



DESCRIPTION OF COMPANY, SOFTWARE AND SERVICES

INCLUDING LIFO-PRO SAMPLE REPORTS

TABLE OF CONTENTS

About our Company	Page 2
Software & Services we provide	Page 2
Our Clients	Page 2
How to Contact LIFO-PRO, Inc.	Page 3
Reasons to Use LIFO-PRO software	Page 3
LIFO-PRO Software Features	Page 4
LIFO-PRO IPIC Method Service Bureau Services	Page 5
LIFO-PRO Consulting Services	Page 5
Common IPIC LIFO Calculation Errors	Page 6
Profiles of Companies that are good candidates to use LIFO-PRO software	Page 7
Sample LIFO-PRO Reports	Page 8

ABOUT OUR COMPANY

We develop, sell and provide support for the LIFO-PRO LIFO automation program for PCs. We also provide LIFO calculation services and LIFO consulting services to corporations and CPA firms.

Our LIFO-PRO software is the only comprehensive, commercially available non-auto dealer LIFO program on the market. The software can be used for all Book and Tax LIFO methods and for Sec. 263A cost calculations. The program is software that is the result of over 8,000 hours of Visual Basic programming and is not an Excel template.

Our company is headed by the only CPA in the U.S. whose entire practice is devoted to non-auto dealer LIFO. He is the most experienced non-auto dealer LIFO practitioner in the U.S. with over 40,000 hours of non-auto dealer LIFO experience spanning 30 years.

We serve clients in all industries except auto dealers including retail, manufacturing, wholesale and food processing. Manufacturers are our largest clientele in terms of number of clients. Our software is very widely used by department and discount store chains and supermarket chains with over 60% of all LIFO inventories in the U. S. calculated using LIFO-PRO software for these retailers.

In addition to our primary business of providing LIFO software and services directly to corporations, we are the non-auto dealer LIFO resource for over 30 CPA firms in all parts of the U.S.

The total inventory balances for which our LIFO-PRO program is used exceeds \$100 billion. The combined sales of LIFO-PRO clients exceeds \$500 billion.

Our experience in dealing with a wide range of LIFO issues has resulted in hundreds of millions of dollars of additional LIFO related tax savings for our clients.

SOFTWARE & SERVICES WE PROVIDE TO CORPORATIONS & CPA FIRMS

- We sell software licenses for companies to use our LIFO-PRO LIFO calculation software
- We provide service bureau LIFO calculations for corporations or CPA firms that prefer to outsource their LIFO calculations
- We provide a wide range of LIFO consulting & auditing services
- We provide LIFO training and resource guides

SOME OF OUR CLIENTS INCLUDE:

Wal-Mart Stores, Inc.

Albertsons

Saks, Inc.

Dillard's Department Stores, Inc.

Federated Department Stores, Inc.

J. C. Penny's & Eckerd Drug

Rite Aid Corporation

Steelcase, Inc.

Ahold USA

Target Corp.

Winn-Dixie Co.

Ford Motor Company

The Kroger Company

Super Valu, Inc.

Safeway, Inc.

H.E.B. Grocery

Meijer, Inc.

Shaw's Supermarkets

Raley's & Bel Air Supermarkets

Pathmark Supermarkets

Wegman's Food Markets

General Mills & Pillsbury

HOW TO CONTACT LIFO-PRO, INC.

LIFO-PRO software can be purchased from LIFO-PRO, Inc., 10730 Pacific St., Suite 248, Omaha, NE 68114. Information about LIFO-PRO is available on our Web Site at www.lifopro.com or can be requested by calling (402) 330-8573, fax to 877-848-6583 or by email message to lifopro@lifopro.com.

REASONS TO USE LIFO-PRO SOFTWARE

Our LIFO-PRO software program was designed by a CPA frustrated by limitations posed by LIFO spreadsheets. He decided a spreadsheet program could not satisfy the basic requirements of a LIFO program:

- Absolute assurance of no errors
- Comprehensive documentation of all years' calculations in one place
- Quick calculation & projections capability
- Works for all LIFO situations
- Capability to calculate capitalized UNICAP(Section 263A) costs

For the large amount of tax savings provided by LIFO, many companies have not assigned a high enough priority to the accuracy of their LIFO calculations. It is ironic that most companies spend a great deal of time in gathering data to use in the LIFO calculations but then make errors(and no LIFO error is small) in the final part of their LIFO calculations. They also do not provide adequate documentation for their LIFO layers history.

One of the unique aspects of LIFO calculations is that the LIFO inventory amounts are accumulations of layers from numerous years and link-chain indexes are the products of all past years' inflation indexes. The accuracy of the LIFO inventory balance today depends on LIFO calculations made in all years since LIFO adoption. Because of this, the IRS requirements of "Adequate Books and Records" with respect to LIFO is more demanding than normal.

Most companies' current year LIFO records do not show the calculations involved or the amounts of the LIFO layers for the years the layers were created. They only show the amount of the prior years' layers that remain, if any, at the present. This is not only inadequate documentation but also precludes recalculation of past years' LIFO balances if required by IRS audit without searching for prior years' documentation of LIFO calculations.

Some large companies have, internally or via their CPAs, developed time consuming and costly LIFO database programs to solve these problems. LIFO-PRO provides an inexpensive alternative to this.

Calculation accuracy is the biggest selling point of LIFO-PRO. With LIFO-PRO, you eliminate the possibility of an error from a bad spreadsheet formula, incorrect manual logic steps or incorrect indexes and or BLS Weights being used. For large companies, even errors that may not seem significant can translate into substantial dollars because of the size of inventory dollars. We find errors in about 75% of our data conversions in the non-IPIC data for clients previously using LIFO spreadsheets and we have yet to review an IPIC LIFO calculation that was done correctly in all respects.

LIFO-PRO SOFTWARE FEATURES

Features of the LIFO-PRO "Back End" module include:

- Works for both Retail LIFO and Cost LIFO
- Historical data may be entered in "complete" or "layers only" history format
- UNICAP costs applied using the same or different UNICAP rates for all pools for a given year
- Greatly enhanced historical data conversion & edit capability in Windows version
- BLS Department Stores Indexes table to calculate LIFO indexes for Retail LIFO users
- Consolidated (Multiple companies on LIFO) reports
- 9 different standard LIFO projection and history reports
- User defined period labels provides ability to handle more than one LIFO calculation per year
- Reports can be saved as Excel files
- Negative reserve disclosure (GAAP Lower of Cost or Market)
- GAAP Layers Liquidation disclosure
- Ability to easily include pro forma LIFO calculations for non-LIFO goods
- Can be used for non-IPIC method LIFO calculations so the same software can be used for both book and tax LIFO calculations

In 1995, the IPIC (Inventory Price Index Computation or Simplified LIFO method) LIFO-PRO module was introduced. The IPIC LIFO-PRO module completely automates IPIC index calculations for all possible submethods and prints four different reports documenting the IPIC index calculations. The calculated IPIC indexes and FIFO balances by pool are automatically exported to the LIFO-PRO "Back End" module where the LIFO reserve is calculated and the LIFO layer schedule is updated.

Features of the LIFO-PRO IPIC module include:

- Handles both old(pre-2002) Regs. and new Regs. methods
- Automatic download from www.lifopro.com Web server of all necessary CPI and PPI files
- Automatic index lookup
- Automatic BLS Weights lookup & determination of which year's weights to use
- 5% pooling test automatically performed for planning & first year calculation
- Handles an unlimited number of either CPI & PPI categories
- Inventory balances may be input at any detail level, e.g. most detailed, less detailed or both
- Implicit or explicit definition of items as being present in inventory or not(for 10% method)
- Automatic assignment of next less detailed category indexes when more detailed category indexes are missing
- Ability to run quick mid-year projections and pro forma calculations for past years
- Automatic reassignment of discontinued PPI categories to appropriate replacement categories for most categories and research tools showing which PPI categories have been discontinued(and when) and which categories should be used in their place

LIFO-PRO IPIC METHOD SERVICE BUREAU SERVICES

These services include:

1. Assignment of proper PPI or CPI codes to detailed inventory reports provided us unless this coding is done by the client.
2. Calculation of the weighted average pool indexes using our LIFO-PRO software which automatically downloads the most recent PPI or CPI indexes and performs the necessary math.
3. Calculation of the Sec. 263A costs if you use the simplified production or simplified resale methods and calculate these costs in the normal manner for LIFO taxpayers.
4. Print all LIFO-PRO reports providing comprehensive documentation of calculations in a PDF file email attachment.

The schedules we need from clients to make these calculations include:

1. A properly formatted Excel file schedule of year end inventory balances by PPI or CPI category. If LIFO-PRO, Inc. is to make the assignments of the proper PPI or CPI codes, we need the detailed inventory reports in Excel or text file format.
2. For the first year we provide service, we need the LIFO layer history schedules as of the last year end. This will not be required in future years since our software automatically creates carryforward LIFO layer history schedules automatically. If your company did not use the LIFO method before and more than a single pool is used, we may need the prior year inventory balances by PPI or CPI category in Excel or text file format. If this breakdown is not available, the prior year inventory totals which will be allocated to the pools on a pro rata basis using the current year end inventory mix by PPI or CPI code.
3. The Sec. 263A absorption ratios for the current year on an ongoing basis and these ratios for each prior year for which LIFO layers still remain for the first year.

The cost for our LIFO Service Bureau service varies depending on company size, number of pools, number of PPI or CPI categories and whether we make the assignments of PPI or CPI categories to inventory items. We usually can provide cost estimates once we have a basic understanding of your LIFO situation that can usually be determined in a brief phone conversation. Call us at (402) 330-8573 for a cost estimate.

LIFO-PRO CONSULTING SERVICES

Consulting services we provide include:

1. LIFO pool splitting & combination
2. Change in LIFO methods to the IPIC method and other LIFO method changes
3. Preparation of Form 970 Application to Use LIFO Inventory Method and Form 3115 Application for Change in Accounting Method if necessary. We normally do not prepare these forms if client personnel or their CPAs have the experience necessary to prepare these forms.
4. Pre-LIFO method change analysis including pro forma calculations to compare IPIC method LIFO indexes and results to actual LIFO results for the past 10 years.
5. Analysis of existing LIFO pools to determine the optimum pooling method.
6. Best LIFO practices review for the purpose of providing feedback regarding:
 - a. Whether the tax methods used are those producing maximum tax benefits.
 - b. What the likelihood that controls are sufficient to prevent errors in the existing LIFO calculation spreadsheets and whether errors are present in these spreadsheets.

COMMON IPIC LIFO CALCULATION ERRORS

INDEX & BLS WEIGHTS ERRORS:

Wrong indexes or BLS Weights looked up-The typical supermarket chain's IPIC calculation, when performed correctly, will make use of approximately 60 (30 current year & 30 prior year) CPI indexes and 20 BLS Weights. This is a total of 80 numbers to be looked up, and there is almost always at least one error when looking up numerous indexes. Using the proper PPI categories can be a challenge because of the numerous changes in the PPI categories for which indexes are compiled by the Bureau of Labor Statistics.

Wrong indexes or BLS Weights categories used-An example of this error is use of the Alcoholic beverages CPI category. This category includes Alcoholic beverages away from home as well as Alcoholic beverages at home. The former is not a commodity only price index and should not be used.

Use of CPI Substratum level categories (Table 3 categories with no BLS Weights assigned)-Use of these categories is not appropriate regardless of whether the 10% Method or Most Detailed Category Method is used.

Incorrect 10% Test rollups-Spreadsheets cannot handle the logic necessary to deal with situations where category indexes are to be calculated based on the 10% Test being met when this level changes in subsequent years because of inventory mix changes. As a result, category indexes are often calculated at the wrong level.

Incomplete accounting of items actually present in inventory-A good example of this error is often seen for supermarket chains in their Apparel commodities inventory. Because the Apparel dollars are substantially less than 10% of total inventory, only the total Apparel commodity dollars need be gathered. Most large supermarket chains carry only a few of the Apparel commodity categories in inventory, so only the CPI indexes and BLS Weights for those categories should be used for the Apparel commodities index category index calculation. The shortcut commonly used, in error, is to use the overall Apparel commodities index rather than the correct weighted average. For many companies, the proper accounting of items actually present in inventory and calculation of BLS weighted average indexes is made correctly for Food and beverages and other high dollar pools but is handled incorrectly for inventory classifications with relatively small dollar balances.

Changes in makeup of CPI or PPI categories-There was a substantial restructuring by the BLS to CPI categories in January, 1998. This change made it impossible for companies having year end months other than December to calculate annual inflation rates in the normal manner. Despite the fact that Rev. Proc. 98-49 was issued to specifically address this situation, very few taxpayers accounted for this situation correctly. There are also frequent changes to the PPI Table 6 categories with new categories added and deleted on a monthly basis. Many taxpayers use the same categories year after year without determining whether indexes are still compiled for the categories used or whether they have inventories in categories added since the prior year end.

Weighted average pool index calculations-Various spreadsheet formula errors are common for both levels of index calculations, the BLS Weighted averages to calculate category indexes and for the dollars weighted pool indexes.

Incorrect calculation of decrements-Different indexes (including correct indexes but with different precision) are used to calculate decrements than were used for original layer calculations.

Incomplete layer histories-A very common problem with spreadsheet LIFO documentation is that current year layer histories only show the layers that remain as of the most current year end so that the original layers, indexes, inventory at base and FIFO balances for years in which layers have been subsequently eroded are no longer shown in this year's LIFO layer schedule.

Incorrect Sec. 263A costs capitalization calculation-Errors are common using spreadsheets to calculate the proper amount to reduce costs capitalized for layers that are eroded in subsequent years and these calculations become more complicated the more years a company is on LIFO especially for multiple pools. These calculations are made automatically in LIFO-PRO by simply entering the Sec. 263A rates in a rates table.

PROFILES OF COMPANIES THAT ARE GOOD CANDIDATES TO USE LIFO-PRO SOFTWARE

The types of companies most likely to be good candidates to use LIFO-PRO are:

IPIC Method-The Inventory Price Index Computation (IPIC) LIFO method, a.k.a. Simplified LIFO, requires complicated weighted average pool index calculations, especially for companies whose inventories are spread over numerous CPI or PPI categories. The IRS has managed to complicate the IPIC Regs. to the point that we very seldom review IPIC calculations that were done correctly before our involvement. LIFO-PRO completely automates the required IPIC pool index calculations so all the client needs to do is sort their year end FIFO balances by CPI or PPI categories.

Many pools-Automation of LIFO calculations is obviously more desirable the more pools a company has. LIFO-PRO is useful for companies with many pools because of the speed with which projection variables can be input and a lot of projections run for different scenarios very quickly. These companies are typically retailers selling a number of product or merchandise lines who typically have from 10 to 30 LIFO pools. The IRS has dictated pooling practices for some industries to create more than one might normally expect. An example of this would be supermarket chains (not using the IPIC method) who must use 10 or more pools.

Retail Inventory Method-Using LIFO in conjunction with the Retail Inventory Method considerably complicates the calculations because the retail dollars must be reduced to cost using a cost complement calculated specifically for the LIFO calculation. Calculation of the LIFO provision also involves the stock ledger cost complement. Any additional complications of the LIFO calculations such as this makes professional software more applicable.

Multiple companies on LIFO-The IRS requires separate LIFO calculations for separate corporate entities. Because of this, companies, especially large acquisition-oriented ones that have multiple companies using LIFO, even if none of the individual companies have many pools, are good candidates for automated LIFO software, particularly if LIFO planning is coordinated at the consolidated group's headquarters.

Product mix planning-Companies in certain industries, especially those with commodity type inventories, which turn their inventories quickly and whose unit prices may change quickly and by large amounts. This type of situation can lead to significant LIFO index inflation or deflation from year to year. Companies fitting this profile that are on LIFO often try to manage their overall inventory level and product mix at year-end not only to prevent costly layer erosions but to achieve as high a LIFO index as possible.

Other companies-Companies falling into the categories listed above tend to want to automate their LIFO calculations more as a means of having a good way to quickly "crunch numbers". Reasons other companies use LIFO-PRO include:

Error "insurance"-Most companies use spreadsheets for LIFO calculations. These are prone to error and usually lack documentation. Using LIFO-PRO cannot prevent errors in accumulating FIFO dollars and internal index data but we find many errors in companies' LIFO spreadsheets because the formulas are not set up correctly or are not the same from year-to-year. We also find a high error rate in application of UNICAP costs correctly to the different years' layers. Companies' LIFO reserves and provisions are usually large dollar amounts and using LIFO-PRO is a very cheap way of buying LIFO calculation error "insurance".

Quick planning capability-Because LIFO reserves and provisions are often large dollar amounts, companies want to know what impact LIFO will have on their financial statements. Public companies are often more concerned about the impact on quarterly and annual book earnings while private companies are usually much more concerned about tax savings (preserving prior years' saving and maximizing current year savings) and are likely to do year-end level planning. The numerous LIFO-PRO planning reports enables companies to run planning reports in a matter of minutes that provide comprehensive analysis of situations where layer erosions are possible and relatively small changes in inventory levels can produce big swings in the LIFO provision.

Documentation which is comprehensive, consistent & easy to understand-Many companies' LIFO documentation is poorly organized and may change from year to year. This makes it more difficult for outside CPAs to review. All possible LIFO report formats are included in LIFO-PRO, eliminating the need to develop additional LIFO reports.

INDEX OF LIFO-PRO SAMPLE REPORTS (Using PPI & Most Detailed Category Method)

Report 16-This is a one page per pool LIFO history for all years which includes all data fields involved in the LIFO calculation. This format shows the amount of the original layer or decrement and the amount of all layers remaining as of the last year closed. Both Before and After UNICAP costs versions of this report are available. Selection of the Report 16 Command Button on the LIFO-PRO Main Menu will cause a Report 16 sheet to be displayed for all pools and a (all pools) combined sheet is also displayed.

Report 16a-This is a new report (as of 1/2005). The rightmost column balances tie to the Report 16 increases or decreases in base, LIFO cost and UNICAP costs columns. The detail of the decrements is shown by layer(s) eroded. The bottom row of each section shows the layers that remain as of the most recent year closed. The program automatically generates a separate report for each pool.

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 amount of all years' layers for all years. Both before and after UNICAP costs versions of this report are available. Selection of the Report 17 Command Button on the LIFO-PRO Main Menu will cause a Report 17 sheet to be displayed for all pools and a (all pools) combined sheet is also displayed.

Report 18-This report is a LIFO summary report that can be run for any given year. This is a summary of balances from Report 16. Balances shown include FIFO dollars, indexes, LIFO balance, reserve and expense and cost complements and UNICAP costs applied (where applicable). This report can be run for any year. Both Before and After UNICAP costs versions of this report are available. Selection of the Report 18 Command Button on the LIFO-PRO Main Menu will cause a Report 18 sheet to be displayed for all years, including the current year (not yet closed) if a current data file exists for this year. For multiple company applications, a Consolidated Report 18 can be displayed and printed which automatically calculates consolidated group grand totals. Negative reserves disclosure (applicable only for Book LIFO when LIFO balances exceed FIFO for any pool) can also be displayed on Report 18.

Report 18a-This is a new report (as of 1/2005) showing an all pools' summary of the calculation of the LIFO reserve for this year including the detail of LIFO layer erosions by layer (year indicated by two digits) eroded. The program automatically generates a separate report for each year. The prior year balances shown are those per the layer history reports 16 & 17.

Report 18c-This is a Report 18 run in a "consolidated" mode for multiple company applications.

Report 19-This is a report showing the breakdown of LIFO expense components between layer erosions effect (required foot note to financial statements disclosure for GAAP LIFO), current year inflation index effect and margin change effect (for retail LIFO). This can be run for a range of years and for either individual pools or all pools.

Report 3-This is the screen and report in which LIFO input variables is entered to make LIFO calculations. For non-IPIC methods, this screen also automatically calculates the LIFO inventory balance and provision also. For companies using the IPIC method, this data is generated automatically in the IPIC calculation. The number of columns on this screen automatically adjusts to allow for input of all necessary data based on a companies LIFO method, i.e. Retail v. Cost and Earliest v. Latest Acquisitions layer pricing.

Report 1-This report is used for pro forma purposes and will show the next year LIFO expense amounts. For a range of FIFO values and current year inflation rates.

Report 23s- This is a summary report by pool 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, LIFO reserve, and LIFO expense.

Report 23- This shows the details of the pool index calculations using Harmonic Mean Weighting specified in the new (2002) IRS Regulations.

Report 24- This report shows the calculation of inflation indexes for all CPI or PPI categories.

Report 25- This report shows the PPI categories to which FIFO balances were assigned as the FIFO dollars by PPI category Excel Schedule that have been discontinued. 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.

FIFO dollars by PPI or CPI category Excel Schedule- This schedule is used to assign FIFO inventory dollars to CPI or PPI categories. This schedule is read by the LIFO-PRO software in the process of performing the IPIC pool index calculations. This is the format required in order to be read by the LIFO-PRO software.

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.
LIFO INVENTORY HISTORY SCHEDULE REPORT 16

06-07-2005 15:07:29

Pool: 1

PAPER AND ALLIED PRODUCTS(09) Data path:Y:\LIFOPRO\SAMPLEWHOLESALEITaxIPICPPINoBLSWts\

PERIOD	FIFO INVENTORY	DEFLATOR INDEX	DEFLATOR INDEX	AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY	LIFO RESERVE	LIFO PROVISION	LAYER AT BASE	LAYER AT COST
3/30/1996	3,622,961	1.000000	1.000000	3,622,961	3,622,961	1.000000	3,622,961	3,622,961	0	0	2,375,824	2,375,824
3/29/1997	2,869,992	1.045605	1.045605	2,744,815	-878,146	1.000000	-878,146	2,744,815	125,177	125,177	0	0
3/28/1998	2,915,902	.984822	1.029735	2,831,702	86,887	1.029735	89,471	2,834,286	81,616	-43,561	0	0
4/3/1999	2,480,244	1.013806	1.043951	2,375,824	-455,878	1.005667	-458,462	2,375,824	104,420	22,804	0	0
4/1/2000	2,915,425	.983957	1.027203	2,838,217	462,393	1.027203	474,971	2,850,795	64,630	-39,790	462,393	474,971
3/31/2001	3,592,165	1.075678	1.104940	3,251,005	412,788	1.104940	456,106	3,306,901	285,264	220,634	412,788	456,106
3/30/2002	3,625,911	.997308	1.101965	3,290,404	39,399	1.101965	43,416	3,350,317	275,594	-9,670	39,399	43,416
					3,290,404	1.018209	3,350,317			275,594	3,290,404	3,350,317

Report 16-This is a summary carryforward historical data schedule. A more detailed version of this report is Report 17 which shows the size of each years' layer for every year after the layer was created. Report 16a shows the detail of each LIFO decrement. An all pools combined version of this report can be displayed & printed to show the LIFO reserve by year and average LIFO index by year.

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.
LIFO HISTORY WITH UNICAP COSTS REPORT 16

06-07-2005 15:48:39

Pool: 1

PAPER AND ALLIED PRODUCTS(09) Data path:Y:\LIFOPRO\SAMPLEWHOLESALEITaxIPICPPINoBLSWts\

PERIOD	FIFO INVENTORY	DEFLATOR INDEX	DEFLATOR INDEX	AT BASE PRICES	INC(DEC) AT BASE PRICES	CUMLTV. INFLATOR INDEX	PRICED INC(DEC)	LIFO INVENTORY BEFORE UNICAP	UNICAP RATE	UNICAP COSTS APPLIED PLUS UNICAP	LIFO INVENTORY RESERVE BEFORE UNICAP	LIFO RESERVE WITH UNICAP	LAYER AT BASE	UNICAP COSTS APPLIED
3/30/1996	3,622,961	1.000000	1.000000	3,622,961	3,622,961	1.000000	3,622,961	3,622,961	.041702	151,085	3,774,046	0	2,375,824	99,077
3/29/1997	2,869,992	1.045605	1.045605	2,744,815	-878,146	1.000000	-878,146	2,744,815	.041702	-36,621	2,859,280	125,177	0	0
3/28/1998	2,915,902	.984822	1.029735	2,831,702	86,887	1.029735	89,471	2,834,286	.070077	6,270	2,955,020	81,616	0	0
4/3/1999	2,480,244	1.013806	1.043951	2,375,824	-455,878	1.005667	-458,462	2,375,824	.047240	-21,658	2,474,901	104,420	0	0
4/1/2000	2,915,425	.983957	1.027203	2,838,217	462,393	1.027203	474,971	2,850,795	.055000	26,123	2,975,996	64,630	462,393	26,123
3/31/2001	3,592,165	1.075678	1.104940	3,251,005	412,788	1.104940	456,106	3,306,901	.049200	22,440	3,454,542	285,264	412,788	22,440
3/30/2002	3,625,911	.997308	1.101965	3,290,404	39,399	1.101965	43,416	3,350,317	.044520	1,933	3,499,891	275,594	39,399	1,933
					3,290,404	1.018209	3,350,317		.044645	149,574			3,290,404	149,574

Report 16 including UNICAP costs-This report is the same as the before UNICAP costs Report 16 except that this report also shows the LIFO data with UNICAP costs applied on a pool-by-pool basis.

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.
LIFO LAYER HISTORY PROOF WITH UNICAP COSTS REPORT 16a
DECREMENT & LAYERS REMAINING AS OF 3/30/2002 CALCULATION DETAIL
Pool: 1 PAPER AND ALLIED PRODUCTS(09)

LAYERS AT BASE	3/30/1996	3/28/1998	4/1/2000	3/31/2001	3/30/2002	Increase (Decrease) At Base
3/30/1996	3,622,961					3,622,961
3/29/1997	-878,146					-878,146
3/28/1998		86,887				86,887
4/3/1999	-368,991	-86,887				-455,878
4/1/2000			462,393			462,393
3/31/2001				412,788		412,788
3/30/2002					39,399	39,399
Layer remaining	2,375,824	0	462,393	412,788	39,399	3,290,404

Cum. inflator index	1.000000	1.029735	1.027203	1.104940	1.101965	Inc(Dec) in LIFO Inventory
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LIFO LAYERS AT COST BEFORE UNICAP COSTS:

3/30/1996	3,622,961					3,622,961
3/29/1997	-878,146					-878,146
3/28/1998		89,471				89,471
4/3/1999	-368,991	-89,471				-458,462
4/1/2000			474,971			474,971
3/31/2001				456,106		456,106
3/30/2002					43,416	43,416
Layer remaining	2,375,824	0	474,971	456,106	43,416	3,350,317

UNICAP rate	.041702	.070077	.055000	.049200	.044520	Inc(Dec) in UNICAP Costs
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UNICAP COST LAYERS:

3/30/1996	151,085					151,085
3/29/1997	-36,621					-36,621
3/28/1998		6,270				6,270
4/3/1999	-15,388	-6,270				-21,658
4/1/2000			26,123			26,123
3/31/2001				22,440		22,440
3/30/2002					1,933	1,933
Layer remaining	99,077	0	26,123	22,440	1,933	149,574

LIFO LAYERS INCLUDING UNICAP COSTS:						Inc(Dec) in LIFO w/ Ucc Costs
--	--	--	--	--	--	--

3/30/1996	3,774,046					3,774,046
3/29/1997	-914,767					-914,767
3/28/1998		95,741				95,741
4/3/1999	-384,379	-95,741				-480,120
4/1/2000			501,095			501,095
3/31/2001				478,547		478,547
3/30/2002					45,349	45,349
Layer remaining	2,474,901	0	501,095	478,547	45,349	3,499,891

Report 16a-This is a new report (as of 1/2005). The rightmost column balances tie to the Report 16 increases or decreases in base, LIFO cost and UNICAP costs columns. The detail of the decrements is shown by layer(s) eroded. The bottom row of each section shows the layers that remain as of the most recent year closed. The program automatically generates a separate report for each pool.

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.
 LIFO HISTORY WITH UNICAP COSTS REPORT 17
 Pool: 1 PAPER AND ALLIED PRODUCTS(09)

06-07-2005 15:27:33

	3/30/1996	3/29/1997	3/28/1998	4/3/1999	4/1/2000	3/31/2001	3/30/2002
FIFO inventory	3,622,961	2,869,992	2,915,902	2,480,244	2,915,425	3,592,165	3,625,911
Current yr. index	1.000000	1.045605	.984822	1.013806	.983957	1.075678	.997308
Cumulative index	1.000000	1.045605	1.029735	1.043951	1.027203	1.104940	1.101965
Inventory at base	3,622,961	2,744,815	2,831,702	2,375,824	2,838,217	3,251,005	3,290,404
Change at base	3,622,961	-878,146	86,887	-455,878	462,393	412,788	39,399
Inflator current index	1.000000	1.045605	.984822	1.013806	.983957	1.075678	.997308
Inflator cum. index	1.000000	1.045605	1.029735	1.043951	1.027203	1.104940	1.101965
UNICAP costs rate	.041702	.067060	.070077	.051500	.055000	.049200	.044520
LAYERS AT BASE:							
3/30/1996	3,622,961	2,744,815	2,744,815	2,375,824	2,375,824	2,375,824	2,375,824
3/29/1997		0	0	0	0	0	0
3/28/1998			86,887	0	0	0	0
4/3/1999				0	0	0	0
4/1/2000					462,393	462,393	462,393
3/31/2001						412,788	412,788
3/30/2002							39,399
Totals	3,622,961	2,744,815	2,831,702	2,375,824	2,838,217	3,251,005	3,290,404
LIFO LAYERS AT COST BEFORE UNICAP COSTS:							
3/30/1996	3,622,961	2,744,815	2,744,815	2,375,824	2,375,824	2,375,824	2,375,824
3/29/1997		0	0	0	0	0	0
3/28/1998			89,471	0	0	0	0
4/3/1999				0	0	0	0
4/1/2000					474,971	474,971	474,971
3/31/2001						456,106	456,106
3/30/2002							43,416
Totals	3,622,961	2,744,815	2,834,286	2,375,824	2,850,795	3,306,901	3,350,317
UNICAP COST LAYERS:							
3/30/1996	151,085	114,465	114,465	99,077	99,077	99,077	99,077
3/29/1997		0	0	0	0	0	0
3/28/1998			6,270	0	0	0	0
4/3/1999				0	0	0	0
4/1/2000					26,123	26,123	26,123
3/31/2001						22,440	22,440
3/30/2002							1,933
Totals	151,085	114,465	120,735	99,077	125,201	147,641	149,574
LIFO LAYERS INCLUDING UNICAP COSTS:							
3/30/1996	3,774,046	2,859,280	2,859,280	2,474,901	2,474,901	2,474,901	2,474,901
3/29/1997		0	0	0	0	0	0
3/28/1998			95,741	0	0	0	0
4/3/1999				0	0	0	0
4/1/2000					501,095	501,095	501,095
3/31/2001						478,547	478,547
3/30/2002							45,349
Totals	3,774,046	2,859,280	2,955,020	2,474,901	2,975,996	3,454,542	3,499,891
LIFO RESERVE BEFORE UNICAP	0	125,177	81,616	104,420	64,630	285,264	275,594
LIFO RESERVE WITH UNICAP	-151,085	10,712	-39,118	5,343	-60,571	137,623	126,020

Report 17-This is the LIFO history schedule presented in a format showing the original layers at base and LIFO layers for each year thereafter including UNICAP costs. This report can also be displayed & printed for all pools combined.

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.
 ACTUAL YEAR-END LIFO SUMMARY EXCLUDING UNICAP COSTS REPORT 18
 3/30/2002

06-07-2005 15:40:39

Data path:Y:\LIFOPRO\SAMPLEWHOLESALE\tax\IPICPPINoBLSWts\

POOL NO.	POOL NAME	FIFO INVENTORY	3/30/2002 DEFLATOR INDEX	CUMLTV DEFLATOR INDEX	CUMLTV INFLATOR INDEX	LIFO INVENTORY	3/30/2002 LIFO RESERVE	3/31/2001 LIFO RESERVE	3/30/2002 LIFO EXPENSE
1	PAPER AND ALLIED PRODUCTS(09)	3,625,911	.997308	1.101965	1.101965	3,350,317	275,594	285,264	-9,670
2	FURNITURE & HOUSEHOLD DURABLES(12)	5,615,563	1.005894	1.073762	E 1.073762	5,279,866	335,697	308,768	26,929
3	MISCELLANEOUS PRODUCTS(15)	26,914,633	1.017723	1.009750	E 1.009750	26,654,736	259,897	-279,465	539,362
4	ALL OTHER	16,932,699	.987654	1.021502	1.021502	17,003,084	-70,385	138,061	-208,446
	Totals	53,088,806	1.005305			52,288,004	800,802	452,628	348,175

Report 18-This is a summary schedule showing all pools for a given year. This report can be displayed for any year by clicking on the sheet tab for that year. This report can be run in a consolidated mode for multiple company applications.

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.
 ACTUAL YEAR-END LIFO SUMMARY WITH UNICAP COSTS REPORT 18
 3/30/2002

06-07-2005 15:41:00

Data path:Y:\LIFOPRO\SAMPLEWHOLESALE\tax\IPICPPINoBLSWts\

POOL NO.	POOL NAME	FIFO INVENTORY	3/30/2002 DEFLATOR INDEX	CUMLTV DEFLATOR INDEX	CUMLTV INFLATOR INDEX	LIFO INVENTORY	3/30/2002 LIFO RESERVE	3/31/2001 LIFO RESERVE	3/30/2002 LIFO EXPENSE	UNICAP COSTS APPLIED
1	PAPER AND ALLIED PRODUCTS(09)	3,625,911	.997308	1.101965	1.101965	3,350,317	275,594	285,264	-9,670	149,574
2	FURNITURE & HOUSEHOLD DURABLES(12)	5,615,563	1.005894	1.073762	E 1.073762	5,279,866	335,697	308,768	26,929	233,460
3	MISCELLANEOUS PRODUCTS(15)	26,914,633	1.017723	1.009750	E 1.009750	26,654,736	259,897	-279,465	539,362	1,111,561
4	ALL OTHER	16,932,699	.987654	1.021502	1.021502	17,003,084	-70,385	138,061	-208,446	871,430
	Totals excluding UNICAP costs	53,088,806	1.005305			52,288,004	800,802	452,628	348,175	2,366,025
	Total UNICAP costs					2,366,025	2,366,025	2,752,357	386,332	
	Totals including UNICAP costs					54,654,029	-1,565,223	-2,299,729	734,506	
	UNICAP Costs Rate for this year: .04452000									
	3/31/2001 (last year) UNICAP costs applied									2,752,357
	3/30/2002 Increase(decrease) in UNICAP costs applied									-386,332
	3/30/2002 LIFO expense(income) excluding UNICAP costs applied									348,175
	3/30/2002 LIFO reserve before UNICAP costs applied									800,802
	3/30/2002 LIFO inventory balance before UNICAP costs applied									52,288,004

Report 18-This is the same as the before UNICAP costs Report 18 except that it also shows the balances including UNICAP costs. 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.

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.
 CALCULATION OF LIFO RESERVE REPORT 18a
 3/31/2001

11-19-2007 15:57:43

Pool number			1	2	3	4	
Pool name	Row	Formula/Source	PAPER AND ALLIE FURNITURE & HOUMISCELLANEOUS IALL OTHER				TOTALS/AVG.
Current year FIFO inventory balance	7	Inventory total per Report 23s	3,592,165	6,017,014	35,395,478	16,883,759	61,888,416
Current year deflator index	8	Pool index calculated per Report 23s	1.075678	1.013949	.990225	1.007101	1.001702
Prior year cumulative deflator index	9	Layer history Report 16	1.027203	1.052785	1.001961	1.026979	
Current year cumulative deflator index	10	Row 8 times Row 9	1.104940	1.067470	.992166	1.034271	
Current year inventory at base	11	Row 7 divided by Row 10	3,251,005	5,636,705	35,674,943	16,324,306	60,886,959
Prior year inventory at base	12	Layer history Report 16	2,838,217	7,409,738	39,376,623	10,008,798	59,633,375
Increase(decrease) at base	13	Row 11 minus Row 12	412,788	-1,773,033	-3,701,680	6,315,507	1,253,584
Current year cumulative inflator index	14	Same as Row 10 for increment	1.104940	n/a	n/a	1.034271	
Increase(decrease) in LIFO cost	15	13 x 14; Row 43 for decrement	456,106	-1,866,622	-3,702,904	6,531,947	1,418,528
Prior year LIFO inventory before UNICAP	16	Layer history Report 16	2,850,795	7,574,868	39,377,847	10,213,751	60,017,260
Current year LIFO inventory before UNICAP	17	Row 15 plus Row 16	3,306,901	5,708,246	35,674,943	16,745,698	61,435,788
Current year LIFO reserve	18	Row 7 minus Row 17	285,264	308,768	-279,465	138,061	452,628
Prior year LIFO reserve	19	Layer history Report 16	64,630	225,991	75,975	65,071	431,668
Current year LIFO expense(income)	20	Row 18 minus Row 19	220,634	82,777	-355,440	72,990	20,960
Current year UNICAP rate	22	Client prepared schedule	.049200	.049200	.049200	.049200	
Current year UNICAP layer(decrement)	23	22 x 15; Row 53 for decrement	22,440	-102,664	-171,097	321,372	70,051
Prior year UNICAP costs capitalized	24	Report 16 with UNICAP costs	125,201	359,685	1,658,820	538,600	2,682,305
Current year UNICAP costs capitalized	25	Row 23 plus Row 24	147,641	257,021	1,487,724	859,971	2,752,357
Current year LIFO inventory plus UNICAP	26	Row 17 plus Row 25	3,454,542	5,965,267	37,162,667	17,605,670	64,188,145
Detail of decrements calculation:							
Decrease at base by year:	29						
	30	Report 16a		-1,773,033 00	-211,241 99		
	31	Report 16a			-513,373 98		
	32	Report 16a			-2,977,066 96		
	33	Sum of rows 30 to 32		-1,773,033	-3,701,680		
Cumulative inflator indexes for decrements:	34						
	35	Report 16a		1.052785 00	.998376 99		
	36	Report 16a			1.003053 98		
	37	Report 16a			1.000000 96		
Average index for decrement	38	Weighted avg. index of rows 35 to 37			1.000331		
Decrease at LIFO cost by year:	39						
	40	Report 16a		-1,866,622 00	-210,898 99		
	41	Report 16a			-514,940 98		
	42	Report 16a			-2,977,066 96		
	43	Sum of rows 40 to 42		-1,866,622	-3,702,904		
UNICAP rates for decrements:	44						
	45	Report 16a		.055000 00	.051500 99		
	46	Report 16a			.070077 98		
	47	Report 16a			.041702 96		
	48						
Decrease in UNICAP costs:	49						
	50	Report 16a		-102,664 00	-10,861 99		
	51	Report 16a			-36,085 98		
	52	Report 16a			-124,150 96		
	53	Sum of rows 50 to 52		-102,664	-171,097		
Proof of current year LIFO expense(income):							
Current year inflation(deflation)	55	Row 8 minus one as a percentage	7.57%	1.40%	-0.98%	0.71%	0.17%
Prior year FIFO inventory balance	56	Layer history Report 16	2,915,425	7,800,859	39,453,822	10,278,822	60,448,928
C/Y expense(income) due to inflation	57	Row 55 times Row 56	220,634	108,814	-385,662	72,990	16,776
C/Y cum. def. index minus avg. index of layers eroded	58	Row 10 minus Row 38	n/a	.014685	-.008165	n/a	
Expense(income) due to layer erosions	59	Row 13 times Row 58	n/a	-26,038	30,222	n/a	4,184
Total current year LIFO expense(income)	60	Row 57 plus Row 59(ties to Row 20)	220,634	82,776	-355,440	72,990	20,960

Report 18a-This is an all pools' summary of the calculation of the LIFO reserve for this year including the detail of LIFO layer erosions by layer(year indicated by two digits) eroded. The second & third columns show the math steps formula or the source for the value for each row. The bottom rows shows a proof of the current year LIFO expense. The program automatically generates a separate report for each year.

CONSOLIDATED REPORT 18
 ACTUAL YEAR-END LIFO CALCULATION SUMMARY REPORT 18c
 POOL DETAIL

06-03-2005
 16:50:38

POOL NO.	POOL NAME	FIFO INVENTORY	CURRENT DEFULATOR INDEX	CUMLTV DEFULATOR INDEX	CUMLTV INFLATOR INDEX	LIFO INVENTORY	THIS YEAR LIFO RESERVE	PRIOR YEAR LIFO RESERVE	LIFO EXPENSE
XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI) 3/31/2001 Data path:Y:\LIFOPRO\SAMPLE\WHOLESALE\Tax\IPICPPI\									
1	PAPER AND ALLIED PRODUCTS(09)	3,592,165	1.075678	1.104940	1.104940	3,306,901	285,264	64,630	220,634
2	FURNITURE & HOUSEHOLD DURABLES(12)	6,017,014	1.013949	1.067470	E 1.067470	5,708,246	308,768	225,991	82,777
3	MISCELLANEOUS PRODUCTS(15)	35,395,478	.990225	.992166	E .992166	35,674,943	-279,465	75,975	-355,440
4	ALL OTHER	16,883,759	1.007101	1.034271	1.034271	16,745,698	138,061	65,071	72,990
	Totals/avg.	61,888,416	1.001702			61,435,788	452,628	431,668	20,960
XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts. 3/30/2002 Data path:Y:\LIFOPRO\SAMPLE\WHOLESALE\Tax\IPICPINoBLSWts\									
1	PAPER AND ALLIED PRODUCTS(09)	3,625,911	.997308	1.101965	1.101965	3,350,317	275,594	285,264	-9,670
2	FURNITURE & HOUSEHOLD DURABLES(12)	5,615,563	1.005894	1.073762	E 1.073762	5,279,866	335,697	308,768	26,929
3	MISCELLANEOUS PRODUCTS(15)	26,914,633	1.017723	1.009750	E 1.009750	26,654,736	259,897	-279,465	539,362
4	ALL OTHER	16,932,699	.987654	1.021502	1.021502	17,003,084	-70,385	138,061	-208,446
	Totals/avg.	53,088,806	1.005305			52,288,004	800,802	452,628	348,175
XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-Use BLS Wts. 3/30/2002 Data path:Y:\LIFOPRO\SAMPLE\WHOLESALE\Tax\IPICPIUseBLSWts\									
1	PAPER AND ALLIED PRODUCTS(09)	3,625,911	.991665	1.095730	1.095730	3,370,588	255,323	285,264	-29,941
2	FURNITURE & HOUSEHOLD DURABLES(12)	5,615,563	1.006914	1.074851	E 1.074851	5,274,289	341,274	308,768	32,506
3	MISCELLANEOUS PRODUCTS(15)	26,914,633	1.016639	1.008675	E 1.008675	26,683,157	231,476	-279,465	510,941
4	ALL OTHER	16,932,699	.989771	1.023692	1.023692	16,967,341	-34,642	138,061	-172,703

Report 18c - This is a "consolidated" report with the combined summary showing pertinent balances necessary to make accounting entries. This report can be run for any year.

CONSOLIDATED REPORT 18
 ACTUAL YEAR-END LIFO SUMMARY WITH UNICAP COSTS REPORT 18c
 POOL DETAIL

06-06-2005
 14:05:01

POOL NO.	POOL NAME	FIFO INVENTORY	CURRENT DEFULATOR INDEX	CUMLTV DEFULATOR INDEX	CUMLTV INFLATOR INDEX	LIFO INVENTORY	THIS YEAR LIFO RESERVE	PRIOR YEAR LIFO RESERVE	LIFO EXPENSE	UNICAP COSTS APPLIED
XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI) 3/31/2001 Data path:Y:\LIFOPRO\SAMPLE\WHOLESALE\Tax\IPICPPI\ UNICAP Rate= .0492										
1	PAPER AND ALLIED PRODUCTS(09)	3,592,165	1.075678	1.104940	1.104940	3,306,901	285,264	64,630	220,634	147,641
2	FURNITURE & HOUSEHOLD DURABLES(12)	6,017,014	1.013949	1.067470	E 1.067470	5,708,246	308,768	225,991	82,777	257,021
3	MISCELLANEOUS PRODUCTS(15)	35,395,478	.990225	.992166	E .992166	35,674,943	-279,465	75,975	-355,440	1,487,724
4	ALL OTHER	16,883,759	1.007101	1.034271	1.034271	16,745,698	138,061	65,071	72,990	859,971
	Total excluding UNICAP costs	61,888,416	1.001702			61,435,788	452,628	431,668	20,960	2,752,357
	Total UNICAP costs						2,752,357	2,682,305	2,752,357	
	Total including UNICAP costs					64,188,145	-2,299,729	-2,250,637	-2,731,397	
XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts. 3/30/2002 Data path:Y:\LIFOPRO\SAMPLE\WHOLESALE\Tax\IPICPINoBLSWts\ UNICAP Rate= .04452										
1	PAPER AND ALLIED PRODUCTS(09)	3,625,911	.997308	1.101965	1.101965	3,350,317	275,594	285,264	-9,670	149,574
2	FURNITURE & HOUSEHOLD DURABLES(12)	5,615,563	1.005894	1.073762	E 1.073762	5,279,866	335,697	308,768	26,929	233,460
3	MISCELLANEOUS PRODUCTS(15)	26,914,633	1.017723	1.009750	E 1.009750	26,654,736	259,897	-279,465	539,362	1,111,561
4	ALL OTHER	16,932,699	.987654	1.021502	1.021502	17,003,084	-70,385	138,061	-208,446	871,430
	Total excluding UNICAP costs	53,088,806	1.005305			52,288,004	800,802	452,628	348,175	2,366,025
	Total UNICAP costs						2,366,025	2,366,025	5,434,662	2,366,025
	Total including UNICAP costs					54,654,029	-1,665,223	-4,982,034	-2,017,850	
XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-Use BLS Wts. 3/30/2002 Data path:Y:\LIFOPRO\SAMPLE\WHOLESALE\Tax\IPICPIUseBLSWts\ UNICAP Rate= .04452										
1	PAPER AND ALLIED PRODUCTS(09)	3,625,911	.991665	1.095730	1.095730	3,370,588	255,323	285,264	-29,941	150,476
2	FURNITURE & HOUSEHOLD DURABLES(12)	5,615,563	1.006914	1.074851	E 1.074851	5,274,289	341,274	308,768	32,506	233,153
3	MISCELLANEOUS PRODUCTS(15)	26,914,633	1.016639	1.008675	E 1.008675	26,683,157	231,476	-279,465	510,941	1,112,746
4	ALL OTHER	16,932,699	.989771	1.023692	1.023692	16,967,341	-34,642	138,061	-172,703	869,839
	Total excluding UNICAP costs	53,088,806	1.005180			52,295,375	793,431	452,628	340,804	2,366,215
	Total UNICAP costs						2,366,215	2,366,215	8,187,019	2,366,215
	Total including UNICAP costs					54,661,589	-1,572,783	-7,734,391	-2,025,411	
	Grand total excluding UNICAP costs	168,066,028	1.003936			166,019,167	2,046,861	1,336,923	709,938	7,484,596
	Grand Total UNICAP costs						7,484,596	16,303,986	7,484,596	
	Grand Total including UNICAP costs					173,503,763	-5,437,735	-14,967,063	-6,774,658	

Report 18c - This is a "consolidated" report with the combined summary showing pertinent balances necessary to make accounting entries. This report can be run for any year. The bottom 3 rows for each company show the LIFO balances after application of UNICAP costs. The far right column is the cumulative amount of UNICAP costs applied for all years.

**XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.
 BREAKDOWN OF LIFO EXPENSE COMPONENTS REPORT 19
 LIFO SUMMARY FOR 3/30/2002**

6/7/2005

		INDEX EFFECT	LAYER EROSIONS EFFECT	TOTAL LIFO PROVISION
1	PAPER AND ALLIED PRODUCTS(09)	-9,670	0	-9,670
2	FURNITURE & HOUSEHOLD DURAB	35,464	-8,535	26,929
3	MISCELLANEOUS PRODUCTS(15)	627,313	-87,951	539,362
4	ALL OTHER	-208,446	0	-208,446
	TOTAL	444,661	-96,486	348,175

Report 19-One of the most common complaints heard about LIFO is the difficulty of explaining why the LIFO provision is the amount it is and what caused it to be what it is. Both the inflation rate and inventory level change affects the amount of the LIFO provision. This report automatically calculates 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. Shown above is the all poos for a given year.

**XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.
 BREAKDOWN OF LIFO EXPENSE COMPONENTS REPORT 19
 ALL POOLS**

6/7/2005

		INDEX EFFECT	LAYER EROSIONS EFFECT	TOTAL LIFO PROVISION
3/30/1996		0	0	0
3/29/1997		932,518	-147,957	784,561
3/28/1998		-351,839	0	-351,839
4/3/1999		3,462	-53,999	-50,537
4/1/2000		60,789	-11,305	49,483
3/31/2001		16,777	4,182	20,960
3/30/2002		444,661	-96,486	348,175
	TOTAL	1,106,368	-305,565	800,802

This is the same report as the one on the top part of the page except that this report shows years as rows instead of pools. The LIFO-PRO Report 19 gives users the ability to display and print Report 19s for one or all pools and any range of years.

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts. 06-07-2005 16:04:58
 DATA INPUT FOR 3/29/2003 LIFO CALCULATIONS LIFO-PRO Report 3
 DATA FILE NAME:y:\LIFOPRO\SampleWholesale\TaxIPICPPINoBLSWts\IPICDATA.prn

POOL	FIFO \$ 3/31/2001	FIFO \$ 3/30/2002	INDEX 3/31/2001	INDEX 3/30/2002	LIFO PROVISION	LIFO INVENTORY
1 PAPER AND ALLIED PROC	3,625,911	3,625,911	.997308	.997308	-9,761	3,360,078
Provision breakdown==>		0		-9,761		
2 FURNITURE & HOUSEHOL	5,615,563	5,615,563	1.005894	1.005894	32,261	5,247,605
		-837		33,098		
3 MISCELLANEOUS PRODU	26,914,633	26,914,633	1.017723	1.017723	464,175	26,190,561
		-12,833		477,008		
4 ALL OTHER	16,932,699	16,932,699	.987654	.987654	-209,051	17,212,135
		0		-209,051		
TOTALS OR WTD AVG	53,088,806	53,088,806	1.005305	1.005305	277,624	52,010,380
Provision breakdown==>		-13,670		291,294	277,624	

Report 3-This is the screen which, in addition to displaying and/or printing the data shown above, is the means by which the pool-by-pool projection variables or actual year-end values are entered and edited. 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. Refer to the Users Guide for a detailed explanation of the selection and edit of projection variables including the global mode. Report 3 shows last year's projection variables, which is very handy in helping to select this year's projection variables. This report also shows the breakdown of the LIFO provision components in an interactive mode, i.e. the provision components change on the screen every time a value is changed. This is automatically shown for the company total and also for individual pools when that mode is selected. Additional columns are shown for companies using Retail LIFO.

**XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.
LIFO PROJECTION REPORT FOR RANGE OF FIFO INVENTORY VALUES & INDEXES REPORT 1
PROJECTION FOR:3/29/2003 For Pool 1 PAPER AND ALLIED PRODUCTS(09)**

FIFO	LIFO EXPENSE USING INDEXES ON FOLLOWING ROW									
VALUES	.97	.98	.99	1.00	1.01	1.02	1.03	1.04	1.05	1.06
2,000,000	-146,665	-127,572	-108,865	-90,533	-72,563	-54,946	-37,670	-20,727	-4,107	12,200
2,100,000	-140,218	-120,171	-100,529	-81,280	-62,411	-43,913	-25,774	-7,984	9,467	26,589
2,200,000	-133,772	-112,770	-92,192	-72,027	-52,260	-32,881	-13,878	4,759	23,042	40,979
2,300,000	-127,325	-105,369	-83,856	-62,774	-42,108	-21,848	-1,982	17,503	36,616	55,369
2,400,000	-120,879	-97,968	-75,520	-53,521	-31,957	-10,816	9,914	30,246	50,190	69,758
2,500,000	-114,433	-90,567	-67,183	-44,268	-21,805	216	21,811	42,989	63,765	84,148
2,600,000	-109,525	-84,029	-59,049	-35,015	-11,654	11,249	33,707	55,733	77,339	98,538
2,700,000	-105,623	-79,147	-53,206	-27,785	-2,865	21,566	45,522	68,476	90,913	112,927
2,800,000	-101,722	-74,265	-47,363	-21,000	4,843	30,178	55,021	79,387	103,288	126,739
2,900,000	-97,820	-69,383	-41,520	-14,216	12,550	38,790	64,521	89,756	114,512	138,799
3,000,000	-93,919	-64,501	-35,677	-7,431	20,257	47,402	74,020	100,126	125,735	150,860
3,100,000	-94,833	-62,134	-30,095	-647	27,965	56,015	83,520	110,496	136,958	162,921
3,200,000	-98,204	-64,450	-31,378	1,031	32,801	63,947	93,019	120,865	148,181	174,982
3,300,000	-101,575	-66,766	-32,661	761	33,524	65,643	97,138	128,028	158,330	187,043
3,400,000	-104,946	-69,082	-33,944	491	34,247	67,339	99,789	131,615	162,834	193,465
3,500,000	-108,247	-71,399	-35,226	221	34,970	69,035	102,440	135,201	167,339	198,871
3,600,000	-108,777	-72,518	-36,259	0	35,692	70,731	105,090	138,788	171,844	204,276
3,700,000	-108,777	-72,518	-36,259	0	36,259	72,518	107,767	142,375	176,349	209,682
3,800,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	180,952	215,094
3,900,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
4,000,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
4,100,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
4,200,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
4,300,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
4,400,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
4,500,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
4,600,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
4,700,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
4,800,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
4,900,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
5,000,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
5,100,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555
5,200,000	-108,777	-72,518	-36,259	0	36,259	72,518	108,777	145,036	181,296	217,555

Actual FIFO balance at 3/30/2002 year end: 3,625,911
Actual current year LIFO index for 3/30/2002 year end: .997

3/29/2003 Minimum FIFO balance required to avoid LIFO layer erosions:
3,517,134 3,553,393 3,589,652 3,625,911 3,662,170 3,698,429 3,734,688 3,770,947 3,807,207 3,843,466

Report 1- This shows the projected next year LIFO expense amounts that will result from the range of FIFO values shown in the leftmost column and the range of inflation indexes shown on the sixth row.

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.			01-03-2005 19:13:08					
SUMMARY OF IPIC LIFO INDEX CALCULATIONS BY POOL			SUMMARY REPORT 23					
FOR PERIOD ENDED 3/30/2002								
			Cumulative	Cumulative	Current			
-----POOL-----			FIFO	Index	Index	Index(100%)	LIFO	LIFO
NO	NAME	DOLLARS	3/31/2001	3/30/2002	3/30/2002	EXPENSE	INVENTORY	RESERVE
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.								
Report 25 shows the PPI categories discontinued for which no reassignment was made because there is more than one PPI category that could be used in its place. Manual reassignment of categorie(s) are required for these on the Excel data input schedule listing FIFO balances by PPI category.								
FIFO balances are assigned to PPI categories that have since been discontinued and will need to be reassigned for future periods. See Report 25 for details.								
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)								

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.		01-03-2005	19:13:07		
DETAIL OF IPIC LIFO INDEX CALCULATIONS BY POOL REPORT 23					
FOR PERIOD ENDED 3/30/2002					
					HARMONIC
		YEAR-END	% OF		DOLLARS
-----PPI CATEGORY-----		INVENTORY	POOL	CATEGORY	WEIGHTED
----- NAME -----	NUMBER	BALANCE	INV.	INDEX	EXTENSION
POOL NUMBER:1 PAPER AND ALLIED PRODUCTS(09)					
----Sanitary paper products, including stock	09150123@	269,445	7.43%	1.010870	266,548
----Grocers' and variety bags (paper)	09150214	25,311	0.70%	1.010469	25,049
----Specialty bags, pouches, and liners	09150216	854,384	23.56%	.983295	868,899
----Corrugated shipping containers	09150301	13,039	0.36%	.971537	13,421
----Folding paperboard boxes, including retail food	09150332	238,807	6.59%	1.002056	238,317
----Gift wrapping paper	09150451	5,335	0.15%	.976340	5,464
----Envelopes	09150636	9,965	0.27%	.976563	10,204
----Inked ribbons	09150642	273,231	7.54%	1.023231	267,028
----Stationery	09150652	193,381	5.33%	.993569	194,632
----Tablets and related products	09150653	379,859	10.48%	1.014031	374,603
----Other converted paper and board products	09150999	551,771	15.22%	.989953	557,371
----Pressure sensitive products	09160101	636,639	17.56%	.995859	639,286
----Adult trade and juvenile	09330416	132,823	3.66%	.998612	133,008
---General reference books	093305^	41,923	1.16%	1.001274	41,870
POOL 1 TOTALS		3,625,911	100.00%	.997308	3,635,697
POOL NUMBER:2 FURNITURE & HOUSEHOLD DURABLES(12)					
----Other metal household furniture	12110104	61,569	1.10%	.981116	62,754
---Living room furniture	121201				
----Table	12120101	19,541	0.35%	1.005857	19,428
----Chairs	12120105	18,002	0.32%	1.000000	18,002
----Cabinets, except sewing machines	12120107	30,834	0.55%	1.016873	30,323 ><
----Other nonupholstered living rm furniture	12120109	29,686	0.53%	1.033736	28,718
----Buffets and servers	12120221	36,339	0.65%	1.059222	34,307
----Chests	12120351#	21,157	0.38%	1.013966	20,865
----Other nonupholstered bedroom furniture	12120355	6,931	0.12%	1.003626	6,906
----Unpainted wood furniture	12120463	32,210	0.57%	1.016459	31,689
----Chairs, including rockers and recliners	12130111	5,475	0.10%	1.014327	5,397
----Metal porch, lawn, outdoor & casual furniture	12150112	77,500	1.38%	1.046958	74,024
----Woven carpets and rugs, made from textile yarns	12310301	364,287	6.49%	.999347	364,525
----Carpets & rugs, not made from textile yarn	12310401	121,687	2.17%	1.001604	121,492
--Electric lamps	1245^	916,369	16.32%	.977690	937,279
----Speakers and commercial sound equipment	12530707#	146,561	2.61%	1.003700	146,020
---Tableware and kitchenware	126101	422,534	7.52%	1.013609	416,861
----Art, decorative and novelty pottery	12610201#	564,842	10.06%	1.034951	545,767
----Other pottery products	12610202#	1,807,026	32.18%	1.009110	1,790,712
--Household glassware	1262	21,208	0.38%	1.008314	21,033
----Pressed and blown consumer glassware	12620102	817,989	14.57%	1.007905	811,574
----Hollowware	12630121@	16,207	0.29%	1.017000	15,936
----Household flatware	12640121@	13,885	0.25%	.965000	14,389
----Framed mirrors	12650102	63,725	1.13%	.985507	64,663
POOL 2 TOTALS		5,615,563	100.00%	1.005894	5,582,661
POOL NUMBER:3 MISCELLANEOUS PRODUCTS(15)					
----Games, excl. toys and hobbies	15110152	1,157,136	4.30%	1.000000	1,157,136
----Toys, excl. games and hobbies	15110154	11,902,368	44.22%	1.026079	11,599,853
----Hobbies, models: crafts and structural kits	15110155	3,889,889	14.45%	1.023048	3,802,253
----Dolls and stuffed toy animals	15110156	2,126,972	7.90%	1.004112	2,118,262
----Buttons, button blanks and parts	15310121	220,870	0.82%	.993192	222,384
---Costume jewelry and novelties	159404				
----Costume jewelry & novelties made of base metal	15940411#	287,209	1.07%	1.012589	283,639
----Other costume jewelry, novelties, compacts and cas	15940412#	3,786,964	14.07%	1.011947	3,742,257 ><
----Other pens and desk sets	15950209	246,801	0.92%	1.031875	239,177
---Lead pencils and art goods	159503				
----Other wood cased pencils, crayons, and chalk	15950302#	1,244,209	4.62%	1.011930	1,229,540 ><
----Artists' equipment and supplies	15950303	205,199	0.76%	1.017264	201,716
----Other marking devices	15950405	145,852	0.54%	1.000000	145,852
--Watches, clocks, watchcases & parts	1596				
---Watches, clocks & timing mech., ex. parts	159601#	8,319	0.03%	1.014827	8,198 ><
----Clocks	15960123#	170,427	0.63%	1.014827	167,937 ><
----Compact discs	15980104#	67,496	0.25%	1.033769	65,291
---Audio tapes	159802#	38,778	0.14%	.830439	46,696
--Miscellaneous products, n.e.c.	159A				
---Candles	159A01^	1,114,914	4.14%	.997093	1,118,164
----Feathers, plumes & artificial trees/flowers	159A0303@	290,281	1.08%	1.012427	286,718 ><
----Other miscellaneous products, n.e.c.	159A0901	10,950	0.04%	1.009133	10,851
POOL 3 TOTALS		26,914,633	100.00%	1.017723	26,445,924
POOL NUMBER:4 ALL OTHER					
---Other bread	021104	572	0.00%	1.031430	555
---Cookies, crackers, and related products	021121	8,860	0.05%	1.008919	8,782

		YEAR-END	% OF		HARMONIC
-----PPI CATEGORY-----		INVENTORY	POOL	CATEGORY	DOLLARS
----- NAME -----	NUMBER	BALANCE	INV.	INDEX	WEIGHTED
-----					EXTENSION
---Cookies, ice cream cones, and toaster past	02112103	13,658	0.08%	1.001859	13,633
---Flour base mixes and doughs	021204^	255	0.00%	1.023828	249
---Chewing gum	02550201	83,605	0.49%	1.011073	82,690
---Chocolate and chocolate-type confectionery product	02550301	157,744	0.93%	1.021956	154,355
---Nonchocolate confectionery products	02550302	1,472,903	8.70%	1.012616	1,454,552
-Beverages and beverage materials	026	205	0.00%	1.022130	201
---Bottled beer	02610101	895	0.01%	1.018868	879
--Packaged beverage materials	0263	11,321	0.07%	.980253	11,550
--Jams, jellies, and preserves	0281^	132	0.00%	1.018741	130
---Canned soups	02840104	139	0.00%	1.009383	138
---Dry mix preparations	02890148	7,307	0.04%	1.026364	7,119
---Other food preparations	02890175	914	0.01%	.990029	923
-Synthetic fibers	031	767,699	4.53%	.951526	806,808
---Cotton	032601	127,124	0.75%	.896296	141,832
--Other fabrics	0339^	301,499	1.78%	1.011374	298,108
---Vinyl coated or laminated fabric	03460102	279,489	1.65%	.993323	281,367
--Embroideries and lace goods	0347				
---Lace goods	034702	150,506	0.89%	.990291	151,981
-Apparel & other fabricated textile prods	038	763,612	4.51%	.994497	767,838
---Men's/boys' knit sportshirts incl. sweatshirts	03810298#	36,498	0.22%	.960857	37,985
---Girls', children's and infants'	038103				
---Other outerwear, n.e.c.	03810355#	1,112,055	6.57%	1.003430	1,108,253
---Milling, hats, and caps	03810413	1,152,406	6.81%	1.028000	1,121,017
---Waterproof outer garments, n.e.c.	03810421#	2,000	0.01%	1.011103	1,978
---Apparel and accessories, n.e.c.	03810441	389,918	2.30%	1.027006	379,665
---Curtains, except lace	03820308	58,782	0.35%	.989505	59,405
---Other textile housefurnishings	03820311	650,664	3.84%	1.025498	634,486
-Leather	042	18,675	0.11%	1.006116	18,561
-Other leather and related products	044	4,568	0.03%	1.010218	4,521
-Coal	051	931	0.01%	1.013499	918
--Thermosetting resins	0663^	772,310	4.56%	.931907	828,742
---Creams, lotions and oils	067514^	12,836	0.08%	.989184	12,976
---Other cosmetics and toilet preparations	067515^	22,746	0.13%	1.005952	22,611
---Other rubber goods	07130606	1,820	0.01%	.991228	1,836
--Other plastic products	0729	2,145,217	12.67%	.993151	2,160,012
--Miscellaneous wood products	0849	3,232,396	19.09%	.966184	3,345,530
--Iron and steel scrap	1012	301,421	1.78%	1.007563	299,158
---Steel wire	101705	253,479	1.50%	.986084	257,057
---Gold, refined tr. oz.	10220271#	13,531	0.08%	1.146589	11,801
--Secondary nonferrous metals	1024	138,098	0.82%	.978051	141,197
---Aluminum, except extrusion billet	102402^	54,344	0.32%	.946702	57,404
---Copper and copper alloy wire & cable, bare & tinne	10260314	32,005	0.19%	.959460	33,358
-Metal containers	103	6,071	0.04%	1.031250	5,887
---All other hand tools, except edge tools	10420183	31,537	0.19%	1.016474	31,026
--Steam and hot water equipment	1061	853	0.01%	1.026786	830
---Other sheet metal work, not steel or aluminum	10730189#	1,550,779	9.16%	.969485	1,599,591
---Primary batteries, dry and wet	117902	35,612	0.21%	1.004773	35,442
---Calculating and accounting machines	119301	1,779	0.01%	.961717	1,850
---Pressed and blown glassware	131301	585	0.00%	1.015097	576
---Other pressed and blown glassware	13130112	633,209	3.74%	1.013762	624,613
--Cement	1322^	16,697	0.10%	1.002003	16,663
---Mica products and stationary art goods	13990303#	100,440	0.59%	.950000	105,726
POOL 4 TOTALS		16,932,699	100.00%	.987654	17,144,365
GRAND TOTAL INVENTORY DOLLARS		53,088,806			
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					
>> No index published for this category. Indexes(this year & last) for the next less detailed category containing this category were used.					
@ This category replaced the category these FIFO \$s were originally assigned to because that category has been discontinued. See Report 25 for de					
# This category has been discontinued after February 2001. The FIFO \$s that would otherwise be assigned to this category should be assigned to a valid category shown on Report 25, but not until next year.					
^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:\LIFOPRO\SampleWholesale\TaxIPICPPINoBLSWts\					
LIFO-PRO software version used: Version 3.5					

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.				01-03-2005	19:13:07
DETAIL OF IPIC LIFO INFLATION RATES		REPORT 24			
FOR PERIOD ENDED 3/30/2002					
		--RAW INDEXES--		THIS	
-----PPI CATEGORY-----		Feb	Feb	YEAR	
----- NAME -----		2002	2001	INFLATION	
NUMBER					
POOL NUMBER:1 PAPER AND ALLIED PRODUCTS(09)					
----Sanitary paper products, including stock	09150123@	102.3	101.2	1.010870	INDEX USED
----Grocers' and variety bags (paper)	09150214	222.0	219.7	1.010469	INDEX USED
----Specialty bags, pouches, and liners	09150216	129.5	131.7	.983295	INDEX USED
----Corrugated shipping containers	09150301	153.6	158.1	.971537	INDEX USED
----Folding paperboard boxes, including retail food	09150332	146.2	145.9	1.002056	INDEX USED
----Gift wrapping paper	09150451	140.3	143.7	.976340	INDEX USED
----Envelopes	09150636	125.0	128.0	.976563	INDEX USED
----Inked ribbons	09150642	96.9	94.7	1.023231	INDEX USED
----Stationery	09150652	154.5	155.5	.993569	INDEX USED
----Tablets and related products	09150653	159.0	156.8	1.014031	INDEX USED
----Other converted paper and board products	09150999	147.8	149.3	.989953	INDEX USED
----Pressure sensitive products	09160101	144.3	144.9	.995859	INDEX USED
----Adult trade and juvenile	09330416	143.9	144.1	.998612	INDEX USED
---General reference books	093305^	157.2	157.0	1.001274	INDEX USED
POOL NUMBER:2 FURNITURE & HOUSEHOLD DURABLES(12)					
----Other metal household furniture	12110104	114.3	116.5	.981116	INDEX USED
----Living room furniture	121201	180.8	177.8	1.016873	
----Table	12120101	188.9	187.8	1.005857	INDEX USED
----Chairs	12120105	160.5	160.5	1.000000	INDEX USED
----Cabinets, except sewing machines	12120107	180.8	177.8	1.016873	INDEX USED(121201) T
----Other nonupholstered living rm furniture	12120109	162.4	157.1	1.033736	INDEX USED
----Buffets and servers	12120221	234.3	221.2	1.059222	INDEX USED
----Chests	12120351#	181.5	179.0	1.013966	INDEX USED
----Other nonupholstered bedroom furniture	12120355	138.4	137.9	1.003626	INDEX USED
----Unpainted wood furniture	12120463	203.8	200.5	1.016459	INDEX USED
----Chairs, including rockers and recliners	12130111	141.6	139.6	1.014327	INDEX USED
----Metal porch, lawn, outdoor & casual furniture	12150112	158.3	151.2	1.046958	INDEX USED
----Woven carpets and rugs, made from textile yarns	12310301	153.1	153.2	.999347	INDEX USED
----Carpets & rugs, not made from textile yarn	12310401	124.9	124.7	1.001604	INDEX USED
--Electric lamps	1245^	149.0	152.4	.977690	INDEX USED
----Speakers and commercial sound equipment	12530707#	108.5	108.1	1.003700	INDEX USED
---Tableware and kitchenware	126101	186.2	183.7	1.013609	INDEX USED
----Art, decorative and novelty pottery	12610201#	159.9	154.5	1.034951	INDEX USED
----Other pottery products	12610202#	188.3	186.6	1.009110	INDEX USED
--Household glassware	1262	169.8	168.4	1.008314	INDEX USED
----Pressed and blown consumer glassware	12620102	153.0	151.8	1.007905	INDEX USED
----Hollowware	12630121@	101.7	100.0	1.017000	INDEX USED
----Household flatware	12640121@	96.5	100.0	.965000	INDEX USED
----Framed mirrors	12650102	170.0	172.5	.985507	INDEX USED
POOL NUMBER:3 MISCELLANEOUS PRODUCTS(15)					
----Games, excl. toys and hobbies	15110152	129.6	129.6	1.000000	INDEX USED
----Toys, excl. games and hobbies	15110154	114.1	111.2	1.026079	INDEX USED
----Hobbies, models: crafts and structural kits	15110155	137.6	134.5	1.023048	INDEX USED
----Dolls and stuffed toy animals	15110156	122.1	121.6	1.004112	INDEX USED
----Buttons, button blanks and parts	15310121	131.3	132.2	.993192	INDEX USED
---Costume jewelry and novelties	159404	144.0	142.3	1.011947	
----Costume jewelry & novelties made of base metal	15940411#	128.7	127.1	1.012589	INDEX USED
----Other costume jewelry, novelties, compacts and cas	15940412#	144.0	142.3	1.011947	INDEX USED(159404) T
----Other pens and desk sets	15950209	139.2	134.9	1.031875	INDEX USED
---Lead pencils and art goods	159503	144.2	142.5	1.011930	
----Other wood cased pencils, crayons, and chalk	15950302#	144.2	142.5	1.011930	INDEX USED(159503) T
----Artists' equipment and supplies	15950303	153.2	150.6	1.017264	INDEX USED
----Other marking devices	15950405	118.7	118.7	1.000000	INDEX USED
--Watches, clocks, watchcases & parts	1596	123.2	121.4	1.014827	
----Watches, clocks & timing mech., ex. parts	159601#	123.2	121.4	1.014827	INDEX USED(1596) T
----Clocks	15960123#	123.2	121.4	1.014827	INDEX USED(1596) T
----Compact discs	15980104#	94.9	91.8	1.033769	INDEX USED
---Audio tapes	159802#	81.3	97.9	.830439	INDEX USED
--Miscellaneous products, n.e.c.	159A	138.5	136.8	1.012427	
---Candles	159A01^	137.2	137.6	.997093	INDEX USED
----Feathers, plumes & artificial trees/flowers	159A0303@	138.5	136.8	1.012427	INDEX USED(159A) T
----Other miscellaneous products, n.e.c.	159A0901	132.6	131.4	1.009133	INDEX USED
POOL NUMBER:4 ALL OTHER					
---Other bread	021104	196.9	190.9	1.031430	INDEX USED
---Cookies, crackers, and related products	021121	181.0	179.4	1.008919	INDEX USED

		--RAW INDEXES--		THIS	
		Feb	Feb	YEAR	
-----PPI CATEGORY-----					
----- NAME -----	NUMBER	2002	2001	INFLATION	
----Cookies, ice cream cones, and toaster past	02112103	161.7	161.4	1.001859	INDEX USED
---Flour base mixes and doughs	021204^	128.9	125.9	1.023828	INDEX USED
----Chewing gum	02550201	146.1	144.5	1.011073	INDEX USED
----Chocolate and chocolate-type confectionery product	02550301	153.6	150.3	1.021956	INDEX USED
----Nonchocolate confectionery products	02550302	152.5	150.6	1.012616	INDEX USED
-Beverages and beverage materials	026	147.8	144.6	1.022130	INDEX USED
----Bottled beer	02610101	129.6	127.2	1.018868	INDEX USED
--Packaged beverage materials	0263	124.1	126.6	.980253	INDEX USED
--Jams, jellies, and preserves	0281^	135.9	133.4	1.018741	INDEX USED
----Canned soups	02840104	225.9	223.8	1.009383	INDEX USED
----Dry mix preparations	02890148	112.9	110.0	1.026364	INDEX USED
----Other food preparations	02890175	139.0	140.4	.990029	INDEX USED
-Synthetic fibers	031	106.0	111.4	.951526	INDEX USED
---Cotton	032601	84.7	94.5	.896296	INDEX USED
--Other fabrics	0339^	106.7	105.5	1.011374	INDEX USED
----Vinyl coated or laminated fabric	03460102	133.9	134.8	.993323	INDEX USED
--Embroideries and lace goods	0347	142.8	144.2	.990291	
---Lace goods	034702	142.8	144.2	.990291	INDEX USED(0347) T
-Apparel & other fabricated textile prods	038	126.5	127.2	.994497	INDEX USED
----Men's/boys' knit sportshirts incl. sweatshirts	03810298#	103.1	107.3	.960857	INDEX USED
---Girls', children's and infants'	038103	117.0	116.6	1.003430	
----Other outerwear, n.e.c.	03810355#	117.0	116.6	1.003430	INDEX USED(038103) T
----Milling, hats, and caps	03810413	128.5	125.0	1.028000	INDEX USED
----Waterproof outer garments, n.e.c.	03810421#	136.6	135.1	1.011103	INDEX USED
----Apparel and accessories, n.e.c.	03810441	129.3	125.9	1.027006	INDEX USED
----Curtains, except lace	03820308	132.0	133.4	.989505	INDEX USED
----Other textile housefurnishings	03820311	128.7	125.5	1.025498	INDEX USED
-Leather	042	197.4	196.2	1.006116	INDEX USED
-Other leather and related products	044	148.3	146.8	1.010218	INDEX USED
-Coal	051	97.6	96.3	1.013499	INDEX USED
--Thermosetting resins	0663^	143.7	154.2	.931907	INDEX USED
---Creams, lotions and oils	067514^	100.6	101.7	.989184	INDEX USED
---Other cosmetics and toilet preparations	067515^	101.4	100.8	1.005952	INDEX USED
----Other rubber goods	07130606	135.6	136.8	.991228	INDEX USED
--Other plastic products	0729	145.0	146.0	.993151	INDEX USED
--Miscellaneous wood products	0849	100.0	103.5	.966184	INDEX USED
--Iron and steel scrap	1012	119.9	119.0	1.007563	INDEX USED
---Steel wire	101705	99.2	100.6	.986084	INDEX USED
----Gold, refined tr. oz.	10220271#	79.0	68.9	1.146589	INDEX USED
--Secondary nonferrous metals	1024	111.4	113.9	.978051	INDEX USED
---Aluminum, except extrusion billet	102402^	142.1	150.1	.946702	INDEX USED
----Copper and copper alloy wire & cable, bare & tinne	10260314	127.8	133.2	.959460	INDEX USED
-Metal containers	103	108.9	105.6	1.031250	INDEX USED
----All other hand tools, except edge tools	10420183	166.6	163.9	1.016474	INDEX USED
--Steam and hot water equipment	1061	161.0	156.8	1.026786	INDEX USED
----Other sheet metal work, not steel or aluminum	10730189#	152.5	157.3	.969485	INDEX USED
---Primary batteries, dry and wet	117902	168.4	167.6	1.004773	INDEX USED
---Calculating and accounting machines	119301	82.9	86.2	.961717	INDEX USED
---Pressed and blown glassware	131301	141.2	139.1	1.015097	INDEX USED
----Other pressed and blown glassware	13130112	176.8	174.4	1.013762	INDEX USED
--Cement	1322^	150.1	149.8	1.002003	INDEX USED
----Mica products and stationary art goods	13990303#	95.0	100.0	.950000	INDEX USED
IPIC data file used for calculations:C:\LIFOPRO\SAMPLEWHOLESALE\IPICDATA.XLS-2002					
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 replaced the category these FIFO \$s were originally assigned to because that category has been discontinued. See Report 25 for detail					
# This category has been discontinued after February 2001. The FIFO \$s that would otherwise be assigned to this category should be assigned					
to a valid category shown on Report 25, but not until next year.					
^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.					

XYZ SAMPLE WHOLESALE CO. TAX LIFO(IPIC PPI)-No BLS Wts.				01-03-2005	19:13:08	
PPI CATEGORY REASSIGNMENTS REQUIRED FOR DISCONTINUED CATEGORIES			REPORT 25			
FOR PERIOD ENDED 3/30/2002						
-----REPLACEMENT PPI CATEGORY-----		-----REPLACED(DISCONTINUED) PPI CATEGORY-----		DATE	FIFO \$\$	
-----NAME-----	NUMBER	-----NAME-----	NUMBER	DISCON'D	ASSIGNED	
Feathers, plumes & artificial trees/flowers	159A0303	Artificial flowers, feathers and plumes	159A0302	12/1998	290,281	
Sanitary paper products, including stock	09150123	Napkins and napkin stock	09150114	12/1999	148	
Sanitary paper products, including stock	09150123	Toilet tissue and stock	09150115	12/1999	82,231	
Sanitary paper products, including stock	09150123	Other sanitary paper products, inc. stock, n.e.c.	09150121	12/1999	187,066	
Hollowware	12630121	Pewter	12630109	12/2000	16,207	
Household flatware	12640121	Stainless steel	12640113	12/2000	13,885	
Mica products and stationary art goods	13990303	Statuary and art goods (factory made)	13990302	12/2000	100,440	
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.						
The categories below were discontinued but after Feb 2001. The categories below were not replaced in Reports 23 & 24 but these changes should be made for data input sheets prepared for years after 3/30/2002. The PPI code in these reports includes a # symbol suffix for these categories						
Watches, clocks, watchcases & parts	1596	Watches, clocks & timing mech., ex. parts	159601	6/2001	8,319	
Watches, clocks, watchcases & parts	1596	Clocks	15960123	6/2001	170,427	
Nonmechanical pencils, crayons, and chalk	15950304	Other wood cased pencils, crayons, and chalk	15950302	12/2001	1,244,209	
Raincoats and other waterproof outer garments	03810422	Waterproof outer garments, n.e.c.	03810421	6/2002	2,000	
Primary nonferrous metals, except precious	102201	Gold, refined tr. oz.	10220271	12/2003	13,531	
Other sheet metal work	10730136	Other sheet metal work, not steel or aluminum	10730189	12/2003	1,550,779	
Chests of drawers, including cedar chests	12120359	Chests	12120351	12/2003	21,157	
Speakers and commercial sound equipment	12570708	Speakers and commercial sound equipment	12530707	12/2003	146,561	
Vitreous china, fine earthenware and other pottery	12610103	Art, decorative and novelty pottery	12610201	12/2003	564,842	
Vitreous china, fine earthenware and other pottery	12610103	Other pottery products	12610202	12/2003	1,807,026	
Nonmetallic mineral products, n.e.c.	139903	Mica products and stationary art goods	13990303	12/2003	100,440	
Costume jewelry and costume novelties	15940415	Costume jewelry & novelties made of base metal	15940411	12/2003	287,209	
Costume jewelry and costume novelties	15940415	Other costume jewelry, novelties, compacts and cas	15940412	12/2003	3,786,964	
Reproduction of audio disks and video media	159C0101	Compact discs	15980104	12/2003	67,496	
Prerecorded cd/tape/record producing	159C01	Audio tapes	159802	12/2003	38,778	
The categories below have been discontinued but after Feb 2001. They were not replaced in Reports 23 & 24 but one or more of the left column replacement categories listed below should be used for years after 3/30/2002						
Men's, junior boys', & little boys' knit shirts	03810721	Men's/boys' knit sportshirts incl. sweatshirts	03810298	12/2003	36,498	
Mens' and junior boys' knit shirts	03810804					
Men's/boys' sweaters, & men's/junior boys' outerwe	03810743					
Girls' other outerwear	03810625	Other outerwear, n.e.c.	03810355	12/2003	1,112,055	
Infants' outerwear	03810652					

IPIC DATA INPUT SHEET FOR XYZ SAMPLE WHOLESALE CO.

FOR YEAR ENDED: MARCH, 2002

FILE NAME: Y:\LIFOPROUsersGuide\SampleReportsNoWeights\IPICDATA.xls-2002

BLS CATEGORY NUMBER	YEAR-END INVENTORY BALANCE	CATEGORY DESCRIPTION	
026	205.32	-Beverages and beverage materials:	
038	763,612.39	-Apparel & other fabricated textile prods:	
042	18,674.71	-Leather:	
044	4,567.62	-Other leather and related products:	
051	930.53	-Coal:	
103	6,070.58	-Metal containers:	
0263	11,321.44	--Packaged beverage materials:	
0281	132.31	--Jams, jellies, and preserves:	
0339	301,499.09	--Other fabrics:	
0849	3,232,395.73	--Other sawmill & planing mill products:	
1024	138,098.34	--Secondary nonferrous metals:	
1245	916,368.60	--Electric lamps:	
1322	16,696.59	--Cement:	
021121	8,859.83	---Cookies, crackers, and related products:	
021104	572.38	---Other bread:	
021204	254.53	---Flour base mixes and doughs:	
032601	127,123.88	---Cotton:	
034702	150,505.77	---Lace goods	
067515	15,420.37	---Other cosmetics and toilet preparations	067508(Cosmetics) reclassified to 067515
093305	41,922.99	---General reference books:	
1012	301,420.53	--Iron and steel scrap:	101213(Cast iron scrap) discontinued
102402	54,344.09	---Aluminum, except extrusion billet:	
117902	35,611.60	---Primary batteries, dry and wet:	
119301	1,779.13	---Calculating and accounting machines:	
126101	422,534.29	---Tableware and kitchenware:	
159601	8,319.24	---Watches, clocks & timing mech., ex. parts:	
159802	38,778.34	---Audio tapes:	
02112103	13,658.14	----Cookies, ice cream cones, and toaster past	
02550201	83,605.37	----Chewing gum	
02550301	157,743.87	----Chocolate and chocolate-type confectionery product	
02550302	1,472,903.01	----Nonchocolate-type confectionery products	
02610101	895.08	----Bottled beer	
02840104	139.20	----Canned soups	
02890148	7,307.14	----Dry mix preparations	
02890175	913.62	----Other food preparations	
031	613,854.00	-Synthetic fibers:	03180201(Nylon and aramid) discontinued
031	153,844.80	-Synthetic fibers:	03180203(Polyester) discontinued
03460102	279,488.69	----Vinyl coated or laminated fabric	
03810298	36,498.16	----Men's/boys' knit sportshirts incl. sweatshirts	
03810355	1,112,055.11	----Other outerwear, n.e.c.	
03810413	1,152,405.60	----Milling, hats, and caps	
03810421	1,999.57	----Waterproof outer garments, n.e.c.	
03810441	389,917.69	----Apparel and accessories, n.e.c.	
03820308	58,781.96	----Curtains, except lace	
03820311	650,663.70	----Other textile housefurnishings	
0663	772,310.00	--Thermosetting resins:	06630599(All other thermosetting resins) discontinued
067514	12,836.09	---Creams, lotions and oils	06750705(other lotions & oils) reclassified to 067514
067515	7,325.61	---Other cosmetics and toilet preparations	06751101(Nail lacquer and enamel) reclassified to 067515
07130606	1,820.27	---Other rubber goods	
0729	2,145,217.02	--Other plastic products:	
09150114	148.25	----Napkins and napkin stock	
09150115	82,230.60	----Toilet tissue and stock	
09150121	187,066.16	----Other sanitary paper products, inc. stock, n.e.c.	
09150214	25,310.75	----Grocers' and variety bags (paper)	
09150216	854,384.36	----Specialty bags and liners	
09150301	13,038.78	----Corrugated shipping containers	
09150332	238,806.87	----Folding paperboard boxes, including retail food	
09150451	5,334.59	----Gift wrapping paper	
09150636	9,964.66	----Envelopes	
09150642	273,231.03	----Inked ribbons	
09150652	193,380.82	----Stationery	
09150653	379,858.59	----Tablets and related products	
09150999	551,771.23	----Other converted paper and board products	
09160101	636,638.67	----Pressure sensitive products	
09330416	132,823.04	----Adult trade and juvenile	
101705	253,479.27	---Steel wire:	10170511(Plain wire, carbon steel) discontinued
10220271	13,531.35	----Gold, refined	tr. oz.
10260314	32,005.40	----Copper and copper alloy wire & cable, bare & tinne	
10420183	31,536.75	----All other hand tools, except edge tools	
1061	852.54	--Steam and hot water equipment:	10610201(Steam and hot water equipment) discontinued

BLS CATEGORY NUMBER	YEAR-END INVENTORY BALANCE	CATEGORY DESCRIPTION	
10730189	1,550,779.34	----Other sheet metal work, not steel or aluminum	
12110104	61,569.35	----Other metal household furniture	
12120101	19,541.50	----Table	
12120105	18,002.02	----Chairs	
12120107	30,834.16	----Cabinets, except sewing machines	
12120109	29,686.47	----Other nonupholstered living rm furniture	
12120221	36,338.85	----Buffets and servers	
12120351	21,156.54	----Chests	
12120355	6,931.29	----Other nonupholstered bedroom furniture	
12120463	32,210.24	----Unpainted wood furniture	
12130111	5,474.54	----Chairs, including rockers and recliners	
12150112	77,499.67	----Metal porch, lawn, outdoor & casual furniture	
12310301	364,286.61	----Woven carpets and rugs, made from textile yarns	
12310401	121,686.50	----Carpets & rugs, not made from textile yarn	
12530707	146,560.65	----Other equipment and accessories	
12610201	564,842.26	----Art, decorative and novelty pottery	
12610202	1,807,025.61	----Other pottery products	
12620102	817,989.16	----Pressed and blown consumer glassware	
1262	21,207.53	--Household glassware:	12620202(Household glassware) discontinued
12630109	16,206.72	----Pewter	
12640113	13,884.93	----Stainless steel	
12650102	63,725.40	----Framed mirrors	
13130112	633,208.91	----Other pressed and blown glassware	
131301	584.60	--Pressed and blown glassware:	13130122(Pressed and blown glassware) discontinued
13990302	100,440.17	----Statuary and art goods (factory made)	
15110152	1,157,135.90	----Games, excl. toys and hobbies	
15110154	11,902,367.53	----Toys, excl. games and hobbies	
15110155	3,889,889.14	----Hobbies, models: crafts and structural kits	
15110156	2,126,972.13	----Dolls and stuffed toy animals	
15310121	220,869.76	----Buttons, button blanks and parts	
15940411	287,209.39	----Costume jewelry & novelties made of base metal	
15940412	3,786,963.81	----Other costume jewelry, novelties, compacts and cas	
15950209	246,800.59	----Other pens and desk sets	
15950302	1,244,208.58	----Other wood cased pencils, crayons, and chalk	
15950303	205,198.73	----Artists' equipment and supplies	
15950405	145,851.62	----Other marking devices	
15960123	170,427.05	----Clocks	
15980104	67,496.24	----Compact discs	
159A01	1,114,913.81	--Candles:	
159A0302	290,280.89	----Artificial flowers, feathers and plumes	
159A0901	10,950.17	----Other miscellaneous products, n.e.c.	
Grand Total	53,088,805.96		