



**UNITED STATES  
POSTAL SERVICE®**

**FINANCIAL & OPERATING STATEMENTS**

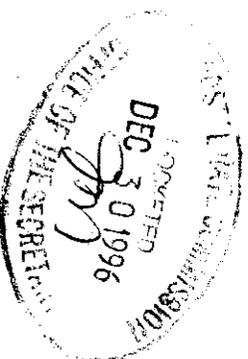
**Accounting Period 02, PFY 1997**

**October 12 - November 08, 1996**

**Finance**

POSTAL DEPARTMENT  
OFFICE OF THE SECRETARY

RECEIVED  
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**HIGHLIGHTS  
(MILLIONS)**

	Accounting Period 2						Year to Date				
	Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY
\$4,643.3	[\$ -12.2]	[-0.3%]	\$4,565.8	1.7%	Total Revenue	\$9,252.4	\$ 56.2	0.6%	\$9,021.3	2.6%	
<u>4,338.4</u>	<u>[14.0]</u>	<u>[0.3%]</u>	<u>4,177.5</u>	3.9%	Total Expense	<u>8,630.5</u>	<u>[11.7]</u>	<u>[0.1%]</u>	<u>8,180.1</u>	5.5%	
\$304.9	[\$ -26.2]	NM	\$388.3	NM	Income (Loss)	\$621.9	\$ 44.5	NM	\$841.2	NM	
113.3	[35.7]	[46.0%]	26.7	324.3%	Capital Commitments	304.3	[25.4]	[9.1%]	47.1	546.1%	
125.7	[2.1]	[1.7%]	126.2	-0.4%	Total Workhours	252.8	[3.9]	[1.6%]	248.3	1.8%	
15,759.4	[64.7]	0.4%	15,252.9	3.3%	Mail Volume	31,209.1	417.5	1.4%	29,970.8	4.1%	

[ ]=Unfavorable variance to budget

Actual Number Of:

	Current Period	Last Period	SPLY
Post Offices	28,077	28,088	28,225
Active Postal Owned Vehicles	4,891	4,931	4,806
Administrative	199,097	199,224	200,708
Operations	81,425	81,388	80,807
Possible City Deliveries (000)	57,685	57,674	54,463
Rural Routes	170,633	170,852	171,859
Delivery Routes	760,294	760,750	754,823
Career Employees	25,750	24,379	26,584
Casual Employees	34,458	33,625	33,704
Transitional Employees			

**STATEMENT OF INCOME & EXPENSE**  
(\$ MILLIONS)

	Accounting Period 2					Year to date				
	Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY	Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY
Operating Revenue	\$4,639.5	[\$ -10.4]	[-0.2%]	4,556.0	1.8%	\$9,239.1	\$ 58.2	0.7%	\$8,993.6	2.7%
Operating Expense	<u>4,185.9</u>	<u>[14.8]</u>	<u>[0.4%]</u>	<u>4,024.3</u>	<u>4.0%</u>	<u>8,325.4</u>	<u>[12.4]</u>	<u>[0.1%]</u>	<u>7,870.4</u>	<u>5.8%</u>
Income From Operations	453.6	[-25.2]	NM	531.7	NM	913.7	45.8	NM	1,123.2	NM
Investment Income	3.8	[-1.8]	[-31.8%]	9.8	-60.9%	13.3	[-2.0]	[-12.9%]	27.7	-52.0%
Interest Expense	-26.8	0.8	-3.0%	-39.2	-31.7%	-53.6	0.7	-1.3%	-81.6	-34.3%
Interest on Deferred Ret. Liabilities	-123.2	-	-	-110.4	11.6%	-246.5	-	-	-220.8	11.6%
Interest Exp. for OBRA '93	-2.5	-	-	-3.6	-31.0%	-5.0	-	-	-7.3	-31.5%
<b>Income (Loss)</b>	<b><u>\$304.9</u></b>	<b><u>[\$ -26.2]</u></b>	<b><u>NM</u></b>	<b><u>\$388.3</u></b>	<b><u>NM</u></b>	<b><u>\$621.9</u></b>	<b><u>\$ 44.5</u></b>	<b><u>NM</u></b>	<b><u>\$841.2</u></b>	<b><u>NM</u></b>

[ ]=Unfavorable variance to budget

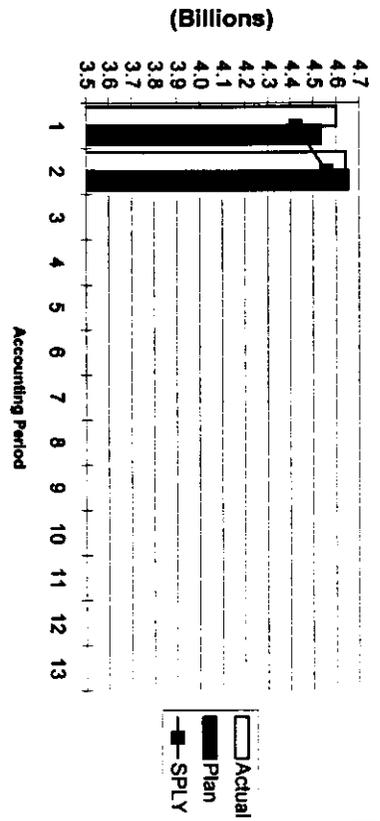
NM = Non-Meaningful

MAIL VOLUME - MAIL REVENUE  
(000'S)

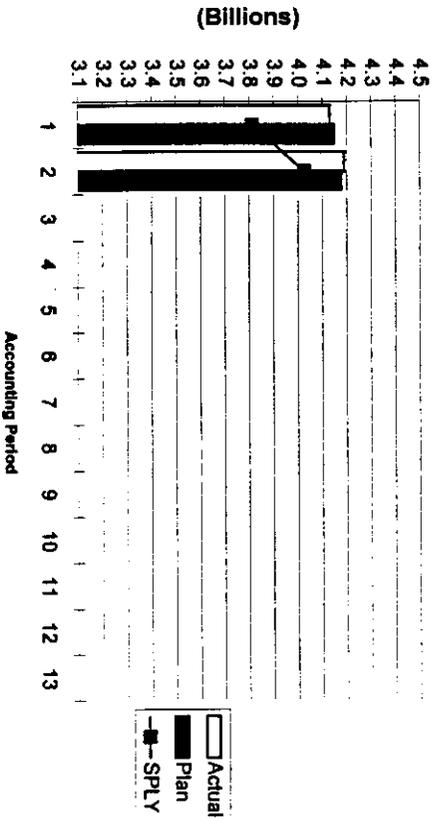
	CURRENT PERIOD			YEAR-TO-DATE		
	A/P 02	A/P 02	%	A/P 02	A/P 02	%
	1997	1996	CHANGE	1997	1996	CHANGE
<b>FIRST-CLASS</b>						
VOLUME	7,532,847	7,605,952	-1.0	15,335,290	15,140,552	1.3
REVENUE	\$2,534,093	\$2,554,175	-0.8	\$5,112,549	\$5,089,229	0.5
REV/PC.	0.3364	0.3368	0.2	0.3334	0.3361	-0.8
<b>PRIORITY-MAIL</b>						
VOLUME	82,041	72,067	13.8	161,248	136,316	18.3
REVENUE	\$289,342	\$285,327	13.3	\$571,569	\$484,245	18.0
REV/PC.	3.5268	3.5429	-0.5	3.5447	3.5524	-0.2
<b>EXPRESS MAIL</b>						
VOLUME	4,398	3,946	11.5	8,789	8,323	5.6
REVENUE	\$56,530	\$49,335	14.6	\$112,701	\$107,741	4.6
REV/PC.	12.8536	12.5025	2.8	12.8230	12.9450	-0.9
<b>PERIODICALS</b>						
VOLUME	827,580	843,986	-1.9	1,630,773	1,590,314	2.5
REVENUE	\$174,015	\$174,092	0.0	\$332,723	\$328,161	1.4
REV/PC.	0.2103	0.2063	1.9	0.2040	0.2063	-1.1
<b>STANDARD (A) MAIL</b>						
VOLUME	7,115,263	6,528,481	9.0	13,686,214	12,703,329	7.7
REVENUE	\$1,179,394	\$1,125,437	4.8	\$2,295,020	\$2,194,507	4.6
REV/PC.	0.1668	0.1724	-3.8	0.1677	0.1728	-2.9
<b>STANDARD (B) MAIL</b>						
VOLUME	93,387	86,447	8.0	183,481	161,718	13.5
REVENUE	\$140,782	\$137,036	2.7	\$281,561	\$262,643	7.2
REV/PC.	1.5075	1.5852	-4.9	1.5346	1.6241	-5.5
<b>INTERNATIONAL</b>						
VOLUME	72,361	73,993	-2.2	144,140	152,797	-5.7
REVENUE	\$117,849	\$130,770	-9.9	235,681	251,929	-6.4
REV/PC.	1.6286	1.7673	-7.8	1.6351	1.6488	-0.8
<b>ALL OTHER_1/</b>						
VOLUME	31,498	38,048	-17.2	59,192	77,435	-23.6
REVENUE	\$133	\$58	129.3	\$268	\$163	64.4
<b>ALL MAIL</b>						
VOLUME	15,759,375	15,252,920	3.3	31,209,127	29,970,784	4.1
REVENUE	\$4,492,138	\$4,426,230	1.5	\$8,942,172	\$8,718,618	2.6
REV/PC.	0.2850	0.2902	-1.8	0.2865	0.2909	-1.5

\_1/ All other volume consists of a decrease of 7,280 pieces in Internal Mail for the period and a decrease of 15,495 pieces year to date from this time a year ago.

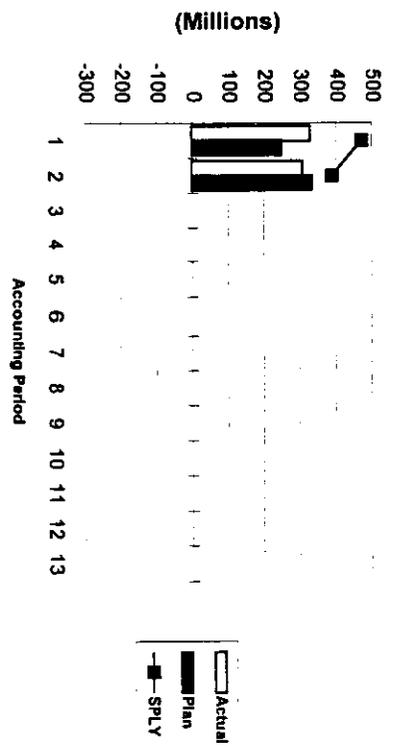
### NET OPERATING REVENUE FY 1997



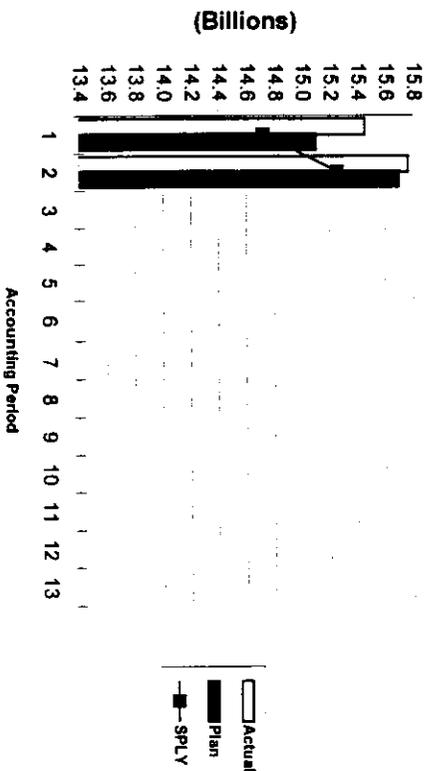
### TOTAL OPERATING EXPENSES FY 1997



### INCOME (LOSS) FY 1997



### MAIL VOLUME FY 1997



**Revenue by Source**  
**A/P 2, FY 1997**  
(\$ Millions)

	Current Period				Year-To-Date		
	Actual	SPLY	% Diff		Actual	SPLY	% Diff
Operating Revenue:	\$ 1,865.1	\$ 1,855.2	0.5	\$ 3,785.9	\$ 3,715.2	1.9	
Metered Postage	842.5	854.1	-1.4	1,662.0	1,667.0	-0.3	
Stamps and Stamped Paper	1,260.9	1,175.6	7.3	2,424.9	2,278.4	6.4	
Permit Imprint	178.0	177.8	0.1	341.3	336.5	1.4	
Second and Third Class	43.7	46.8	-6.6	131.6	118.3	11.2	
Official Mail	294.3	284.9	3.3	592.4	566.2	4.6	
Presort First and Fourth Class/Permit Imprint	44.3	42.0	5.5	88.6	84.0	5.5	
Box Rents	14.2	14.0	1.5	28.4	28.5	-0.2	
Money Order Fees	90.1	98.3	-8.3	169.3	185.0	-8.5	
Other	4,633.1	4,548.7	1.9	9,224.4	8,979.1	2.7	
Subtotal							
Government Appropriation:							
Revenue Forgone	6.4	7.3	-12.0	14.7	14.5	0.9	
Total Operating Revenue	4,639.5	4,556.0	1.8	9,239.1	8,993.6	2.7	
Investment Income	3.8	9.8	-60.9	13.3	27.7	-52.0	
Total Revenue	\$ 4,643.3	\$ 4,565.8	1.7	\$ 9,252.4	\$ 9,021.3	2.6	

**Expense Analysis**  
**Accounting Period 2, FY 1997**  
(\$ Millions)

	Current Period				Year-To-Date					
	Actual	Var to Budget	%Var	SPLY	Actual	Var to Budget	%Var	SPLY	% Var to SPLY	
<b>Personnel Compensation</b>	\$3,420.1	[ 41.1 ]	[ 1.2%]	\$3,324.8	2.9%					
Non-Personnel Expense:										
Transportation	286.9	-0.9	-0.3%	276.6	3.7%	572.6	[ 4.6 ]	[ 0.8%]	558.5	2.5%
Supplies & Services	156.5	-20.9	-11.8%	162.6	-3.8%	273.8	-56.1	-17.1%	211.6	29.3%
Other	322.4	-4.5	-1.4%	260.2	23.9%	613.7	-24.8	-3.9%	537.4	14.2%
<b>Subtotal</b>	<b>765.8</b>	<b>-26.3</b>	<b>-3.3%</b>	<b>699.4</b>	<b>9.5%</b>	<b>1,460.1</b>	<b>-76.3</b>	<b>-5.0%</b>	<b>1,307.6</b>	<b>11.7%</b>
<b>Total Operating Expense</b>	<b>4,185.9</b>	<b>[ 14.8 ]</b>	<b>[ 0.4%]</b>	<b>4,024.3</b>	<b>4.0%</b>	<b>8,325.4</b>	<b>[ 12.4 ]</b>	<b>[ 0.1%]</b>	<b>7,870.3</b>	<b>5.8%</b>
Interest Expense	26.8	-0.8	-3.0%	39.2	-31.7%	53.6	-0.7	-1.3%	81.6	-34.3%
Interest on Deferred Ret. Liabilities	123.2	-	-	110.4	11.6%	246.5	-	-	220.8	11.6%
Interest on OBRA '93	2.5	-	-	3.6	-31.0%	5.0	-	-	7.3	-31.5%
Retroactive Assessment										
<b>Total Expense</b>	<b>\$ 4,338.4</b>	<b>[ 14.0 ]</b>	<b>[ 0.3%]</b>	<b>\$ 4,177.5</b>	<b>3.9%</b>	<b>\$ 8,630.5</b>	<b>[ 11.7 ]</b>	<b>[ 0.1%]</b>	<b>\$ 8,180.0</b>	<b>5.5%</b>

[ ] = Unfavorable variance to Budget.

**Analysis of Operating Expenses  
Personnel Compensation  
(\$ Millions)**

Accounting Period 2						Year to Date					
Actual	Budget	% Var	SPLY*	% Var to		Actual	Budget	% Var	SPLY*	% Var to	
					<b>Total Compensation</b>						
					Operations:						
\$22.6	-0.4	-1.9%	\$21.7	4.2%	-Support	\$46.3	-1.4	-3.0%	\$42.8	8.1%	
855.9	[38.1]	[4.7%]	798.9	7.1%	-Mail Processing	1,705.5	[79.9]	[4.9%]	1,584.7	7.6%	
238.7	-0.6	-0.2%	229.4	4.1%	-Rural Delivery	484.1	[2.1]	[0.4%]	450.4	7.5%	
975.0	[7.6]	[0.8%]	962.3	1.3%	-Other Delivery	1,952.5	[13.8]	[0.7%]	1,894.3	3.1%	
66.0	[0.8]	[1.3%]	63.8	3.4%	-Vehicles Services	133.2	[1.5]	[1.2%]	126.4	5.4%	
160.8	[0.2]	[0.2%]	154.7	3.9%	-Plant & Equip Maint	324.6	[0.4]	[0.1%]	308.5	5.2%	
508.1	[8.5]	[1.7%]	496.9	2.3%	-Customer Services	1,022.7	[15.0]	[1.5%]	981.7	4.2%	
21.1	-0.3	-1.5%	20.5	3.0%	Controller	42.7	-1.2	-2.7%	40.6	4.9%	
22.8	-0.8	-3.3%	22.8	-0.1%	Human Resources	46.3	-2.2	-4.5%	44.9	3.0%	
35.0	[0.3]	[0.8%]	34.1	2.7%	Customer Service & Sales	70.8	[0.1]	[0.2%]	67.7	4.7%	
205.3	-12.4	-5.7%	204.0	0.6%	Administration	418.3	-19.3	-4.4%	406.1	3.0%	
37.1	[2.6]	[7.4%]	33.0	12.3%	Other Salaries & Benefits	74.8	[5.1]	[7.4%]	61.9	20.8%	
<u>\$3,148.3</u>	<u>[43.5]</u>	<u>[1.4%]</u>	<u>\$3,042.1</u>	<u>3.5%</u>	Total Salaries & Benefits	<u>\$6,321.9</u>	<u>[93.9]</u>	<u>[1.5%]</u>	<u>\$6,010.0</u>	<u>5.2%</u>	
63.5	0.0	0.0%	87.8	-27.7%	Workers' Compensation	127.0	0.0	0.0%	175.7	-27.7%	
6.7	-0.6	-8.3%	7.0	-4.3%	Unemployment Compensation	13.4	-1.2	-8.5%	14.0	-4.5%	
83.9	0.0	0.0%	89.8	-6.6%	Deferred Retirement Cost	167.7	0.0	0.0%	179.6	-6.6%	
44.6	0.0	0.0%	39.4	13.1%	CSRS Annuitant COLA	89.1	0.0	0.0%	78.8	13.1%	
45.1	0.0	0.0%	43.3	4.0%	Annuitant Health Benefits	90.1	0.0	0.0%	86.7	4.0%	
28.0	-1.9	-6.4%	15.4	NM	Other Compensation	56.0	-3.9	-6.5%	17.9	212.8%	
<u>\$3,420.1</u>	<u>[41.0]</u>	<u>[1.2%]</u>	<u>\$3,324.8</u>	<u>2.9%</u>	Total Personnel Compensation	<u>\$6,865.3</u>	<u>[88.7]</u>	<u>[1.3%]</u>	<u>\$6,562.7</u>	<u>4.6%</u>	

[ ] = Unfavorable variance to budget  
\* Recasted Data

**Analysis of Other Operating Expenses**  
(\$ Millions)

Accounting Period 2						Year to Date					
Actual	Budget	%Var	SPLY*	SPLY	% Var to	Actual	Budget	% Var	SPLY*	SPLY	% Var to
23.8	[0.7]	[3.0%]	22.8	4.6%		48.8	[3.2]	[6.9%]	44.7	9.3%	
24.8	[2.9]	[13.1%]	22.1	12.1%		43.0	[2.1]	[5.2%]	35.7	20.5%	
12.4	-5.1	-29.2%	13.8	-10.5%		19.7	-10.9	-35.7%	13.9	41.5%	
3.8	-0.3	-6.7%	3.8	-0.4%		7.6	-0.5	-5.9%	7.6	-0.6%	
11.9	[0.2]	[1.6%]	13.5	-11.7%		17.9	-2.9	-13.8%	14.7	21.7%	
5.9	-0.4	-6.2%	6.3	-5.6%		16.2	-1.3	-7.3%	13.7	17.5%	
5.2	-0.6	-10.6%	5.6	-7.5%		10.7	-0.7	-6.5%	11.3	-5.3%	
1.8	-2.2	-55.4%	2.8	-35.8%		4.1	-3.7	-47.2%	3.1	31.3%	
4.5	-1.1	-19.5%	5.2	-13.8%		7.3	-3.2	-30.2%	7.8	-6.2%	
4.6	[0.7]	[17.0%]	4.3	6.9%		8.9	[1.5]	[20.0%]	8.2	7.7%	
1.7	-0.1	-7.6%	1.5	12.6%		4.1	[0.4]	[10.2%]	3.8	7.7%	
7.1	[3.7]	[105.8%]	5.2	38.5%		10.5	[3.6]	[51.4%]	8.2	26.8%	
-2.7	[0.3]	[11.1%]	-4.1	-33.9%		-5.3	[0.8]	[13.5%]	-8.2	-35.3%	
19.1	-2.2	-10.3%	-17.4	-209.8%		33.9	-10.1	-23.0%	38.4	-11.7%	
<b>\$765.8</b>	<b>-26.3</b>	<b>-3.3%</b>	<b>\$699.4</b>	<b>9.5%</b>	<b>Total Other Operating Expenses</b>	<b>\$1,460.1</b>	<b>-76.4</b>	<b>-5.0%</b>	<b>\$1,307.7</b>	<b>11.7%</b>	

[ ]=Unfavorable variance to budget

\* Recasted Data

**Statement of Financial Position**  
**AP 2, FY 1997**  
(\$ Millions)

	<u>November 8, 1996</u>	<u>October 11, 1996</u>	<u>September 30, 1996*</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents <u>_1/</u>	\$670.0	\$1,217.5	\$301.1
U.S. Government securities, at amortized cost which approximates market	8.7	8.7	8.7
<b>Receivables:</b>			
Foreign countries	376.0	433.4	547.2
U.S. Government	178.3	176.1	109.5
Other	196.1	199.2	153.9
	<u>750.4</u>	<u>808.7</u>	<u>810.6</u>
Less allowances	84.0	84.3	83.3
	<u>666.4</u>	<u>724.4</u>	<u>727.3</u>
Supplies, advances and prepayments	382.5	400.9	410.0
<b>Total Current Assets</b>	<u>1,727.6</u>	<u>2,351.5</u>	<u>1,447.1</u>
Other assets <u>_2/</u>	354.3	354.3	354.2
<b>Property and equipment, at cost:</b>			
Buildings	13,066.8	12,979.8	12,923.3
Equipment	9,901.4	9,791.7	9,738.2
Land	2,132.6	2,125.1	2,107.0
	<u>25,100.8</u>	<u>24,896.6</u>	<u>24,768.5</u>
Less allowances for depreciation	8,971.0	8,885.5	8,843.2
	<u>16,129.8</u>	<u>16,011.1</u>	<u>15,925.3</u>
Construction in progress	1,513.1	1,512.1	1,551.7
Leasehold improvements, net	395.3	385.3	380.9
	<u>18,038.2</u>	<u>17,908.5</u>	<u>17,857.9</u>
Deferred retirement costs <u>_3/</u>	33,722.9	33,851.3	31,944.3
<b>Total Assets</b>	<u>\$53,843.0</u>	<u>\$54,465.6</u>	<u>\$51,603.5</u>

\_1/ Includes securities with maturities of 90 days or less in accordance with Statement of Financial Accounting Standards (SFAS) No. 95.

\_2/ Includes \$352.6 million as of September 30, October 11, and November 8, 1996 for supplemental appropriation receivable for revenue forgone.

\* Audited year-end data

**Statement of Financial Position**  
**AP 2, FY 1997**  
(\$ Millions)

	<u>November 8, 1996</u>	<u>October 11, 1996</u>	<u>September 30, 1996*</u>
<b>Liabilities and Equities</b>			
<b>Current Liabilities:</b>			
Compensation and employees' benefits	\$5,041.1	\$4,917.9	\$4,742.7
Estimated prepaid postage	1,734.1	1,726.4	1,723.4
<b>Payables and accrued expenses:</b>			
Foreign countries	541.9	607.2	720.5
U.S. Government	320.5	310.2	225.9
Other	1,422.6	1,383.8	877.7
	<u>2,285.0</u>	<u>2,301.2</u>	<u>1,824.1</u>
Appropriation for free & reduced rate mail	73.1	79.5	0.0
Prepaid permit mail and box rentals	1,477.9	1,481.6	1,592.3
Outstanding postal money orders	1,264.8	1,401.6	680.6
Current portion of long-term debt	1,009.5	2,009.5	2,009.5
	<u>12,885.5</u>	<u>13,917.7</u>	<u>12,572.6</u>
<b>Total Current Liabilities</b>			
Long-term debt, less current portion	3,909.0	3,908.7	3,909.2
<b>Other Liabilities:</b>			
Amounts payable for retirement benefits _3/	31,579.9	31,579.9	30,459.4
Worker's compensation claims	4,972.6	4,909.1	4,890.0
Retroactive assessment payable to the U.S. Government	335.7	333.3	330.8
Employees accumulated leave	1,770.6	1,737.6	1,621.9
Other	615.3	601.1	443.1
<b>Total Other Liabilities</b>	<u>39,274.1</u>	<u>39,161.0</u>	<u>37,745.2</u>
Equity of the U.S. Government	-2,225.6	-2,521.8	-2,623.5
<b>Total Liabilities and Equity</b>	<u>\$53,843.0</u>	<u>\$54,465.6</u>	<u>\$51,603.5</u>

\_3/ Represents the Postal Service's deferred retirement liability to OPM for increases in basic pay, and annuitants COLAs. Amounts applicable to future periods are capitalized as deferred retirement costs and amortized over 30 years for basic pay and 15 years for annuitants' COLAs.

\* Audited year-end data

**CAPITAL INVESTMENTS**  
1997  
(\$ MILLIONS)

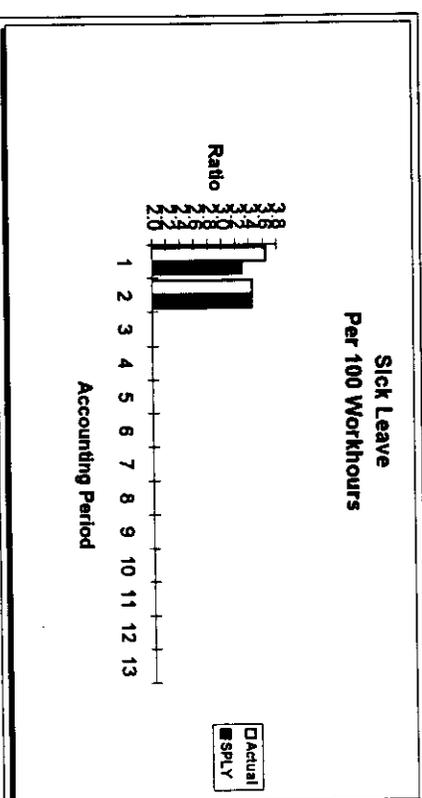
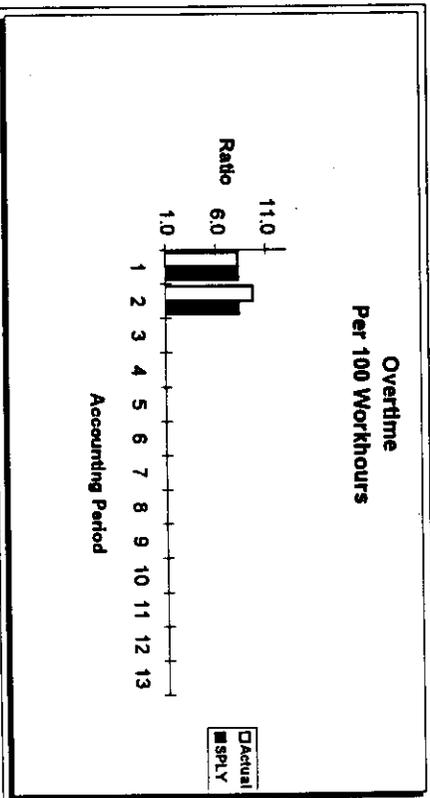
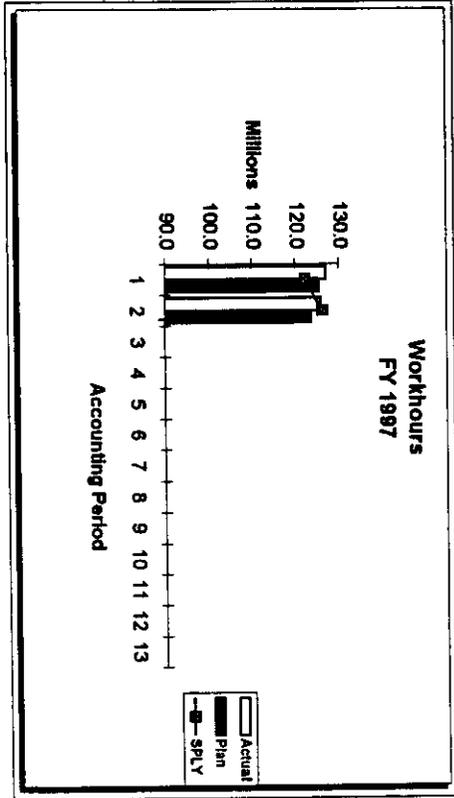
MAJOR CATEGORIES	COMMITMENTS			EXPENDITURES		
	A/P 02 - YEAR TO DATE			A/P 02 - YEAR TO DATE		
	ACTUAL	PLAN	SPLY	ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	\$152.8	\$145.1	\$10.2	\$31.8	\$76.0	\$120.8
BUILDING IMPROVEMENTS	90.2	64.7	18.6	71.2	71.5	57.7
MAIL PROCESSING EQUIPMENT	21.3	25.1	1.7	162.9	178.8	79.3
VEHICLES	3.3	0.4	0.5	23.7	16.9	2.8
RETAIL EQUIPMENT	1.7	2.2	0.0	3.8	1.0	0.1
POSTAL SUPPORT EQUIPMENT	35.0	41.4	16.1	71.0	48.7	70.2
<b>TOTAL COMMITMENTS</b>	<b>\$304.3</b>	<b>\$278.9</b>	<b>\$47.1</b>	<b>\$364.4</b>	<b>\$392.9</b>	<b>\$330.9</b>

**RESOURCES ON ORDER**  
(\$ MILLIONS)

MAJOR CATEGORIES - EXPENDITURES	Nov 8,	Sept. 30,
	1996	1996
CONSTRUCTION AND BUILDING PURCHASE	\$621.8	\$506.9
BUILDING IMPROVEMENTS	417.9	418.0
MAIL PROCESSING EQUIPMENT	1080.7	1222.3
VEHICLES	290.2	310.6
RETAIL EQUIPMENT	217.3	219.4
POSTAL SUPPORT EQUIPMENT	127.2	163.2
INVENTORIES	269.2	288.7
RESEARCH AND DEVELOPMENT	83.9	68.9
MISCELLANEOUS EXPENSE COMMITMENTS	1602.1	1458.5
<b>TOTAL RESOURCES ON ORDER</b>	<b>\$4,710.3</b>	<b>\$4,656.5</b>

**STATEMENT OF CASH FLOWS**  
(\$ Millions)

For the year through November 8, 1996	FY 1997
<b>Cash flows from operating activities:</b>	
Net income/(loss) (Government Fiscal Year)	\$ 397.9
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:	
Depreciation and amortization	228.5
Increase/(decrease) in other liabilities	172.2
Increase/(decrease) in employees' accumulated leave	148.7
Increase/(decrease) in non-current workers' compensation claims	82.6
Increase/(decrease) in retirement, net	(653.2)
Changes in current assets and liabilities:	
Increase/(decrease) in accrued compensation and benefits	298.4
Increase/(decrease) in deferred revenue	(30.6)
Increase/(decrease) in payables and accrued expenses	460.9
(Increase)/decrease in receivables	60.9
(Increase)/decrease in supplies, advances and prepayments	27.5
Increase/(decrease) in outstanding postal money orders	584.2
<b>Net cash provided/(used) by operating activities</b>	<b>1,778.0</b>
<b>Cash flows from investing activities:</b>	
Sale/(purchase) of U.S. Government securities, net	(408.8)
Purchase of property and equipment, net	(408.8)
<b>Net cash used in investing activities</b>	<b>(408.8)</b>
<b>Cash flows from financing activities:</b>	
Increase/(decrease) in long term debt	(1,000.2)
(Increase)/decrease in other non-current assets	(0.1)
<b>Net cash provided by financing activities</b>	<b>(1,000.3)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>368.9</b>
Cash and cash equivalents at beginning of period	301.1
<b>Cash and cash equivalents at end of period</b>	<b>\$ 670.0</b>



**WORKHOURS & OVERTIME/SICK LEAVE RATIOS**  
(Thousands)

Accounting Period 2				Year to Date						
	Actual	Budget	% Var	SPLY*	% Var to SPLY	Actual	Budget	% Var	SPLY*	% Var to SPLY
<b>Operations:</b>										
-Support	717	-9	-1.2%	700	2.4%	1,466	-2	-0.1%	1,378	6.4%
-Mail Processing	35,409	[1,298]	[3.8%]	34,325	3.2%	70,403	[2,333]	[3.4%]	67,781	3.9%
-Rural Delivery	11,271	[45]	[0.4%]	11,260	0.1%	22,927	[185]	[0.8%]	22,024	4.1%
-Other Delivery	38,353	[108]	[0.3%]	39,555	-3.0%	77,104	[35]	[0.0%]	77,489	-0.5%
-Vehicles Services	2,453	[34]	[1.4%]	2,437	0.7%	4,960	[54]	[1.1%]	4,815	3.0%
-Plant & Equip Maint	6,093	-13	-0.2%	6,060	0.5%	12,333	-51	-0.4%	12,023	2.6%
-Customer Services	20,327	[273]	[1.4%]	20,722	-1.9%	40,968	[470]	[1.2%]	40,777	0.5%
Controller	740	-11	-1.5%	740	0.0%	1,499	-38	-2.5%	1,463	2.5%
Human Resources	746	-5	-0.7%	762	-2.1%	1,513	-25	-1.6%	1,495	1.2%
Customer Service & Sales	1,273	[14]	[1.1%]	1,273	0.0%	2,585	[17]	[0.7%]	2,522	2.5%
Administration	6,831	[312]	[4.8%]	7,009	-2.5%	13,994	[714]	[5.4%]	13,876	0.9%
Other	1,495	[96]	[6.9%]	1,389	7.6%	3,018	[171]	[6.0%]	2,705	11.6%
<b>Total Workhours</b>	125,708	[2,142]	[1.7%]	126,232	-0.4%	252,770	[3,863]	[1.6%]	248,348	1.8%
<b>Overtime</b>										
	<u>Actual</u>	<u>Budget</u>		<u>SPLY</u>		<u>Actual</u>	<u>Budget</u>		<u>SPLY</u>	
Overtime Ratio	9.6		8.0	8.2		8.9		7.6	8.2	
Per 100 Workhours										
<b>Sick Leave</b>										
	<u>Actual</u>			<u>SPLY</u>		<u>Actual</u>			<u>SPLY</u>	
Sick Leave Ratio	3.4		--	3.4		3.6		--	3.4	
Per 100 Workhours										

[ ] = Unfavorable variance to budget  
\* Recasted Data





