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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

UNITED STATES POSTAL SERVICE®

# FINANCIAL & OPERATING STATEMENTS

## Accounting Period 05, PFY 1997

## January 4, 1997 - January 31, 1997

Finance

POSTAL RATE COMMISSION
DOCKETED
MAR 1 5 1997
OFFICE OF THE SECRETARY

# HIGHLIGHTS
# (MILLIONS)

| Accounting Period 5 | | | | | | Year to Date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | % Var. | SPLY | % Var to SPLY | | Actual | Var. to Budget | % Var. | SPLY | % Var to SPLY |
| $ 4,617.2 | [$ - 0.9 ] | [ - 0.0 ] | $ 4,438.9 | 4.0 | Total Revenue | $ 22,930.2 | [$ - 210.0 ] | [ - 0.9 ] | $ 22,484.7 | 2.0 |
| 4,451.8 | - 95.4 | - 2.1 | 4,317.1 | 3.1 | Total Expense | 22,104.9 | - 249.7 | - 1.1 | 21,039.2 | 5.1 |
| $ 165.4 | $ 94.5 | NM | $ 121.8 | NM | Income\(Loss) | $ 825.3 | $ 39.7 | NM | $ 1,445.5 | NM |
| $ 137.0 | $ - 6.6 | - 4.6 | $ 55.4 | 147.3 | Capital Commitments | $ 620.3 | $ - 298.1 | - 32.5 | $ 363.6 | 70.6 |
| 124.0 | [ 0.5 ] | [ 0.4 ] | 122.4 | 1.3 | Total Workhours | 627.9 | [ 5.3 ] | [ 0.8 ] | 619.3 | 1.4 |
| 15,121.8 | 267.9 | 1.8 | 14,488.6 | 4.4 | Mail Volume | 75,194.3 | [ - 444.3 ] | [ - 0.6 ] | 73,243.6 | 2.7 |

[ ] = Unfavorable variance to budget
NM = Non-Meaningful

| Actual Number Of: | Current Period | Last Period | SPLY |
|---|---|---|---|
| Post Offices | 28,028 | 28,062 | 28,214 |
| Active Postal Owned Vehicles | | | |
| Administrative | 4,799 | 4,825 | 4,836 |
| Operations | 198,880 | 198,872 | 200,447 |
| Possible City Deliveries (000) | 81,524 | 81,494 | 80,950 |
| Rural Routes | 58,169 | 57,934 | 55,122 |
| Delivery Routes | 170,198 | 170,317 | 171,810 |
| Career Employees | 758,271 | 760,280 | 756,380 |
| Casual Employees | 31,008 | 17,217 | 29,704 |
| Transitional Employees | 34,341 | 35,466 | 34,448 |

## STATEMENT OF INCOME & EXPENSE
## ($ MILLIONS)

| Accounting Period 5 | | | | | | Year to date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | %Var. | SPLY | % Var to SPLY | | Actual | Var. to Budget | %Var. | SPLY | % Var to SPLY |
| $ 4,612.1 | $ 0.7 | 0.0 | $ 4,430.2 | 4.1 | Operating Revenue | $ 22,902.0 | [$ - 208.8 ] | [ - 0.9 ] | $ 22,424.8 | 2.1 |
| 4,303.5 | - 94.7 | - 2.2 | 4,171.2 | 3.2 | Operating Expense | 21,350.8 | - 248.6 | - 1.2 | 20,281.2 | 5.3 |
| $ 308.6 | $ 95.4 | NM | $ 259.0 | NM | Income From Operations | $ 1,551.2 | $ 39.8 | NM | $ 2,143.6 | NM |
| 5.1 | [ - 1.6 ] | [- 24.1 ] | 8.7 | - 41.0 | Investment Income | 28.2 | [ - 1.2 ] | [ - 4.0 ] | 59.9 | - 52.9 |
| - 25.5 | 0.7 | - 2.7 | - 31.9 | - 20.1 | Interest Expense | - 131.4 | 1.1 | - 0.8 | - 187.8 | - 30.0 |
| - 120.3 | 0.0 | 0.0 | - 110.4 | 9.0 | Interest on Deferred Ret. Liabilities | - 610.3 | 0.0 | 0.0 | - 552.0 | 10.6 |
| - 2.5 | 0.0 | 0.0 | - 3.6 | - 31.0 | Interest Exp. for OBRA '93 | - 12.4 | 0.0 | 0.0 | - 18.2 | - 31.9 |
| $ 165.4 | 94.5 | NM | $ 121.8 | NM | Income (Loss) | $ 825.3 | 39.7 | NM | $ 1,445.5 | NM |

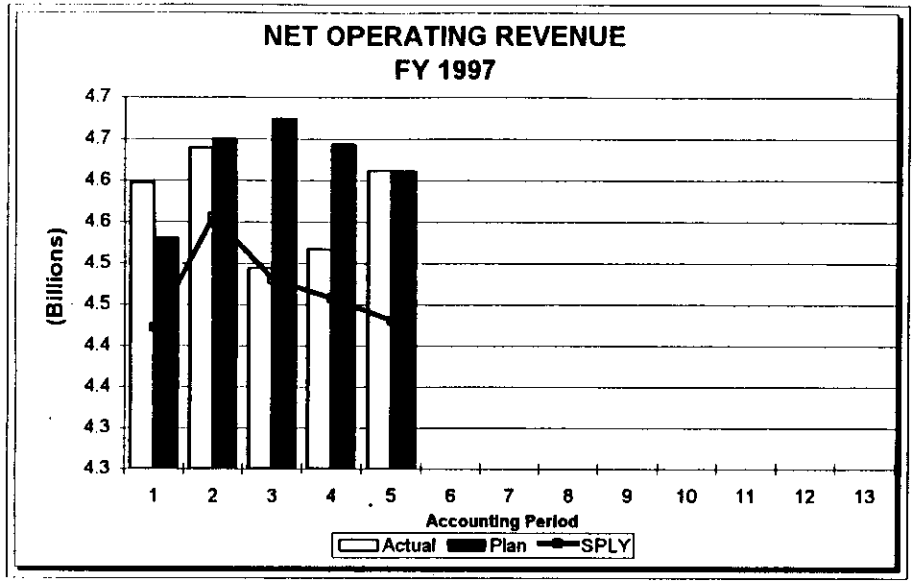
[ ]=Unfavorable variance to budget

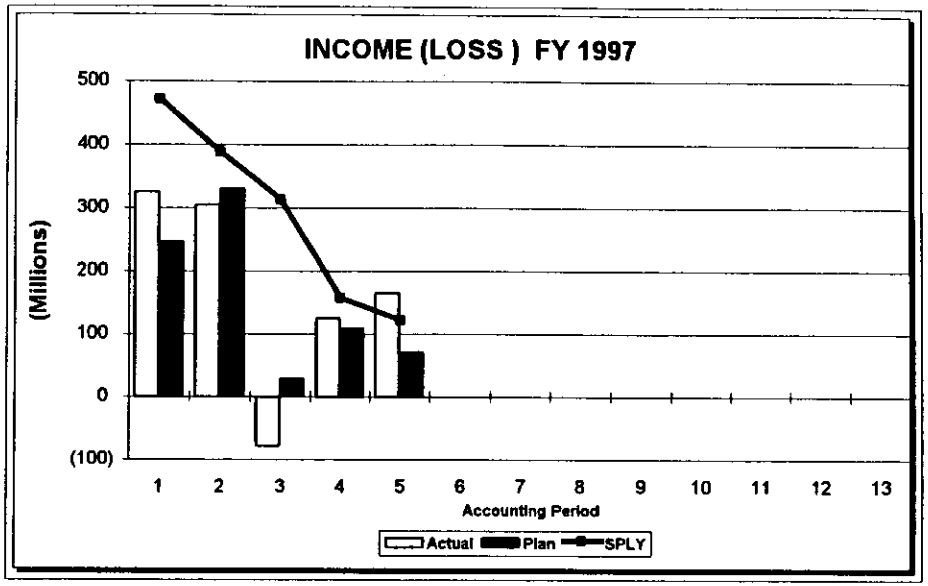
NM = Non-Meaningful

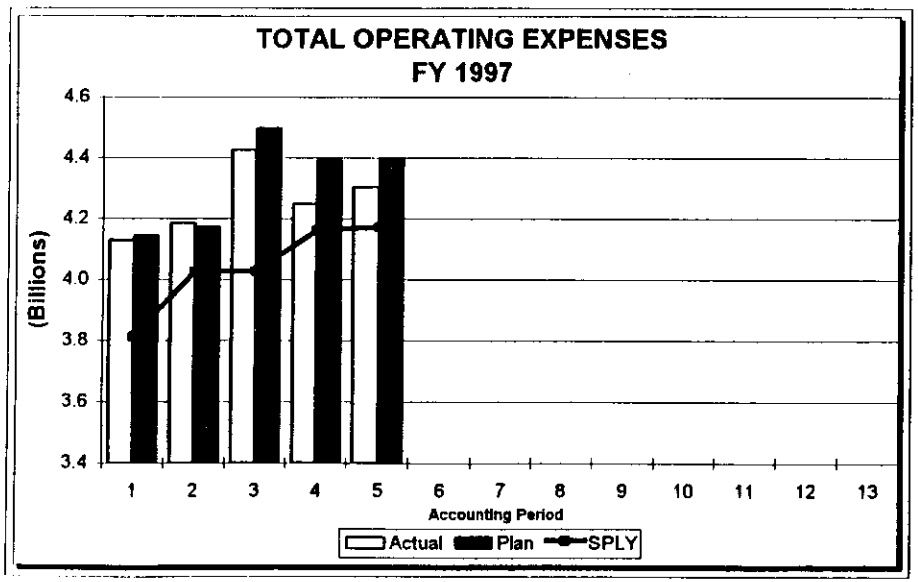
## MAIL VOLUME - MAIL REVENUE
(000'S)

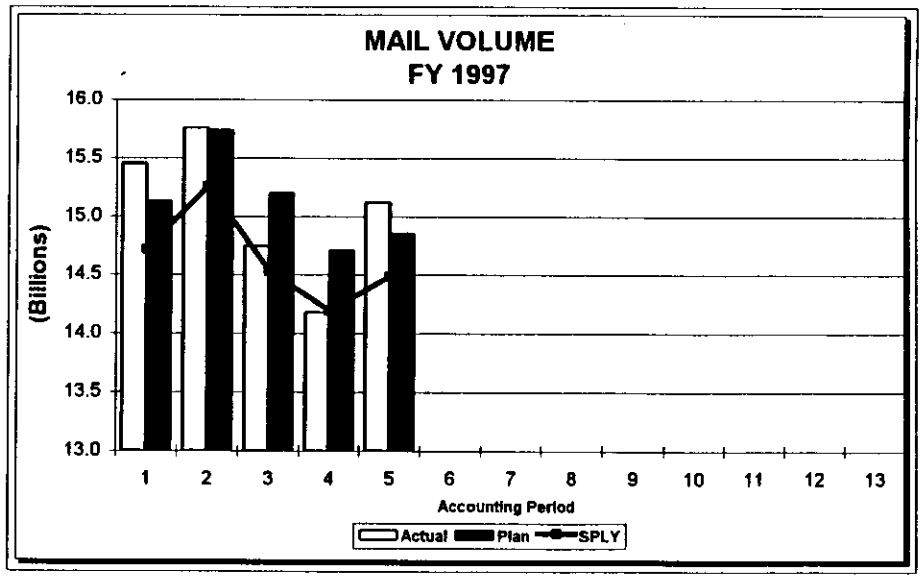
| | CURRENT PERIOD | | | YEAR-TO-DATE | | |
|---|---|---|---|---|---|---|
| | A/P 05 1997 | A/P 05 1996 | % CHANGE | A/P 05 1997 | A/P 05 1996 | % CHANGE |
| **FIRST-CLASS** | | | | | | |
| VOLUME | 8,263,933 | 8,156,728 | 1.3 | 39,389,371 | 39,261,988 | 0.3 |
| REVENUE | $ 2,743,877 | $ 2,735,277 | 0.3 | $ 13,152,305 | $ 13,131,673 | 0.2 |
| REV/PC. | 0.3320 | 0.3353 | - 1.0 | 0.3339 | 0.3345 | - 0.2 |
| **PRIORITY-MAIL** | | | | | | |
| VOLUME | 80,972 | 65,467 | 23.7 | 406,973 | 352,297 | 15.5 |
| REVENUE | $ 288,987 | $ 229,904 | 25.7 | $ 1,489,025 | $ 1,288,079 | 15.6 |
| REV/PC. | 3.5690 | 3.5118 | 1.6 | 3.6588 | 3.6562 | 0.1 |
| **EXPRESS MAIL** | | | | | | |
| VOLUME | 4,656 | 4,234 | 10.0 | 22,730 | 21,375 | 6.3 |
| REVENUE | $ 59,005 | $ 53,716 | 9.8 | $ 294,543 | $ 276,655 | 6.5 |
| REV/PC. | 12.6729 | 12.6868 | - 0.1 | 12.9583 | 12.9429 | 0.1 |
| **PERIODICALS** | | | | | | |
| VOLUME | 800,493 | 802,995 | - 0.3 | 3,925,965 | 3,913,053 | 0.3 |
| REVENUE | $ 156,088 | $ 159,297 | - 2.0 | $ 784,807 | $ 792,063 | - 0.9 |
| REV/PC. | 0.1950 | 0.1984 | - 1.7 | 0.1999 | 0.2024 | - 1.2 |
| **STANDARD (A) MAIL** | | | | | | |
| VOLUME | 5,766,302 | 5,276,504 | 9.3 | 30,478,439 | 28,690,217 | 6.2 |
| REVENUE | $ 969,819 | $ 902,761 | 7.4 | $ 5,104,645 | $ 4,907,005 | 4.0 |
| REV/PC. | 0.1682 | 0.1711 | - 1.7 | 0.1675 | 0.1710 | - 2.1 |
| **STANDARD (B) MAIL** | | | | | | |
| VOLUME | 76,314 | 71,379 | 6.9 | 396,874 | 381,545 | 4.0 |
| REVENUE | $ 121,700 | $ 114,725 | 6.1 | $ 683,228 | $ 645,892 | 5.8 |
| REV/PC. | 1.5947 | 1.6073 | - 0.8 | 1.7215 | 1.6928 | 1.7 |
| **INTERNATIONAL** | | | | | | |
| VOLUME | 78,376 | 83,365 | - 6.0 | 402,892 | 446,731 | - 9.8 |
| REVENUE. | $ 124,361 | $ 129,698 | - 4.1 | $ 651,140 | $ 683,744 | - 4.8 |
| REV/PC. | 1.5867 | 1.5558 | 2.0 | 1.6162 | 1.5305 | 5.6 |
| **ALL OTHER_1/** | | | | | | |
| VOLUME | 50,719 | 27,914 | 81.7 | 171,099 | 176,411 | - 3.0 |
| REVENUE | $ 133 | $ 132 | 0.6 | $ 800 | $ 484 | 65.4 |
| **ALL MAIL** | | | | | | |
| VOLUME | 15,121,765 | 14,488,586 | 4.4 | 75,194,343 | 73,243,618 | 2.7 |
| REVENUE | $ 4,463,970 | $ 4,325,511 | 3.2 | $ 22,160,494 | $ 21,725,595 | 2.0 |
| REV/PC. | 0.2952 | 0.2985 | - 1.1 | 0.2947 | 0.2966 | - 0.6 |

_1/ All other volume consists of an increase of 17,607 pieces in Internal Mail for the period and a decrease of 10,169 pieces year to date from this time a year ago.


NET OPERATING REVENUE
FY 1997
(Billions)
4.7
4.7
4.6
4.6
4.5
4.5
4.4
4.4
4.3
4.3
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


INCOME (LOSS ) FY 1997
(Millions)
500
400
300
200
100
0
(100)
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


TOTAL OPERATING EXPENSES
FY 1997
(Billions)
4.6
4.4
4.2
4.0
3.8
3.6
3.4
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


MAIL VOLUME
FY 1997
(Billions)
16.0
15.5
15.0
14.5
14.0
13.5
13.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY

# Revenue by Source
## A/P 5, FY 1997
($ Millions)

| Current Period | | | | Year-To-Date | | |
|---|---|---|---|---|---|---|
| Actual | SPLY | % Diff | | Actual | SPLY | % Diff |
| | | | **Operating Revenue:** | | | |
| $ 2,011.1 | $ 1,929.0 | 4.3 | Metered Postage | $ 9,483.4 | $ 9,330.8 | 1.6 |
| 837.5 | 825.5 | 1.5 | Stamps and Stamped Paper | 4,554.7 | 4,558.1 | - 0.1 |
| 1,033.4 | 955.5 | 8.2 | Permit Imprint | 5,481.1 | 5,183.0 | 5.8 |
| 161.1 | 164.1 | - 1.8 | Periodicals & Standard A | 807.1 | 816.9 | - 1.2 |
| 66.6 | 66.3 | 0.5 | Official Mail | 334.0 | 344.2 | - 3.0 |
| 341.1 | 325.0 | 5.0 | Presort First and Standard B/Permit Imprint | 1,498.0 | 1,410.4 | 6.2 |
| 44.3 | 42.0 | 5.5 | Box Rents | 221.6 | 210.1 | 5.5 |
| 13.0 | 13.1 | - 0.8 | Money Order Fees | 67.4 | 68.3 | - 1.4 |
| 97.7 | 102.4 | - 4.6 | Other | 421.1 | 466.6 | - 9.8 |
| $ 4,605.8 | $ 4,422.9 | $ 4.1 | **Subtotal** | $ 22,868.4 | $ 22,388.4 | $ 2.1 |
| | | | **Government Appropriation:** | | | |
| 6.3 | 7.3 | - 13.7 | Revenue Forgone | 33.6 | 36.4 | - 7.6 |
| $ 4,612.1 | $ 4,430.2 | $ 4.1 | **Total Operating Revenue** | $ 22,902.0 | $ 22,424.8 | $ 2.1 |
| 5.1 | 8.7 | - 41.0 | Investment Income | 28.2 | 59.9 | - 52.9 |
| $ 4,617.2 | $ 4,438.9 | 4.0 | **Total Revenue** | $ 22,930.2 | $ 22,484.7 | |

# Expense Analysis
## Accounting Period 5, FY 1997
## ($ Millions)

| Accounting Period 5 | | | | | | Year-To-Date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | %Var. | SPLY | % Var to SPLY | | Actual | Var to Budget | %Var | SPLY | % Var to SPLY |
| $ 3,392.6 | $ - 26.7 | - 0.8 | $ 3,322.0 | 2.1 | **Personnel Compensation** | $ 17,352.9 | $ - 26.2 | - 0.2 | $ 16,543.4 | 4.9 |
| | | | | | Non-Personnel Expense: | | | | | |
| 366.9 | [ 7.0 ] | [ 2.0 ] | 356.4 | 2.9 | Transportation | 1,569.1 | [ 23.2 ] | [ 1.5 ] | 1,499.9 | 4.6 |
| 209.4 | - 53.0 | - 20.2 | 165.5 | 26.5 | Supplies & Services | 828.5 | - 159.3 | - 16.1 | 696.4 | 19.0 |
| 334.6 | - 22.0 | - 6.2 | 327.3 | 2.2 | Other | 1,600.3 | - 86.3 | - 5.1 | 1,541.5 | 3.8 |
| $ 910.9 | $ - 68.0 | - 7.0 | $ 849.2 | 7.2 | **Subtotal** | $ 3,997.9 | $ - 222.4 | - 5.3 | $ 3,737.8 | 7.0 |
| $ 4,303.5 | $ - 94.7 | - 2.2 | $ 4,171.2 | 3.2 | **Total Operating Expense** | $ 21,350.8 | $ - 248.6 | - 1.2 | $ 20,281.2 | 5.3 |
| 25.5 | - 0.7 | - 2.7 | 31.9 | - 20.1 | Interest Expense | 131.4 | - 1.1 | - 0.8 | 187.8 | - 30.0 |
| 120.3 | 0.0 | 0.0 | 110.4 | 9.0 | Interest on Deferred Ret. Liabil | 610.3 | 0.0 | 0.0 | 552.0 | 10.6 |
| 2.5 | 0.0 | 0.0 | 3.6 | - 31.0 | Interest on OBRA '93 Retroactive Assessment | 12.4 | 0.0 | 0.0 | 18.2 | - 31.9 |
| $ 4,451.7 | - 95.5 | - 2.1 | $ 4,317.1 | 3.1 | **Total Expense** | $ 22,104.9 | - 249.7 | - 1.1 | $ 21,039.2 | 5.1 |

[ ] = Unfavorable variance to Budget.

# Analysis of Operating Expenses
## Personnel Compensation
($ Millions)

| Accounting Period 5 | | | | | | Year to date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | % Var. | SPLY | % Var to SPLY | Total Compensation | Actual | Var. to Budget | %Var. | SPLY | % Var to SPLY |
| | | | | | Operations: | | | | | |
| $ 23.2 | $ - 0.6 | - 2.4 | $ 21.8 | 6.7 | -Support | $ 111.3 | $ - 5.6 | - 4.8 | $ 104.9 | 6.0 |
| 834.8 | [ 8.5 ] | [ 1.0 ] | 795.9 | 4.9 | -Mail Processing | 3,480.0 | [ 108.8 ] | [ 3.2 ] | 3,268.5 | 6.5 |
| 240.5 | - 6.6 | - 2.7 | 229.9 | 4.6 | -Rural Delivery | 1,195.6 | - 17.7 | - 1.5 | 1,131.4 | 5.7 |
| 959.5 | - 10.5 | - 1.1 | 959.2 | 0.0 | -Other Delivery | 4,807.9 | - 5.4 | - 0.1 | 4,730.7 | 1.6 |
| 67.2 | - 0.1 | - 0.1 | 64.9 | 3.5 | -Vehicles Services | 335.9 | [ 1.2 ] | [ 0.4 ] | 323.3 | 3.9 |
| 162.5 | - 1.8 | - 1.1 | 157.2 | 3.4 | -Plant & Equip Maint | 804.0 | - 8.3 | - 1.0 | 773.2 | 4.0 |
| 503.8 | - 0.4 | - 0.1 | 493.4 | 2.1 | -Customer Services | 2,539.8 | [ 9.4 ] | [ 0.4 ] | 2,471.7 | 2.8 |
| 21.6 | - 0.8 | - 3.7 | 20.5 | 5.2 | Controller | 104.3 | - 4.8 | - 4.4 | 100.7 | 3.6 |
| 23.1 | - 1.2 | - 4.9 | 22.4 | 3.3 | Human Resources | 110.7 | - 8.7 | - 7.3 | 109.4 | 1.2 |
| 34.3 | - 0.8 | - 2.3 | 33.5 | 2.2 | Customer Service & Sales | 168.5 | - 5.9 | - 3.4 | 165.4 | 1.9 |
| 149.0 | [ 0.7 ] | [ 0.5 ] | 144.0 | 3.5 | Administration | 725.5 | [ 2.6 ] | [ 0.4 ] | 713.4 | 1.7 |
| 97.8 | - 20.6 | - 17.4 | 91.3 | 7.2 | Other Salaries & Benefits | 1,313.1 | - 86.8 | - 6.2 | 1,235.5 | 6.3 |
| $ 3,117.4 | $ - 34.2 | - 1.1 | $ 3,034.1 | 2.7 | Total Salaries & Benefits | $ 15,696.6 | $ - 21.1 | - 0.1 | $ 15,128.1 | 3.8 |
| 63.5 | 0.0 | 0.0 | 71.9 | - 11.7 | Workers' Compensation | 317.5 | 0.0 | 0.0 | 359.7 | - 11.7 |
| 7.0 | [ 0.2 ] | [ 3.0 ] | 7.0 | 0.1 | Unemployment Compensation | 34.1 | - 3.4 | - 9.0 | 35.1 | - 2.7 |
| 82.9 | 0.0 | 0.0 | 89.8 | - 7.7 | Deferred Retirement Cost | 334.5 | 0.0 | 0.0 | 448.9 | - 25.5 |
| 43.5 | 0.0 | 0.0 | 39.4 | 10.3 | CSRS Annuitant COLA | 220.6 | 0.0 | 0.0 | 186.5 | 18.3 |
| 43.1 | 0.0 | 0.0 | 43.3 | - 0.6 | Annuitant Health Benefits | 221.3 | 0.0 | 0.0 | 216.6 | 2.2 |
| 35.3 | [ 7.3 ] | [ 26.0 ] | 36.4 | - 3.1 | Other Compensation | 528.1 | - 1.8 | - 0.3 | 168.5 | 213.4 |
| $ 3,392.6 | $ - 26.7 | - 0.8 | $ 3,322.0 | 2.1 | Total Personnel Compensation | $ 17,352.8 | $ - 26.2 | - 0.2 | $ 16,543.4 | 4.9 |

[ ] = Unfavorable variance to budget

* Recasted Data

# Analysis of Other Operating Expenses
($ Millions)

| Accounting Period 5 | | | | | | Year to date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | % Var. | SPLY | % Var to SPLY | Description | Actual | Var. to Budget | %Var. | SPLY | % Var to SPLY |
| $ 366.9 | [$ 7.0 ] | [ 2.0 ] | $ 356.4 | 2.9 | Transportation | $ 1,569.1 | [$ 23.2 ] | [ 1.5 ] | $ 1,499.9 | 4.6 |
| 209.4 | - 53.0 | - 20.2 | 165.5 | 26.5 | Supplies & Services | 828.5 | - 159.2 | - 16.1 | 696.4 | 19.0 |
| 118.7 | - 11.9 | - 9.1 | 99.8 | 18.9 | Depreciation | 579.4 | - 27.1 | - 4.5 | 488.5 | 18.6 |
| 53.3 | - 1.3 | - 2.4 | 49.5 | 7.7 | Rent | 258.0 | - 6.7 | - 2.5 | 242.1 | 6.6 |
| 35.1 | [ 0.9 ] | [ 2.7 ] | 33.8 | 3.7 | Fuel & Utilities | 146.7 | - 1.6 | - 1.1 | 138.9 | 5.6 |
| 24.1 | [ 1.3 ] | [ 5.9 ] | 22.4 | 7.9 | Rural Carrier Equip Maint Allow | 120.1 | [ 6.8 ] | [ 6.0 ] | 110.4 | 8.7 |
| 24.0 | [ 0.2 ] | [ 0.9 ] | 22.2 | 7.9 | Vehicle Maintenance | 114.1 | [ 6.2 ] | [ 5.8 ] | 99.9 | 14.2 |
| 13.1 | - 1.7 | - 11.3 | 12.4 | 6.0 | Building Projects Expensed | 62.2 | - 19.0 | - 23.4 | 47.6 | 30.8 |
| 3.9 | - 0.2 | - 5.9 | 3.8 | 1.7 | Contract Job Cleaners | 19.7 | - 0.6 | - 3.2 | 19.1 | 3.1 |
| 10.0 | - 0.8 | - 7.3 | 9.1 | 9.5 | Travel & Relocation | 49.0 | - 4.8 | - 9.0 | 43.9 | 11.7 |
| 13.9 | - 1.3 | - 8.6 | 11.0 | 25.8 | Communications | 57.2 | - 3.1 | - 5.1 | 45.4 | 26.0 |
| 4.7 | - 1.1 | - 19.4 | 5.6 | - 16.5 | Contract Stations | 28.2 | - 0.7 | - 2.3 | 30.1 | - 6.3 |
| 2.6 | - 0.5 | - 16.5 | 4.2 | - 38.0 | Printing | 10.7 | - 7.9 | - 42.3 | 13.4 | - 19.9 |
| 2.6 | - 2.3 | - 46.8 | 3.1 | - 15.8 | Training | 18.1 | - 11.4 | - 38.7 | 20.5 | - 12.0 |
| 3.9 | [ 0.2 ] | [ 6.7 ] | 3.9 | 0.9 | Carfare & Tolls | 21.5 | [ 3.1 ] | [ 17.1 ] | 19.9 | 7.7 |
| 2.3 | - 0.0 | - 2.0 | 2.3 | - 2.3 | Vehicle Hire | 11.3 | [ 1.2 ] | [ 11.5 ] | 9.5 | 19.0 |
| 4.5 | [ 0.4 ] | [ 9.9 ] | 4.3 | 6.1 | Accident Cost | 21.0 | [ 2.3 ] | [ 12.5 ] | 19.3 | 8.7 |
| - 1.8 | [ 1.3 ] | - 40.8 | - 2.3 | - 19.7 | Capitalized Interest | - 12.2 | [ 3.2 ] | - 20.6 | - 16.8 | - 27.2 |
| 19.8 | - 5.3 | - 21.1 | 42.1 | - 53.0 | Miscellaneous | 95.5 | - 26.2 | - 21.6 | 209.8 | - 54.5 |
| $ 910.9 | $ - 68.0 | - 7.0 | $ 849.2 | 7.2 | Total Other Operating Expenses | $ 3,997.9 | $ - 222.4 | - 5.3 | $ 3,737.8 | 7.0 |

[ ]=Unfavorable variance to budget
* Recasted Data

## Statement of Financial Position
## AP 5, FY 1997
($ Millions)

| Assets | January 31, 1997 | January 3, 1997 | September 30, 1996* |
|---|---|---|---|
| **Current Assets:** | | | |
| Cash and cash equivalents _1/ | $ 548.1 | $ 518.1 | $ 301.1 |
| U.S. Government securities, at amortized cost which approximates market | 8.7 | 8.7 | 8.7 |
| **Receivables:** | | | |
| Foreign countries | 393.5 | 396.1 | 547.2 |
| U.S. Government | 175.5 | 170.7 | 109.5 |
| Other | 202.5 | 215.6 | 153.9 |
| | $ 771.5 | $ 782.4 | $ 810.6 |
| Less allowances | 85.2 | 84.2 | 83.3 |
| | $ 686.3 | $ 698.2 | $ 727.3 |
| Supplies, advances and prepayments | 376.1 | 379.1 | 410.0 |
| **Total Current Assets** | $ 1,619.2 | $ 1,604.1 | $ 1,447.1 |
| Other assets _2/ | 354.5 | 354.2 | 354.2 |
| **Property and equipment, at cost:** | | | |
| Buildings | 13,322.9 | 13,256.0 | 12,923.3 |
| Equipment | 10,136.0 | 10,082.6 | 9,738.2 |
| Land | 2,146.3 | 2,139.2 | 2,107.0 |
| | $ 25,605.2 | $ 25,477.8 | $ 24,768.5 |
| Less allowances for depreciation | 9,244.3 | 9,149.5 | 8,843.2 |
| | $ 16,360.9 | $ 16,328.3 | $ 15,925.3 |
| Construction in progress | 1,646.3 | 1,595.4 | 1,551.7 |
| Leasehold improvements, net | 405.5 | 400.9 | 380.9 |
| | $ 18,412.7 | $ 18,324.6 | $ 17,857.9 |
| Deferred retirement costs _3/ | 33,341.7 | 33,468.1 | 31,944.3 |
| **Total Assets** | $ 53,728.1 | $ 53,751.0 | $ 51,603.5 |

_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, 1996, January 3 and January 31, 1997, for supplemental appropriation receivable for revenue forgone.

* Audited year-end data

## Statement of Financial Position
## AP 5, FY 1997
($ Millions)

| Liabilities and Equities | January 31, 1997 | January 3, 1997 | September 30, 1996* |
|---|---|---|---|
| **Current Liabilities:** | | | |
| Compensation and employees' benefits | $ 5,303.5 | $ 5,214.9 | $ 4,742.7 |
| Estimated prepaid postage | 1,751.4 | 1,746.6 | 1,723.4 |
| **Payables and accrued expenses:** | | | |
| Foreign countries | 592.7 | 586.5 | 720.5 |
| U.S. Government | 264.1 | 363.4 | 225.9 |
| Other | 1,569.8 | 1,548.3 | 877.7 |
| | $ 2,426.6 | $ 2,498.2 | $ 1,824.1 |
| Appropriation for free & reduced rate mail | 54.2 | 60.4 | 0.0 |
| Prepaid permit mail and box rentals | 1,416.3 | 1,542.1 | 1,592.3 |
| Outstanding postal money orders | 1,028.5 | 1,137.2 | 680.6 |
| Current portion of long-term debt | 509.5 | 509.5 | 2,009.5 |
| **Total Current Liabilities** | $ 12,490.0 | $ 12,708.9 | $ 12,572.6 |
| Long-term debt, less current portion | 3,908.4 | 3,908.6 | 3,909.2 |
| **Other Liabilities:** | | | |
| Amounts payable for retirement benefits _3/ | 31,579.9 | 31,579.9 | 30,459.4 |
| Worker's compensation claims | 5,163.1 | 5,099.6 | 4,890.0 |
| Retroactive assessment payable to the U.S. Government | 343.2 | 340.7 | 330.8 |
| Employees accumulated leave | 1,625.5 | 1,657.3 | 1,621.9 |
| Other | 646.5 | 643.9 | 443.1 |
| **Total Other Liabilities** | $ 39,358.2 | $ 39,321.4 | $ 37,745.2 |
| Equity of the U.S. Government | - 2,028.5 | - 2,187.9 | - 2,623.5 |
| **Total Liabilities and Equity** | $ 53,728.1 | $ 53,751.0 | $ 51,603.5 |

_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)

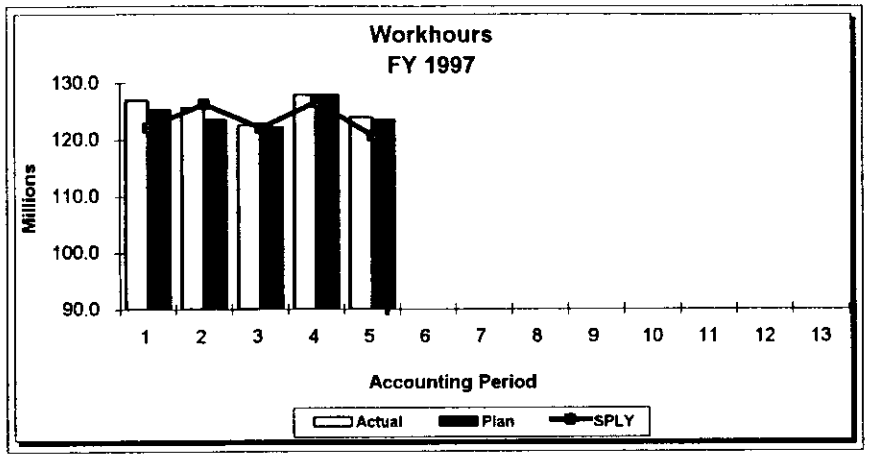
| MAJOR CATEGORIES | COMMITMENTS A/P 05 - YEAR TO DATE ACTUAL | PLAN | SPLY | EXPENDITURES A/P 05 - YEAR TO DATE ACTUAL | PLAN | SPLY |
|---|---|---|---|---|---|---|
| CONSTRUCTION AND BUILDING PURCHASE | $ 246 | $ 352 | $ 73 | $ 193 | $ 215 | $ 244 |
| BUILDING IMPROVEMENTS | 142 | 150 | 56 | 215 | 179 | 171 |
| MAIL PROCESSING EQUIPMENT | 111 | 267 | 174 | 408 | 519 | 238 |
| VEHICLES | 24 | 26 | 2 | 49 | 46 | 8 |
| RETAIL EQUIPMENT | 3 | 3 | 0 | 11 | 10 | 1 |
| POSTAL SUPPORT EQUIPMENT | 94 | 120 | 58 | 173 | 156 | 137 |
| TOTAL COMMITMENTS | $ 620 | $ 918 | $ 364 | $ 1,049 | $ 1,125 | $ 799 |

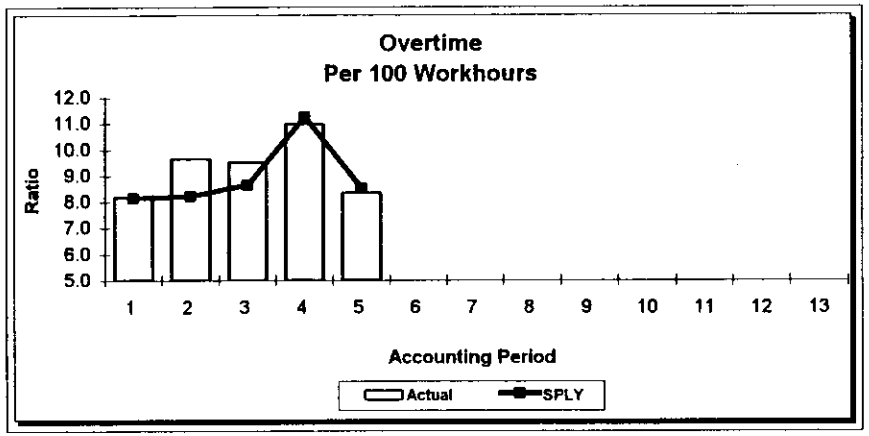
## RESOURCES ON ORDER
($ MILLIONS)

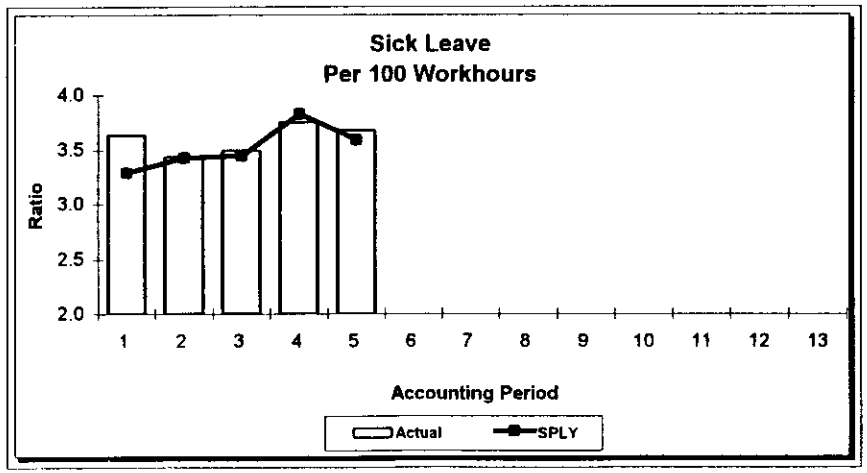
| MAJOR CATEGORIES - EXPENDITURES | Jan 31, 1997 | Sept. 30, 1996 |
|---|---|---|
| CONSTRUCTION AND BUILDING PURCHASE | $ 544 | $ 507 |
| BUILDING IMPROVEMENTS | 329 | 418 |
| MAIL PROCESSING EQUIPMENT | 925 | 1,222 |
| VEHICLES | 286 | 311 |
| RETAIL EQUIPMENT | 212 | 219 |
| POSTAL SUPPORT EQUIPMENT | 83 | 163 |
| INVENTORIES | 239 | 289 |
| RESEARCH AND DEVELOPMENT | 48 | 69 |
| MISCELLANEOUS EXPENSE COMMITMENTS | 1,615 | 1,459 |
| TOTAL RESOURCES ON ORDER | $ 4,281 | $ 4,657 |

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

| For the year through January 31, 1997 | FY 1997 |
|---|---|
| Cash flows from operating activities: | |
| Net income/(loss) (Government Fiscal Year) | $ 595.0 |
| Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities: | |
| Depreciation and amortization | 564.7 |
| Increase/(decrease) in other liabilities | 203.4 |
| Increase/(decrease) in employees' accumulated leave | 3.6 |
| Increase/(decrease) in non-current workers' compensation claims | 273.1 |
| Increase/(decrease) in retirement, net | - 264.5 |
| Changes in current assets and liabilities: | |
| Increase/(decrease) in accrued compensation and benefits | 560.8 |
| Increase/(decrease) in deferred revenue | - 93.8 |
| Increase/(decrease) in payables and accrued expenses | 602.5 |
| (Increase)/decrease in receivables | 41.0 |
| (Increase)/decrease in supplies, advances and prepayments | 33.9 |
| Increase/(decrease) in outstanding postal money orders | 347.9 |
| Net cash provided/(used) by operating activities | $ 2,867.6 |
| Cash flows from investing activities: | |
| Sale/(purchase) of U.S. Government securities, net | |
| Purchase of property and equipment, net | - 1,119.5 |
| Net cash used in investing activities | $ - 1,119.5 |
| Cash flows from financing activities: | |
| Increase/(decrease) in long term debt | - 1,500.8 |
| (Increase)/decrease in other non-current assets | - 0.3 |
| Net cash provided by/(used in) financing activities | $ - 1,501.1 |
| Net (decrease)/increase in cash and cash equivalents | $ 247.0 |
| Cash and cash equivalents at beginning of period | 301.1 |
| Cash and cash equivalents at end of period | $ 548.1 |


Workhours
FY 1997
Millions
130.0
120.0
110.0
100.0
90.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


Overtime
Per 100 Workhours
Ratio
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
SPLY


Sick Leave
Per 100 Workhours
Ratio
4.0
3.5
3.0
2.5
2.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
SPLY

# WORKHOURS & OVERTIME/SICK LEAVE RATIOS
(Thousands)

| Accounting Period 5 | | | | | | Year to date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | % Var. | SPLY | % Var to SPLY | Total Workhours | Actual | Var. to Budget | %Var. | SPLY | % Var to SPLY |
| | | | | | Operations: | | | | | |
| 722 | 7 | - 1.0 | 691 | 4.5 | -Support | 3,458 | 120 | - 3.4 | 3,329 | 0.0 |
| 34,559 | [ 551 ] | [ 1.6 ] | 33,432 | 3.4 | -Mail Processing | 182,317 | [ 5,837 ] | [ 3.3 ] | 175,073 | 4.1 |
| 11,305 | 186 | - 1.6 | 11,008 | 2.7 | -Rural Delivery | 56,266 | 304 | - 0.5 | 54,546 | 3.2 |
| 37,615 | 204 | - 0.5 | 38,081 | - 1.2 | -Other Delivery | 188,120 | 793 | - 0.4 | 190,053 | - 1.0 |
| 2,493 | [ 29 ] | [ 1.2 ] | 2,413 | 3.3 | -Vehicles Services | 12,407 | [ 85 ] | [ 0.7 ] | 12,125 | 2.3 |
| 6,138 | 64 | - 1.0 | 6,007 | 2.2 | -Plant & Equip Maint | 30,157 | 480 | - 1.6 | 29,654 | 1.7 |
| 20,147 | [ 92 ] | [ 0.5 ] | 20,064 | 0.4 | -Customer Services | 101,221 | [ 314 ] | [ 0.3 ] | 101,323 | - 0.1 |
| 751 | 20 | - 2.6 | 724 | 3.7 | Controller | 3,618 | 152 | - 4.0 | 3,568 | 1.4 |
| 736 | 25 | - 3.3 | 727 | 1.1 | Human Resources | 3,536 | 200 | - 5.4 | 3,577 | - 1.1 |
| 1,237 | 8 | - 0.6 | 1,219 | 1.5 | Customer Service & Sale | 6,040 | 156 | - 2.5 | 6,036 | 0.1 |
| 5,178 | [ 79 ] | [ 1.5 ] | 5,133 | 0.9 | Administration | 25,570 | [ 184 ] | [ 0.7 ] | 25,661 | - 0.4 |
| 3,099 | [ 225 ] | [ 7.8 ] | 2,891 | 7.2 | Other | 15,159 | [ 1,060 ] | [ 7.5 ] | 14,398 | 5.3 |
| 123,980 | [ 462 ] | [ 0.4 ] | 122,390 | 1.3 | Total Workhours | 627,869 | [ 5,275 ] | [ 0.8 ] | 619,343 | 1.4 |

**Overtime**

| Actual | Budget | SPLY | | Actual | Budget | SPLY |
|---|---|---|---|---|---|---|
| 8.4 | 7.7 | 8.4 | Overtime Ratio Per 100 Workhours | 9.4 | 8.2 | 9.0 |

**Sick Leave**

| Actual | | SPLY | | Actual | | SPLY |
|---|---|---|---|---|---|---|
| 3.7 | -- | 3.5 | Sick Leave Ratio Per 100 Workhours | 3.7 | -- | 3.5 |

[ ] = Unfavorable variance to budget
* Recasted Data