based PBAs)
  - Commodity: BLS PPI Table 9 commodity-based indexes (approximately 3,000 commodity based indexes). Separated into the following two groups:
    - Major Commodity Groups: 2-digit top-level groupings of the BLS PPI Table 9 commodity-based hierarchy (15 commodity-based 2-digit Table 9 PPI major commodity groups)
    - More-detailed Commodity Groups: 3+ digit lower-level groupings of the BLS Table 9 commodity-base hierarchy. Includes:
      - 3-digit subgroups
      - 4-digit product classes
      - 5 & 6-digit subproduct classes
      - 7-digit item groupings
      - 8+ digits: individual items
- 2020 Top LIFO Candidate Criteria
  - Must have year to date inflation of greater than 1% (YTD = 9 months ended September '20 or Sep. '20 ÷ Dec. '19 CPI/PPI)
  - Must be considered a good LIFO candidate in general, which takes into account the following factors:
    - 50% or more of the historical 3, 5, 10 or 20 year average annual inflation rate must be inflationary: Using the compound inflation formula, LIFOPro calculates the 3,5,10 & 20 year average annual inflation rates for all industries & commodities tracked by the BLS.
    - Historical average annual inflation rate of 1% or greater: This will be the historical 3, 5, 10, or 20 year average annual inflation rate that spans the longest period of time for any given industry or commodity (will be the 20 year average annual inflation rate for most, but some will be the 3, 5 or 10 year average as certain industries/commodities were not published by the BLS until more recently)
    - Overall inflation frequency of 50% or more: Using 12 months ended December BLS price indexes published for each of the past 20 year, LIFOPro measures how many of those periods resulted in inflation for any given industry or commodity
    - Inflation frequency rate of greater than 50% (11 or more of 20 periods from 2000 - 2019)



# 2020 Top LIFO Candidates by Industry

## IRS Primary Business Activities & Corresponding BLS Table 11 PPI Industry Based Indexes

Principal Business Activity Codes & Descriptions			Historical Annual & Average Annual Inflation Rates & Inflation Frequency											
Industry Type	IRS Primary Business Activity Code	Principal Business Activity Description	YTD	1Y	1Y	1Y	3Y Avg.	5Y Avg.	10Y	20Y	# Periods	# Periods	3/5/10/20	
			9M	Sep.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	with	Index	with	Year Annual
			9/20	'20	'19	'18	'19	'19	'19	'19	Inflation	2000 - 2019	Freq.	Frequency
Mfg.	311300	Sugar & confectionery product mfg.	1%	2%	4%	2%	3%	2%	2%	3%	17	20	85%	100%
Mfg.	311400	Fruit & vegetable preserving & speciality food mfg.	1%	1%	0%	2%	1%	1%	1%	2%	17	20	85%	100%
Mfg.	312000	Beverage & tobacco product mfg.	2%	3%	3%	3%	3%	3%	3%		17	17	100%	100%
Mfg.	316990	Other leather & allied product mfg.	1%	2%	1%	3%	2%	2%	2%		17	17	100%	100%
Mfg.	321000	Wood product mfg.	22%	22%	0%	1%	2%	2%	3%		14	17	82%	100%
Mfg.	325410	Pharmaceutical & medicine mfg.	2%	1%	2%	4%	4%	5%			15	15	100%	100%
Mfg.	325500	Paint, coating, & adhesive mfg.	2%	2%	2%	4%	3%	1%	2%		15	17	88%	100%
Mfg.	327100	Clay product & refractory mfg.	2%	2%	3%	4%	3%	2%	2%		17	17	100%	100%
Mfg.	327210	Glass & glass product mfg.	1%	1%	2%	3%	2%	3%	2%		16	17	94%	100%
Mfg.	327300	Cement & concrete product mfg.	3%	2%	3%	4%	3%	3%	3%		15	17	88%	100%
Mfg.	327400	Lime & gypsum product mfg.	1%	1%	-2%	4%	2%	2%	4%		14	17	82%	100%
Mfg.	327900	Other nonmetallic mineral product mfg.	1%	1%	1%	3%	1%	1%	3%	2%	19	20	95%	100%
Mfg.	333000	Machinery mfg.	1%	1%	2%	4%	2%	1%	2%		17	17	100%	100%
Mfg.	335000	Electrical equipment, appliance, & component mfg.	1%	1%	0%	5%	2%	1%	1%		15	17	88%	100%
Mfg.	337000	Furniture & related product mfg.	1%	2%	3%	3%	3%	2%	2%	2%	20	20	100%	100%
Mfg.	339110	Medical equipment & supplies mfg.	1%	2%	1%	1%	1%	1%	1%		17	17	100%	100%
Retail	441222	Boat dealers	2%	3%	4%	3%	3%	3%	2%	3%	20	20	100%	100%
Retail	442110	Furniture stores	1%	2%	3%	3%	3%	2%	2%	2%	20	20	100%	100%
Retail	442200	Home furnishings stores	1%	2%	3%	3%	3%	2%	2%	2%	20	20	100%	100%
Retail	443141	Household appliance stores	2%	3%	4%	3%	3%	1%	1%	1%	14	20	70%	100%
Retail	444110	Home centers	24%	24%	0%	4%	3%	2%	2%		15	17	88%	100%
Retail	444120	Paint & wallpaper stores	2%	2%	2%	4%	3%	1%	2%		15	17	88%	100%

YTD 9M 9/20 inflation rates shown above use 9 months PPI inflation ended September '20 (September '20 ÷ December '19 PPI)

1Y inflation rates use 12 months PPI inflation (i.e. 1Y Sep. '20 = Sep. '20 ÷ Sep. '19 PPI)

3/5/10/20 Year Averages are the average annual inflation rates using compound inflation formula (not simple average inflation rates; 3Y average = ((Sep. '20 ÷ Dec. '17 PPI)^(1/3)-1))

# Periods figures & percentages is for each of the 12M periods ended December for the past 20 years between 2000 - 2019

# Periods with Inflation counts any of the 12M periods for the past 20 years between 2000 - 2019 that measured an inflation index of greater than zero



# 2020 Top LIFO Candidates by Industry

## IRS Primary Business Activities & Corresponding BLS Table 11 PPI Industry Based Indexes

Principal Business Activity Codes & Descriptions			Historical Annual & Average Annual Inflation Rates & Inflation Frequency											
Industry Type	IRS Primary Business Activity Code	Principal Business Activity Description	YTD	1Y	1Y	1Y	3Y Avg.	5Y Avg.	10Y	20Y	# Periods	# Periods	3/5/10/20	
			9M	Sep.	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	# Periods	with	Year Annual	
			9/20	'20	'19	'18	'19	'19	'19	'19	with	Published	with	
											Inflation	2000 - 2019	Inflation	
													Freq.	
													100%	
													100%	
Retail	444130	Hardware stores	1%	2%	2%	4%	2%	2%	2%		16	17	94%	100%
Retail	445100	Grocery stores (incl. supermarkets & C stores w/o gas)	3%	3%	3%	4%	2%	3%	4%		13	17	76%	100%
Retail	445310	Beer, wine, & liquor stores	2%	3%	3%	3%	3%	3%	3%		17	17	100%	100%
Retail	446110	Pharmacies & drug stores	2%	1%	2%	4%	4%	5%	5%	4%	20	20	100%	100%
Retail	446130	Optical goods stores	2%	2%	1%	2%	2%	1%	1%	1%	18	20	90%	100%
Retail	447100	Gas stations (incl. C stores w/o gas)	5%	-2%	-5%	0%	-3%	-1%			3	8	38%	0%
Retail	448310	Jewelry stores	7%	7%	2%	1%	1%	2%	2%	3%	17	20	85%	100%
Retail	451120	Hobby, toy, & game stores	2%	2%	1%	1%	1%	1%	1%	1%	18	20	90%	100%
Retail	451211	Book stores	1%	1%	2%	3%	2%	1%	1%	1%	14	20	70%	100%
Retail	453930	Manufactured (mobile) home dealers	11%	11%	9%	4%	6%	4%	4%	4%	19	20	95%	100%
Whsle	423300	Lumber & other construction materials	22%	22%	0%	1%	2%	2%	3%		14	17	82%	100%
Whsle	423700	Hardware, & plumbing & heating equip. & supplies	8%	4%							1	1	100%	
Whsle	423800	Machinery, equipment, & supplies	1%	1%	2%	4%	2%	1%	2%		17	17	100%	100%
Whsle	423920	Toy & hobby goods & supplies	2%	2%	1%	1%	1%	1%	1%		16	17	94%	100%
Whsle	423940	Jewelry, watch, precious stone, & precious metals	7%	7%	2%	1%	1%	2%	2%	3%	17	20	85%	100%
Whsle	424210	Drugs & druggists' sundries	2%	1%	2%	4%	4%	5%	5%	4%	20	20	100%	100%
Whsle	424400	Grocery & related products	3%	3%	3%	4%	2%	3%	4%		13	17	76%	100%
Whsle	424800	Beer, wine, & distilled alcoholic beverage	2%	3%	3%	3%	3%	3%	3%		17	17	100%	100%
Whsle	424920	Books, periodicals, & newspapers	1%	1%	2%	3%	2%	1%	1%	1%	14	20	70%	100%
Whsle	424940	Tobacco & tobacco products	4%	6%	6%	6%	6%	5%	5%	4%	18	20	90%	100%
Whsle	424950	Paint, varnish, & supplies	2%	2%	2%	4%	3%	1%	2%		15	17	88%	100%

YTD 9M 9/20 inflation rates shown above use 9 months PPI inflation ended September '20 (September '20 ÷ December '19 PPI)

1Y inflation rates use 12 months PPI inflation (i.e. 1Y Sep. '20 = Sep. '20 ÷ Sep. '19 PPI)

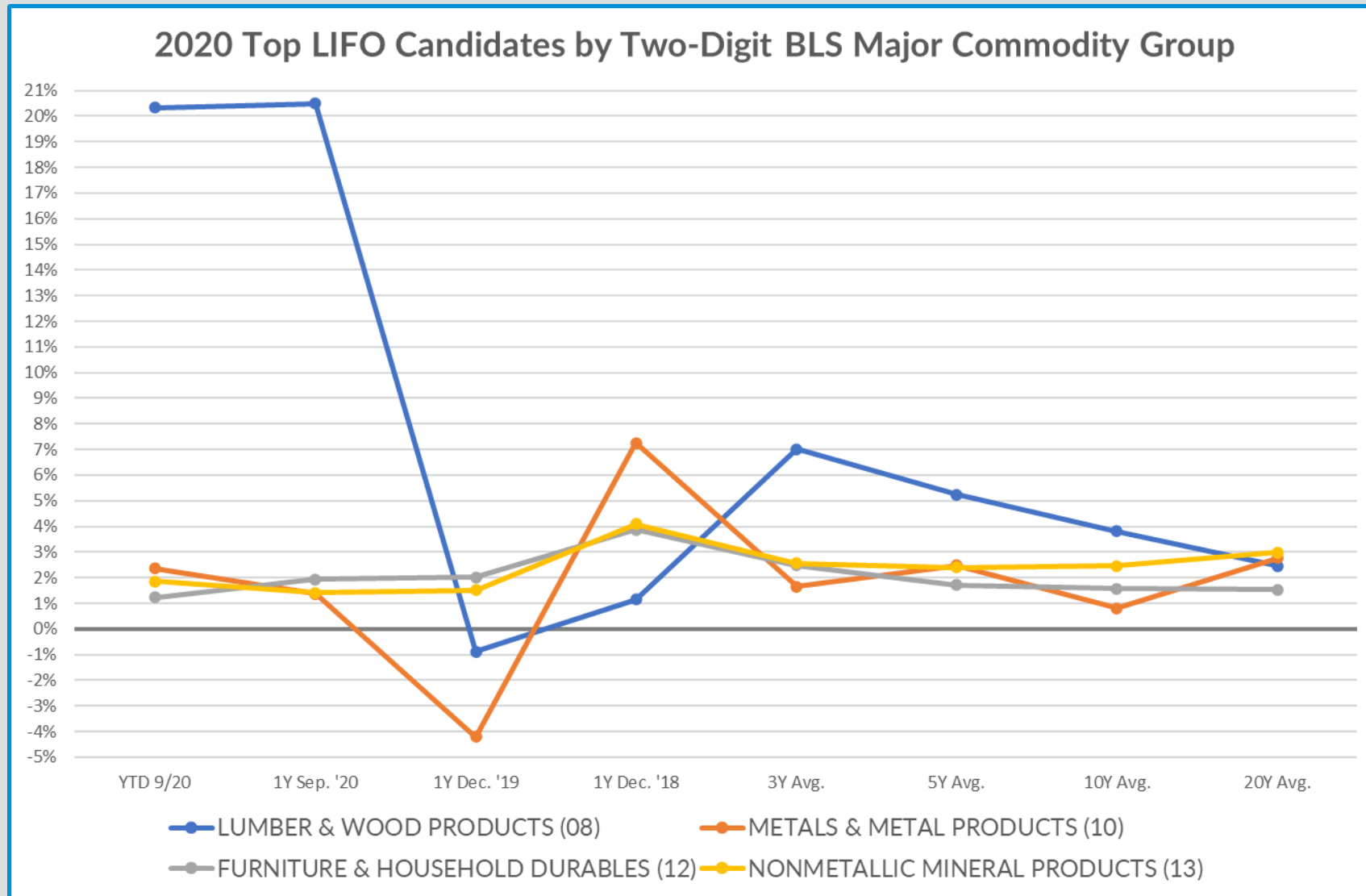
3/5/10/20 Year Averages are the average annual inflation rates using compound inflation formula (not simple average inflation rates; 3Y average = ((Sep. '20 ÷ Dec. '17 PPI)^(1/3)-1))

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# 2020 Top LIFO Candidates by Commodity



YTD 9M 9/20 inflation rates shown above use 9 months PPI inflation ended September '20 (September '20 ÷ December '19 PPI)

1Y inflation rates use 12 months PPI inflation (i.e. 1Y Sep. '20 = Sep. '20 ÷ Sep. '19 PPI)

3/5/10/20 Year Averages are the average annual inflation rates using compound inflation formula (not simple average inflation rates; 3Y average =  $((\text{Sep. '20} \div \text{Dec. '17 PPI})^{(1/3)} - 1)$ )

# Periods figures & percentages is for each of the 12M periods ended December for the past 20 years between 2000 - 2019

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# 2020 Top LIFO Candidates by Commodity

## BLS Table 9 PPI 2-Digit Major Commodity Group

BLS PPI		Historical Annual & Average Annual Inflation Rates & Inflation Frequency											
BLS PPI Code	BLS PPI Category Description	YTD	1Y	1Y	1Y	3Y Avg.	5Y Avg.	10Y	20Y	# Periods	# Periods	3/5/10/20	
		9M	Sep.	Dec.	Dec.	Sep.	Sep.	Sep.	Sep.	with	Index	with	Year Annual
		9/20	'20	'19	'18	'20	'20	'20	'20	Inflation	2000 - 2019	Freq.	Frequency
08	Lumber & Wood Products	20.3%	20.5%	-0.9%	1.1%	7.0%	5.2%	3.8%	2.5%	13	20	65%	100%
10	Metals & Metal Products	2.4%	1.4%	-4.2%	7.3%	1.6%	2.5%	0.8%	2.8%	13	20	65%	100%
12	Furniture & Household Durables	1.2%	1.9%	2.0%	3.9%	2.5%	1.7%	1.6%	1.5%	19	20	95%	100%
13	Nonmetallic Mineral Products	1.9%	1.4%	1.5%	4.1%	2.6%	2.4%	2.5%	3.0%	19	20	95%	100%

## BLS Table 9 PPI 3-Digit Subgroup

Bureau of Labor Statistics (BLS) Table 9 Producer Price Indexes (PPI)		Historical Annual & Average Annual Inflation Rates & Inflation Frequency											
BLS PPI Code	BLS PPI Category Description	YTD	1Y	1Y	1Y	3Y Avg.	5Y Avg.	10Y	20Y	# Periods	# Periods	3/5/10/20	
		9M	Sep.	Dec.	Dec.	Sep.	Sep.	Sep.	Sep.	with	Index	with	Year Annual
		9/20	'20	'19	'18	'20	'20	'20	'20	Inflation	2000 - 2019	Freq.	Frequency
063	Drugs & pharmaceuticals	2.3%	2.2%	2.4%	3.8%	3.4%	4.2%	4.9%	4.5%	20	20	100%	100%
092	Building paper & building board mill prods.	47.7%	54.3%	0.6%	-9.9%	10.1%	10.1%	5.1%	4.2%	11	20	55%	100%
104	Hardware	1.5%	1.7%	1.3%	3.4%	2.0%	1.7%	1.6%	2.0%	17	20	85%	100%
105	Plumbing fixtures & fittings	1.9%	1.9%	3.2%	4.6%	3.3%	2.4%	2.3%	2.4%	20	20	100%	100%
112	Construction machinery & equipment	1.1%	1.2%	2.2%	3.4%	2.3%	1.7%	2.2%	2.3%	19	20	95%	100%
116	Special industry machinery & equipment	1.0%	1.5%	2.0%	2.1%	1.9%	1.5%	1.3%	1.4%	19	20	95%	100%
132	Concrete ingredients & related products	3.8%	3.6%	3.3%	3.6%	3.5%	3.8%	3.4%	3.7%	19	20	95%	100%
133	Concrete products	3.0%	2.3%	2.7%	3.5%	3.3%	3.2%	3.0%	3.2%	17	20	85%	100%
134	Clay construction products ex. refractories	1.6%	1.6%	1.3%	1.1%	1.6%	1.1%	0.7%	1.2%	15	20	75%	100%
136	Asphalt felts & coatings	3.0%	4.5%	-0.8%	10.1%	4.5%	2.2%	1.0%	4.6%	11	20	55%	100%
138	Glass containers	1.9%	2.1%	2.7%	2.3%	2.3%	1.6%	1.6%	2.6%	20	20	100%	100%
152	Tobacco products, incl. stemmed & redried	3.9%	5.8%	6.2%	5.7%	6.3%	5.7%	5.3%	4.5%	18	20	90%	100%
155	Mobile homes	10.7%	11.0%	8.7%	1.6%	8.0%	6.0%	4.5%	4.1%	20	20	100%	100%
156	Medical, surgical & personal aid devices	1.5%	2.0%	1.4%	0.8%	1.4%	1.1%	0.9%	1.2%	20	20	100%	100%
157	Other industrial & personal safety equip. & clothing	2.6%	2.6%	-0.9%	8.3%	2.0%	1.2%	1.4%	1.6%	18	20	90%	100%

YTD 9M 9/20 inflation rates shown above use 9 months PPI inflation ended September '20 (September '20 ÷ December '19 PPI)

1Y inflation rates use 12 months PPI inflation (i.e. 1Y Sep. '20 = Sep. '20 ÷ Sep. '19 PPI)

3/5/10/20 Year Averages are the average annual inflation rates using compound inflation formula (not simple average inflation rates; 3Y average = ((Sep. '20 ÷ Dec. '17 PPI)^(1/3)-1))

# Periods figures & percentages is for each of the 12M periods ended December for the past 20 years between 2000 - 2019

# Periods with Inflation counts any of the 12M periods for the past 20 years between 2000 - 2019 that measured an inflation index of greater than zero

# 2020 Top LIFO Candidates by Commodity

## Top 50 Candidates: All BLS Table 9 PPI Commodity Groupings

Bureau of Labor Statistics (BLS) Table 9 Producer Price Indexes (PPI)		Historical Annual & Average Annual Inflation Rates & Inflation Frequency											
BLS PPI Code	BLS PPI Category Description	YTD	1Y	1Y	1Y	3Y Avg.	5Y Avg.	10Y	20Y	# Periods	# Periods	3/5/10/20	
		9M	Sep.	Dec.	Dec.	Sep.	Sep.	Avg.	Avg.	with	Index	with	Year Annual
		9/20	'20	'19	'18	'20	'20	'20	'20	Inflation	Published	Inflation	Avg. Inf.
											2000 - 2019	Freq.	Frequency
026104	Wines, brandy, and brandy spirits	2.9%	3.2%	0.7%	-0.2%	1.1%	1.3%	1.0%	1.2%	17	20	85%	100%
026210	Soft drinks, bottle/can, carbonated, all types	1.4%	2.9%	4.5%	2.6%	2.8%	2.9%			9	9	100%	100%
0621	Prepared paint	1.8%	2.2%	2.6%	6.0%	3.5%	2.4%	2.6%	3.3%	18	20	90%	100%
063	Drugs and pharmaceuticals	2.3%	2.2%	2.4%	3.8%	3.4%	4.2%	4.9%	4.5%	20	20	100%	100%
08	LUMBER AND WOOD PRODUCTS	20.3%	20.5%	-0.9%	1.1%	7.0%	5.2%	3.8%	2.5%	13	20	65%	100%
092	Building paper & building board mill prods.	47.7%	54.3%	0.6%	-9.9%	10.1%	10.1%	5.1%	4.2%	11	20	55%	100%
10	METALS AND METAL PRODUCTS	2.4%	1.4%	-4.2%	7.3%	1.6%	2.5%	0.8%	2.8%	13	20	65%	100%
102502	Copper and brass mill shapes	10.4%	11.0%	-0.2%	-6.0%	0.8%	4.5%	1.4%	4.8%	10	20	50%	100%
1026	Nonferrous wire and cable	3.6%	3.9%	-1.8%	1.6%	1.7%	1.5%	0.2%	2.8%	10	20	50%	100%
103103	Aluminum cans and can components	2.1%	1.6%	-1.6%	4.5%	3.0%	1.4%	-0.9%	1.3%	9	18	50%	75%
104	Hardware	1.5%	1.7%	1.3%	3.4%	2.0%	1.7%	1.6%	2.0%	17	20	85%	100%
1042	Hand and edge tools	1.9%	2.2%	2.5%	2.6%	2.4%	1.8%	1.6%	2.0%	18	20	90%	100%
105	Plumbing fixtures and fittings	1.9%	1.9%	3.2%	4.6%	3.3%	2.4%	2.3%	2.4%	20	20	100%	100%
1081	Bolts, nuts, screws, rivets, and washers	4.3%	4.9%	4.9%	4.5%	4.6%	2.7%	2.0%	2.7%	16	20	80%	100%
112	Construction machinery and equipment	1.1%	1.2%	2.2%	3.4%	2.3%	1.7%	2.2%	2.3%	19	20	95%	100%
1132	Power-driven handtools, including parts and attachments	1.3%	1.3%	1.7%	1.1%	1.6%	1.5%	1.7%	1.2%	17	20	85%	100%
1133	Welding machines and equipment	1.1%	1.0%	1.6%	5.7%	3.0%	2.6%	2.5%	3.2%	19	20	95%	100%
1141150	Air & gas compressors	1.6%	2.4%	3.9%	7.8%	4.9%	3.0%			6	7	86%	100%
1143	Fluid power equipment	1.1%	1.6%	2.3%	3.0%	2.4%	2.0%	2.0%	2.7%	20	20	100%	100%
1144	Industrial material handling equipment	1.2%	1.5%	1.3%	4.5%	2.4%	2.0%	2.3%	2.7%	19	20	95%	100%
1145	Mechanical power transmission equipment	1.2%	1.4%	1.7%	4.3%	2.7%	1.8%	2.1%	2.8%	18	20	90%	100%
1148	Air conditioning and refrigeration equip	2.3%	1.8%	3.1%	5.2%	3.8%	2.7%	2.4%	2.1%	19	20	95%	100%
1148073	Heat transfer equipment, except dehumidifiers	2.4%	1.8%	2.1%	6.5%	3.2%	2.9%			9	9	100%	100%
114902	Metal valves, except fluid power	1.8%	2.3%	1.8%	5.7%	3.4%	2.9%	3.4%	3.9%	20	20	100%	100%
114903	Metal pipe fittings, flanges, and unions	3.6%	1.3%	0.9%	4.6%	3.1%	2.2%	1.2%	2.5%	15	20	75%	100%

YTD 9M 9/20 inflation rates shown above use 9 months PPI inflation ended September '20 (September '20 ÷ December '19 PPI)

1Y inflation rates use 12 month PPI inflation (i.e. 1Y Sep. '20 = Sep. '20 ÷ Sep. '19 PPI)

3/5/10/20 Year Averages are the average annual inflation rates using compound inflation formula (not simple average inflation rates; 3Y average = ((Sep. '20 ÷ Dec. '17 PPI)^(1/3)-1))

# Periods figures & percentages is for each of the 12M periods ended December for the past 20 years between 2000 - 2019

# Periods with Inflation counts any of the 12M periods for the past 20 years between 2000 - 2019 that measured an inflation index of greater than zero

# 2020 Top LIFO Candidates by Commodity

## Top 50 Candidates: All BLS Table 9 PPI Commodity Groupings

Bureau of Labor Statistics (BLS) Table 9 Producer Price Indexes (PPI)		Historical Annual & Average Annual Inflation Rates & Inflation Frequency											
BLS PPI Code	BLS PPI Category Description	YTD	1Y	1Y	1Y	3Y Avg.	5Y Avg.	10Y	20Y	# Periods	# Periods	3/5/10/20	
		9M	Sep.	Dec.	Dec.	Sep.	Sep.	Avg.	Avg.	with	Index	with	Year Annual
		9/20	'20	'19	'18	'20	'20	'20	'20	Inflation	2000 - 2019	Inflation Freq.	Avg. Inf. Frequency
116	Special industry machinery and equipment	1.0%	1.5%	2.0%	2.1%	1.9%	1.5%	1.3%	1.4%	19	20	95%	100%
1171	Wiring devices	2.0%	2.4%	1.9%	2.0%	2.1%	1.3%	1.5%	2.4%	16	20	80%	100%
1175	Switchgear, switchboard, industrial controls equipment	1.2%	0.3%	2.4%	2.4%	2.2%	1.5%	1.4%	2.2%	18	20	90%	100%
1176	Communications & related equip. & misc. electronic systems & equip.	2.7%	2.6%	3.8%	2.2%	2.9%	2.0%	1.3%	0.4%	13	20	65%	100%
1182	Industrial process control instruments	2.8%	3.0%	0.3%	0.9%	1.8%	1.4%	1.9%	2.1%	20	20	100%	100%
12	FURNITURE AND HOUSEHOLD DURABLES	1.2%	1.9%	2.0%	3.9%	2.5%	1.7%	1.6%	1.5%	19	20	95%	100%
13	Nonmetallic mineral products	1.9%	1.4%	1.5%	4.1%	2.6%	2.4%	2.5%	3.0%	19	20	95%	100%
132	Concrete ingredients and related products	3.8%	3.6%	3.3%	3.6%	3.5%	3.8%	3.4%	3.7%	19	20	95%	100%
1321	Construction sand, gravel, and crushed stone	4.4%	4.4%	3.8%	4.0%	4.1%	4.0%	3.4%	4.1%	20	20	100%	100%
133	Concrete products	3.0%	2.3%	2.7%	3.5%	3.3%	3.2%	3.0%	3.2%	17	20	85%	100%
134	Clay construction products ex. refractories	1.6%	1.6%	1.3%	1.1%	1.6%	1.1%	0.7%	1.2%	15	20	75%	100%
1352	Clay refractories	2.7%	2.6%	2.5%	6.7%	2.5%	2.1%	2.1%	3.8%	18	20	90%	100%
136	Asphalt felts and coatings	3.0%	4.5%	-0.8%	10.1%	4.5%	2.2%	1.0%	4.6%	11	20	55%	100%
138	Glass containers	1.9%	2.1%	2.7%	2.3%	2.3%	1.6%	1.6%	2.6%	20	20	100%	100%
1395	Cut stone and stone products	3.7%	4.0%	2.8%	6.4%	3.2%	3.0%	2.1%	1.3%	15	20	75%	100%
139802	Packing and sealing devices	2.1%	2.5%	1.2%	3.7%	2.4%	1.8%	1.9%	1.7%	20	20	100%	100%
1432	Boats	2.2%	3.2%	4.3%	3.0%	3.3%	3.1%	2.7%	2.6%	20	20	100%	100%
1511	Toys, games, and children's vehicles	1.8%	2.0%	0.4%	0.9%	1.4%	0.7%	1.5%	1.4%	17	20	85%	100%
152	Tobacco products, incl. stemmed & redried	3.9%	5.8%	6.2%	5.7%	6.3%	5.7%	5.3%	4.5%	18	20	90%	100%
155	Mobile homes	10.7%	11.0%	8.7%	1.6%	8.0%	6.0%	4.5%	4.1%	20	20	100%	100%
156	Medical, surgical & personal aid devices	1.5%	2.0%	1.4%	0.8%	1.4%	1.1%	0.9%	1.2%	20	20	100%	100%
1564	Ophthalmic goods	1.8%	2.7%	1.4%	1.4%	2.4%	1.5%	1.3%	1.3%	17	20	85%	100%
1565	Dental equipment and supplies	3.0%	5.9%	12.0%	1.3%	5.9%	5.0%	5.1%	4.3%	20	20	100%	100%
157	Other industrial & personal safety equipment & clothing	2.6%	2.6%	-0.9%	8.3%	2.0%	1.2%	1.4%	1.6%	18	20	90%	100%
1594	Jewelry and jewelry products	7.6%	6.8%	2.8%	0.5%	2.5%	3.2%	2.8%	3.1%	15	20	75%	100%

YTD 9M 9/20 inflation rates shown above use 9 months PPI inflation ended September '20 (September '20 ÷ December '19 PPI)

1Y inflation rates use 12 months PPI inflation (i.e. 1Y Sep. '20 = Sep. '20 ÷ Sep. '19 PPI)

3/5/10/20 Year Averages are the average annual inflation rates using compound inflation formula (not simple average inflation rates; 3Y average = ((Sep. '20 ÷ Dec. '17 PPI)^(1/3)-1))

# Periods figures & percentages is for each of the 12M periods ended December for the past 20 years between 2000 - 2019

# Periods with Inflation counts any of the 12M periods for the past 20 years between 2000 - 2019 that measured an inflation index of greater than zero



# LIFO Election Requirements

Requirement	Financial Reporting	Tax
Opening (beginning) inventories must be valued at cost for a company's first year on LIFO	✓	✓
Ending inventories must be valued using FIFO, earliest acquisitions or average cost	✓	✓
Financial reporting LIFO election scope must be equal to or greater than tax scope (only applies for companies with differing book & tax LIFO calculations. Goods on LIFO for tax purposes can not be greater than what is on LIFO for financial reporting)	✓	✓
Prior LCM & excess obsolete reserve writedowns must be restored over a three-year period		✓
Must be used for financial reporting & tax purposes for all periods beginning in year of election		✓
IRS Form 970 Application to Use LIFO Inventory Method & statement attachment must be filed with federal tax return in year of adoption		✓



# LIFO Tax Savings Opportunity ID Procedures

## Not on LIFO

Use LIFOPro's Good LIFO Candidates List to identify if LIFO Election Benefit Analysis criteria is met

LIFOPro provided with documentation required to perform LIFO Election Benefit Analysis

LIFOPro performs LIFO Election Benefit Analysis, delivers report & fee proposal for both our software & service offerings

LIFOPro software or offerings demo performed if applicable provides documentation requirements to perform LIFO calculation services or issues LIFOPro software access & usage credentials to client/prospect

## On LIFO

LIFOPro provided LIFO calculation documentation from the last period closed

LIFOPro performs review, delivers review report or summary of findings & fee proposal for both our software & service offerings

LIFOPro software or offerings demo performed if applicable

LIFOPro provides documentation requirements to perform LIFO calculation services or issues LIFOPro software access & usage credentials to client/prospect



# LIFO Election Benefit Analysis Report

- In-depth study performed to quantify the tax savings of LIFO. Includes the following:
  - 20 year pro forma LIFO calculation
    - Historical average annual inflation rate
    - Historical inflation frequency
    - Cumulative tax savings that would have occurred if LIFO was elected 20 years ago
  - Summary of findings & recommendations
    - If good LIFO candidate criteria was met based on pro forma calculation results
    - Estimated current year taxable income reduction from LIFO (if applicable)
    - Recommendation regarding if LIFO should be adopted for the current year end (if applicable)
  - How LIFO Works Appendix
  - Separate proposal with estimated costs to outsource calculation to LIFOPro or license our software delivered with report
- Documentation Requirements
  - **High-level analysis:** Performed prior to LIFO Election Benefit Analysis to confirm company could be a good LIFO candidate (optional)
    - Only requires basic information, such as
      - Industry
      - Company name and/or URL
  - **Mid-level analysis:**
    - Basic information required for high-level analysis
    - Current & prior year end inventory balances
  - **Low-level analysis:**
    - Information required for mid-level analysis
    - Current & prior year end inventory item detail report(s)
    - Provides more accurate:
      - Estimated LIFO benefits
      - Estimated LIFOPro turnkey outsourcing solutions & software license cost



# LIFO Election Benefit Analysis Report

## Pro Forma LIFO Calculation Detail & Tax Savings Schedule

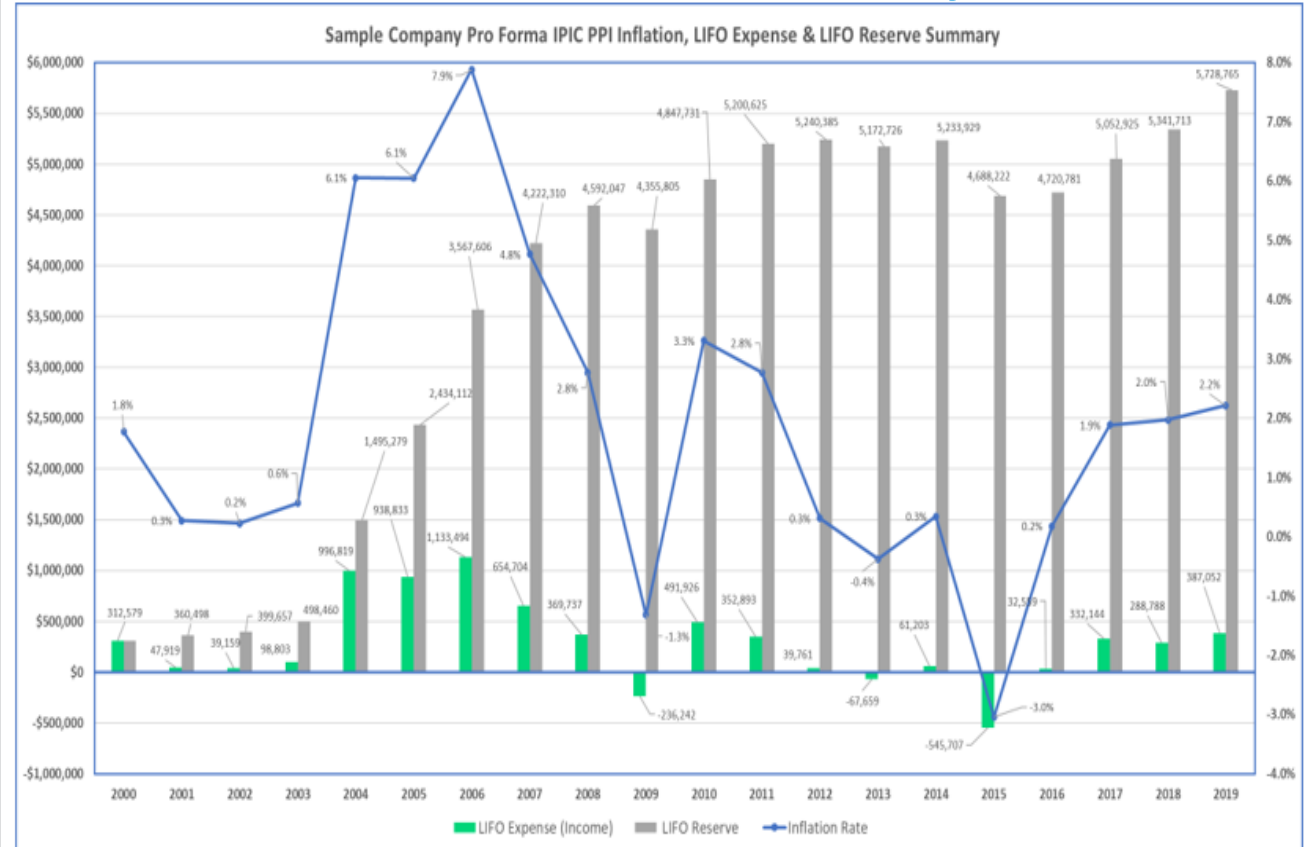
Sample Company Pro Forma LIFO Calculation Summary for the Periods Ended 12/31/2000 - 12/31/2019

Period	Inflation Rate	Annual & Cumulative Taxable Income Reduction (Increase)		Income Tax Liability Reduction (Increase)					
		LIFO Expense (Income)	LIFO Reserve	21% Tax Rate		25% Tax Rate		30% Tax Rate	
				Current Period	All Periods	Current Period	All Periods	Current Period	All Periods
12/31/2000	1.8%	\$312,579	\$312,579	\$65,642	\$65,642	\$78,145	\$78,145	\$93,774	\$93,774
12/31/2001	0.3%	47,919	360,498	10,063	75,705	11,980	90,125	14,376	108,149
12/31/2002	0.2%	39,159	399,657	8,223	83,928	9,790	99,914	13,706	139,880
12/31/2003	0.6%	98,803	498,460	20,749	104,677	24,701	124,615	34,581	174,461
12/31/2004	6.1%	996,819	1,495,279	209,332	314,008	249,205	373,820	348,887	523,347
12/31/2005	6.1%	938,833	2,434,112	197,155	511,163	234,708	608,528	328,592	851,939
12/31/2006	7.9%	1,133,494	3,567,606	238,034	749,197	283,374	891,902	396,723	1,248,662
12/31/2007	4.8%	654,704	4,222,310	137,488	886,685	163,676	1,055,578	229,146	1,477,809
12/31/2008	2.8%	369,737	4,592,047	77,645	964,330	92,434	1,148,012	129,408	1,607,217
12/31/2009	-1.3%	-236,242	4,355,805	-49,611	914,719	-59,061	1,088,951	-82,685	1,524,532
12/31/2010	3.3%	491,926	4,847,731	103,305	1,018,024	122,982	1,211,933	172,174	1,696,706
12/31/2011	2.8%	352,893	5,200,625	74,108	1,092,131	88,223	1,300,156	123,513	1,820,219
12/31/2012	0.3%	39,761	5,240,385	8,350	1,100,481	9,940	1,310,096	13,916	1,834,135
12/31/2013	-0.4%	-67,659	5,172,726	-14,208	1,086,273	-16,915	1,293,182	-23,681	1,810,454
12/31/2014	0.3%	61,203	5,233,929	12,853	1,099,125	15,301	1,308,482	21,421	1,831,875
12/31/2015	-3.0%	-545,707	4,688,222	-114,599	984,527	-136,427	1,172,056	-190,998	1,640,878
12/31/2016	0.2%	32,559	4,720,781	6,837	991,364	8,140	1,180,195	11,395	1,652,273
12/31/2017	1.9%	332,144	5,052,925	69,750	1,061,114	83,036	1,263,231	116,250	1,768,524
12/31/2018	2.0%	288,788	5,341,713	60,646	1,121,760	72,197	1,335,428	101,076	1,869,600
12/31/2019	2.2%	\$387,052	\$5,728,765	\$81,281	\$1,203,041	\$96,763	\$1,432,191	\$135,468	\$2,005,068

Amounts shown above are estimates and are not final figures

Using Sample Company's 2019 product mix and inventory balance of \$18.6 million, a pro forma LIFO calculation was made to estimate the amount of inflation, annual LIFO expense and cumulative reserve that would have been created over the each of the past 20 years. The results are meant to provide a detailed estimate of the historical inflation trends and the potential tax savings that could occur in the future. The LIFO expense (income) represents the annual increase (decrease) to cost of goods sold resulting from the use of the LIFO method; this amount also represents the reduction to taxable income that occurred from using the LIFO method in a given year. The LIFO reserve represents the cumulative reduction to taxable income that has occurred for all years that the LIFO method has been used. A company's annual and cumulative LIFO tax savings amounts can be calculated as follows: Annual LIFO tax savings = LIFO expense \* tax rate; Cumulative LIFO tax savings = LIFO reserve \* tax rate.

## Pro Forma LIFO Calculation Summary Chart



Amounts shown above are estimates and are not final figures

Sample Company's pro forma calculation created inflation in 17 out of 20 years, resulting in a 20 year average annual inflation rate of 1.9%

**Inflation Measurement Source** - The LIFO calculation was made using the IPIC LIFO method & Bureau of Labor Statistics (BLS) Table 9 Producer Price Indexes (PPI). Under this method, appropriate BLS categories are assigned to all inventory items present at year end. LIFO-PRO made the appropriate BLS category assignments to Sample Company's inventories & subsequently performed an IPIC LIFO calculation using 12 months PPI inflation indexes for each of the periods shown above.



# LIFO Election Benefit Analysis Report

## Historical Inflation Summary

Sample Company BLS PPI Historical Inflation Rate Averages for Predominant Inventory Items					
Bureau of Labor Statistics (BLS) Producer Price Index (PPI) Category Description / Inflation Measurement Period	102502 Copper and brass mill shapes	102504 Nickel and nickel-base alloy mill shapes	1171 Wiring devices	1175 Switchgear, switchboard, industrial controls equipment	11752201D Fuses and fuse equipment less than 2300 volts (excluding power distribution cut-outs)
Year to Date Apr. '20	-7.7%	-2.7%	0.6%	0.8%	0.8%
12 Months Ended Apr. '20	-12.2%	-3.8%	1.5%	2.2%	2.7%
12 Months Ended Dec '19	-0.2%	1.2%	1.9%	2.4%	3.5%
12 Months Ended Dec '18	-6.0%	2.5%	2.0%	2.4%	2.8%
12 Months Ended Dec '17	10.9%	9.5%	1.1%	1.5%	1.6%
12 Months Ended Dec '16	18.8%	7.9%	0.1%	-0.3%	-1.1%
12 Months Ended Dec '15	-18.8%	-10.9%	-1.5%	0.9%	0.2%
12 Months Ended Dec '14	-5.0%	4.5%	1.0%	-0.6%	-2.2%
12 Months Ended Dec '13	-5.6%	-15.2%	0.8%	2.1%	2.0%
12 Months Ended Dec '12	1.0%	-7.2%	2.6%	1.8%	0.5%
12 Months Ended Dec '11	-9.3%	-3.8%	3.5%	1.3%	0.6%
12 Months Ended Dec '10	11.0%	9.3%	2.8%	3.1%	1.4%
12 Months Ended Dec '09	44.1%	13.1%	-0.8%	0.9%	0.8%
12 Months Ended Dec '08	-23.7%	-16.0%	6.1%	4.9%	5.4%
12 Months Ended Dec '07	-3.8%	-3.8%	4.3%	3.5%	5.0%
12 Months Ended Dec '06	44.2%	27.1%	0.9%	7.0%	8.3%
12 Months Ended Dec '05	31.4%	23.9%	9.0%	4.2%	4.2%
12 Months Ended Dec '04	28.6%	14.3%	13.4%	3.6%	3.6%
12 Months Ended Dec '03	12.1%	1.9%	-0.6%	0.6%	0.6%
12 Months Ended Dec '02	-2.5%	-1.3%	0.5%	1.3%	1.3%
12 Months Ended Dec '01	-9.6%	-5.2%	-1.0%	2.1%	2.1%
12 Months Ended Dec '00	4.1%	12.0%	0.0%	1.5%	1.5%
3 Year Average Ended Dec. '19	1.3%	4.4%	1.7%	2.1%	2.6%
5 Year Average Ended Dec. '19	0.1%	-1.7%	0.7%	1.4%	1.4%
10 Year Average Ended Dec. '19	-0.9%	7.3%	1.4%	1.4%	0.9%
20 Year Average Ended Dec. '19	4.5%	1.4%	2.2%	2.2%	2.1%
Years with Inflation: '00 - '19	10 of 20	12 of 20	15 of 20	18 of 20	18 of 20

Source: Bureau of Labor Statistics (BLS) - Table 9 Producer Price Indexes (PPI)

Inflation rates shown above represent the BLS PPI Table 9 categories that correspond to the most predominant items in Sample Company's inventories.

## Appendix A – How LIFO Works

### Overview

The Last-in, First-out method, also known as the LIFO method, is one of the four cost flow assumptions allowed by U.S. GAAP & the IRS (FIFO, average cost & specific identification are the three other acceptable methods). LIFO matches current inventory costs against current sales to provide a better measure of earnings. When there's inflation, the effect of using LIFO is that the value of the most recently purchased, higher cost items are included in cost of goods sold while the older, lower cost goods remain in inventory. In other words, LIFO is designed to move some of the inflationary costs from the balance sheet (inventory) to the income statement (cost of goods sold).

The IRS Tax Court made the following statement about LIFO, "The theory behind LIFO is that income may be more accurately determined by matching current costs against current revenues, thereby eliminating from earnings any artificial profits resulting from inflationary increases in inventory costs. At the heart of the LIFO method is the principle that income is more clearly reflected by matching current costs with current revenues." The annual difference between inventory valued at LIFO vs. a non-LIFO method (i.e. FIFO, average cost) is known as LIFO expense (income if LIFO > non-LIFO method), and the cumulative difference is known as the LIFO reserve. The infographic shown below further illustrates the concept of how LIFO works:

Illustration 1. Effect of Inflation on the Balance Sheet & Income Statement



### How LIFO Creates Real After-Tax Cash Savings

- More accurately reflects income by matching current costs against current revenues
- Eliminates artificial profits from earnings resulting from inflationary increases in inventory costs
- Transfers artificially inflated ending inventory values from the balance sheet to the income statement
- Increases cost of goods sold & reduces ending inventory balances in periods of inflation
- Reduces taxable income in periods of inflation & creates material long-term after-tax cash savings
- Inventories maintained at same costs historically used & annual side calculation made to adjust inventories at cost (i.e. FIFO or average cost) to LIFO cost using contra inventory account called LIFO reserve
- Subsequent period's LIFO benefits build upon those of the prior period (change in CY vs. PY LIFO reserve called LIFO expense (income); expense means CY vs. PY LIFO reserve increased. Income means reserve decreased.)
- Benefits grow in perpetuity & only decreases when there's deflation or substantial inventory liquidation





# LIFO Election Benefit Analysis Report

## LIFO's Advantages & Disadvantages

### Advantages

- Reduced tax liability in periods with inflation compared to non-LIFO methods (FIFO, average cost, earliest acquisitions, etc.)
- Represents an annuity that will grow over time as opposed to a one-time deduction
- Usually provides more long-term tax savings than other valuation reserves since it continues to grow (unlike LCM & obsolescence reserves that are reversed after the related items are sold/disposed of)
- Increases cash flow & ability to grow/reinvest
- One of the few prospective financial reporting accounting method changes (also treated prospectively for tax)

### Disadvantages

- Making calculation manually is often complex, error-prone & often difficult to forecast
- Difficult to provide transparent reports to financial statement users when done manually
- LCM & other inventory reserves must be taken into income over a three-year period for tax purposes
- Deflation and/or significant inventory liquidations can cause increased taxable income (LIFO income)

## Contrasting Inventory Costing & Dollar-Value LIFO

### Inventory Costing

- Typically managed by an accounting database or system to track inventory-related activity (purchases, sales etc.)
- Dictates unit costs used to calculate beginning inventory balance, cost of goods sold & pre-LIFO calculation ending inventory balance (also known as current-year cost)
- Dollar-value LIFO users must continue valuing inventory at cost & perform LIFO adjustment separately
- FIFO & average cost most commonly used
- Applies to both periodic & perpetual inventory system users
- Only situation where unit costs would be maintained on LIFO basis is using a method called specific identification or "unit LIFO" (seldomly used)

### Dollar-value LIFO

- End of reporting period side calculation that allows companies to be on LIFO while maintaining same costing method to track purchases, sales & inventory value
- Uses ending inventory balance at cost (i.e. FIFO or average cost) to compute indexes & variables for determining ending inventory at LIFO
- General ledger journal entry made to convert period end inventory balance from cost to LIFO
- Typically involves a debit to cost of goods sold & credit to LIFO reserve contra inventory account
- Unit costs tracked in accounting database remain unaffected after adjusting journal entry to convert inventory to LIFO from cost

## How LIFO is Accounted For

For dollar-value LIFO method users, a company will continue tracking inventory costs within their accounting database using the same method that was used prior to adopting LIFO. This means that beginning inventory, purchases, sales & cost of goods sold recorded during the reporting period continues to be valued any of the available non-LIFO methods

(i.e. FIFO, average cost, earliest acquisitions etc.). Illustration 2 below provides an example of common inventory activity occurring during the course of a reporting period using FIFO or average cost:

Illustration 2. Accounting for Inventory Activity Under LIFO – Year 1 on LIFO

2017 Year End Inventory Costing General Ledger Journal Entries						
Description	FIFO			Average Cost		
Beginning Inventory	5,000,000 units	\$5.50/unit	\$27,500,000	5,000,000 units	\$5.00/unit	\$25,000,000
	Account Name	Dr.	Cr.	Account Name	Dr.	Cr.
Purchase 8,000,000 units at \$6/unit	Inventory	48,000,000		Inventory	48,000,000	
	Accounts payable		48,000,000	Accounts payable		48,000,000
Sell 7,000,000 units at \$12/unit	Accounts receivable	84,000,000		Accounts receivable	84,000,000	
	Cost of goods sold	39,500,000		Cost of goods sold	39,307,692	
	Sales		84,000,000	Sales		84,000,000
	Inventory		39,500,000	Inventory		39,307,692
Ending Inventory	6,000,000 units	\$6.00/unit	\$36,000,000	6,000,000 units	\$5.62/unit	\$33,692,308

2017 Year End Balances Before LIFO Calculation			
FIFO		Average Cost	
<b>Inventory</b>		<b>Inventory</b>	
27,500,000		25,000,000	
48,000,000		48,000,000	
	39,500,000		39,307,692
36,000,000		33,692,308	
<b>Cost of Goods Sold</b>		<b>Cost of Goods Sold</b>	
-		-	
39,500,000		39,307,692	
39,500,000		39,307,692	
<b>LIFO Reserve</b>		<b>LIFO Reserve</b>	
	-		-
	-		-

The LIFO reserve contra account is shown with a zero balance because this example assumes that the company will be adopting LIFO for the 2017 year end. The main consideration is to realize that companies on LIFO continue using some non-LIFO method such as FIFO or average cost to account for current period inventory activity. Once the period has been closed and all inventory related activity has been posted, the side calculation to compute the required LIFO values can now be made. Once the current year index is computed, the ending inventory balance at cost (i.e. FIFO, average cost etc.) is used along with the current period inflation index to compute the current period LIFO inventory, LIFO expense & reserve values. Using the same inventory data from Illustration 2, an example is shown below of the period end side calculation made to compute the LIFO inventory, expense & reserve balances as well as the general ledger adjusting journal entry required to account for the difference between inventory at cost & LIFO (LIFO expense is the difference in cost of goods sold between LIFO vs. cost & is the difference between the current & prior period's LIFO reserve):

# Turnkey Outsourcing Solutions

- Maintain the benefits of LIFO while avoiding all the hassle
- Reduce LIFO-related tasks to the following:
  - Sending inventory documentation to LIFO-PRO
  - Review LIFOPro reports PDF/Excel file delivered to client
  - Using LIFOPro report amounts to record financial reporting adjusting journal entries & enter appropriate tax return entries (all amounts provided in LIFOPro reports)
- Includes all work required to adopt LIFO
- Comes with assurance of a Service Organization Control Report (SOC 1 Type II Report)
- Lower control risk, minimize substantive procedures & simplify auditing your LIFO calculation
- Avoid big surprises at year end by receiving up to three interim estimates using most recently released BLS inflation indexes (no inventory documentation required)
- Eliminate complicated LIFO layer history Excel schedules
- Free up time to focus on forecasting & planning
- Increase reporting transparency & eliminate confusion
- Also includes unlimited training & 40 hours of IRS audit support



# Software

- On-premise and/or cloud software access & usage license for unlimited users
- What's Included:
  - LIFO-PRO software database file containing company's historical LIFO documentation (created by LIFO-PRO team using company-provided data)
  - Option to outsource your next LIFO calculation to LIFOPro at no additional cost in the first year of your software license to provide users extra time to do any the following:
    - Complete current period calculations ahead of reporting/filing deadline without having to rely on manual procedures presently employed in-house
    - Allow IT department time to test and/or approve software usage
    - Become familiarized with LIFOPro software's reports
    - Implement new procedures related to using the software to complete LIFO calculations
    - Install the software on user's PCs
    - Learn usage steps & receive any training needed from LIFOPro
  - LIFO-PRO software version updates
  - LIFOPro software User's guide, usage steps & reference/training material
  - Unlimited phone, online or on-premise support & training
  - Readily available best LIFO practices expertise and feedback
  - 40 hours of GAAP financial statement & IRS audit support
  - Also includes LIFOPro reviewing calculations for reasonableness
  - **On-premise**
    - Software installed on user's local or network drive
    - Can be installed on unlimited number of devices & used by an unlimited number of users
    - Works on all Windows operating systems
    - Software data files can be saved on network drive to enable all users to access & use the software
    - Users can have LIFO calculations reviewed for reasonableness by sending their company's software database files to LIFOPro
    - Includes all software version updates
  - **Private cloud**
    - Company issued dedicated LIFOPro software virtual machine (VM) accessed via LIFOPro's virtual private network (private cloud)
    - User provided with login credentials to access LIFOPro private cloud & software VM
    - Works on any PC with internet access
    - User's software LIFO database file containing calculation documentation stored on LIFOPro's private cloud
    - All files are secured & backed up
    - Unlimited users can be issued login credentials, including IT staff or auditors
    - Allows for users to easily have LIFO calculations reviewed for reasonableness since their software data files are stored on LIFOPro's network
    - Also allows users to easily troubleshoot any software issues or answer any software related questions
    - No version updates required since software VM is maintained by LIFOPro



# Learn More or Get Started

- Get LIFO Election Benefit Analysis, cost estimate or free 90-day LIFOPro software trial at our website: <https://www.lifopro.com/resources/request-forms/>
- Learn more about LIFO at our website: <https://www.lifopro.com/resources/how-lifo-works>
- Learn more about our offerings at our website: <https://www.lifopro.com/offerings/>
- Schedule a call or WebEx demo at our website: <https://live.vcita.com/site/smleud97dkmgnd9/online-scheduling>

Call us at 402-330-8573 Monday – Friday 8AM – 5PM CST  
Email us at [lifopro@lifopro.com](mailto:lifopro@lifopro.com)

