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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

UNITED STATES POSTAL SERVICE

FINANCIAL & OPERATING STATEMENTS

Accounting Period 2, PFY 2001

October 7 - November 3, 2000

Prepared by:
Financial Analysis

HIGHLIGHTS
Accounting Period 2, FY 2001
($Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	% Var.	SPLY	% Var. to SPLY		Actual	Budget	Var. to Budget	% Var.	SPLY	% Var. to SPLY
$ 5,269.0	$ 5,252.3	$ 16.7	0.3	$ 5,144.5	2.4	Total Revenue	$ 10,413.8	$ 10,451.7	[$ - 37.9]	[- 0.4]	$ 10,213.0	2.0
5,078.3	5,113.0	- 34.7	- 0.7	4,834.7	5.0	Total Expense	10,056.1	10,095.3	- 39.2	- 0.4	9,562.4	5.2
$ 190.7	$ 139.3	$ 51.4	-	$ 309.8	-	Income/(Loss)	$ 357.7	$ 356.4	$ 1.3	-	$ 650.6	-
$ 88.8	$ 60.0	[$ 28.8]	[48.0]	$ 101.6	- 12.6	Capital Commitments	$ 131.7	$ 101.1	[$ 30.6]	[30.3]	$ 179.3	- 26.5
127.1	126.2	[0.9]	[0.7]	127.8	- 0.5	Total Work Hours	255.8	253.0	[2.7]	[1.1]	256.8	- 0.4
17,957.2	17,301.7	655.5	3.8	17,023.8	5.5	Mail Volume	34,932.8	34,279.8	653.1	1.9	33,638.7	3.8

[ ] = Unfavorable variance to budget
Note: Totals may not sum due to rounding.

Actual Number Of:	Current Period	Last Period	SPLY
Post Offices	27,873	27,876	27,888
Active Postal Owned Vehicles			
Administrative	5,663	5,667	5,535
Operations	199,963	199,798	196,955
Possible City Deliveries (000)	83,380	83,323	82,883
Rural Routes	67,409	67,383	64,710
Delivery Routes	168,003	168,064	168,430
Career Employees (Excludes Inspector General)	785,653	786,348	795,694
Casual Employees	31,364	29,803	26,279
Transitional Employees	14,476	13,862	14,777

STATEMENT OF INCOME & EXPENSE
Accounting Period 2, FY 2001
($ Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	% Var.	SPLY	% Var. to SPLY		Actual	Budget	Var. to Budget	% Var.	SPLY	% Var. to SPLY
$ 5,266.5	$ 5,250.3	$ 16.2	0.3	$ 5,142.3	2.4	Operating Revenue	$ 10,407.9	$ 10,446.7	[$ - 38.8]	[- 0.4]	$ 10,208.4	2.0
4,918.3	4,948.3	- 30.0	- 0.6	4,687.4	4.9	Operating Expense	9,746.6	9,781.7	- 35.1	- 0.4	9,274.8	5.1
$ 348.2	$ 302.0	$ 46.2	-	$ 454.9	-	Income From Operations	$ 661.3	$ 665.0	[$ - 3.7]	-	$ 933.6	-
2.5	2.0	0.5	26.1	2.2	12.6	Investment Income	5.9	5.0	0.9	17.9	4.6	26.3
- 36.1	- 40.8	4.7	- 11.4	- 25.7	40.3	Interest Expense	- 61.7	- 65.8	4.1	- 6.2	- 44.3	39.3
- 123.9	- 123.9	0.0	0.0	- 121.6	1.9	Interest on Deferred Ret. Liabilities	- 247.8	- 247.8	0.0	0.0	- 243.3	1.8
$ 190.7	$ 139.3	$ 51.4	-	$ 309.8	-	Income/(Loss)	$ 357.7	$ 356.4	$ 1.3	-	$ 650.6	-

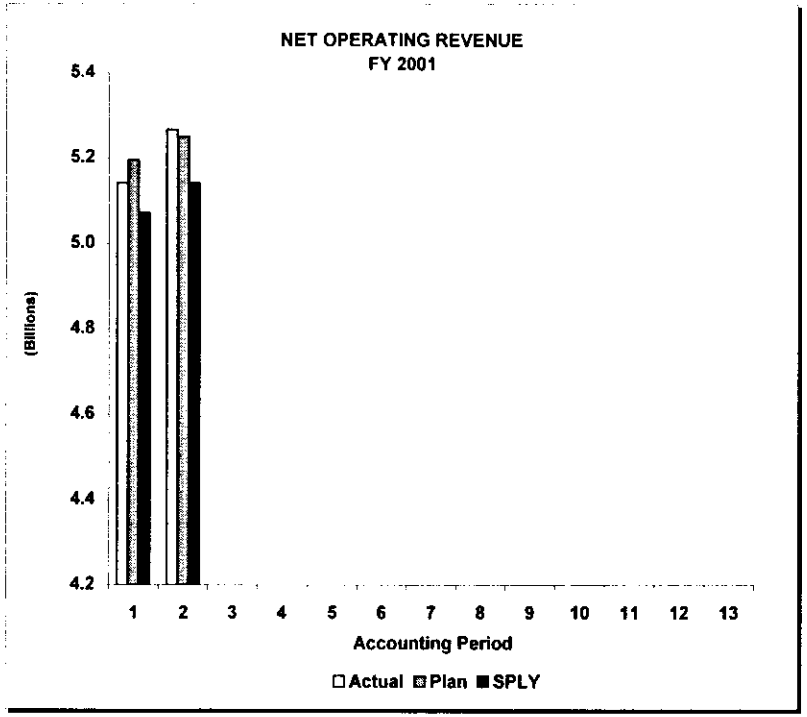
[ ]=Unfavorable variance to budget

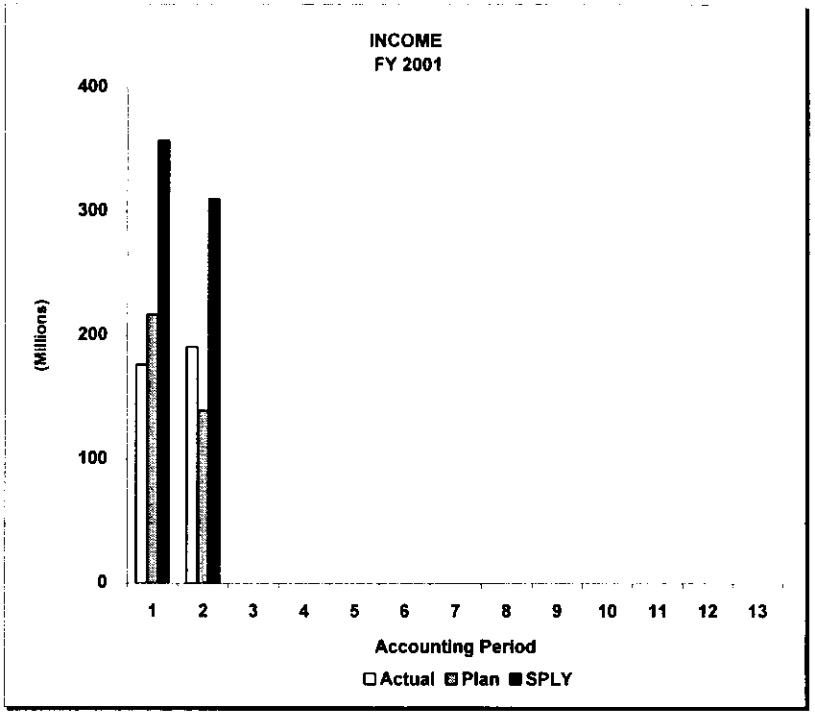
Note: Totals may not sum due to rounding.

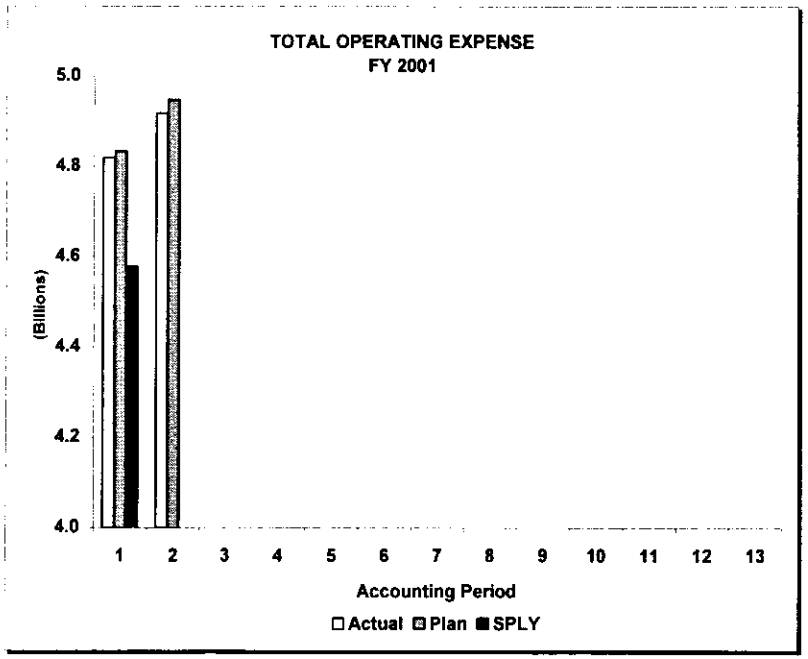
MAIL VOLUME - MAIL REVENUE
Accounting Period 2, FY 2001
(Thousands)

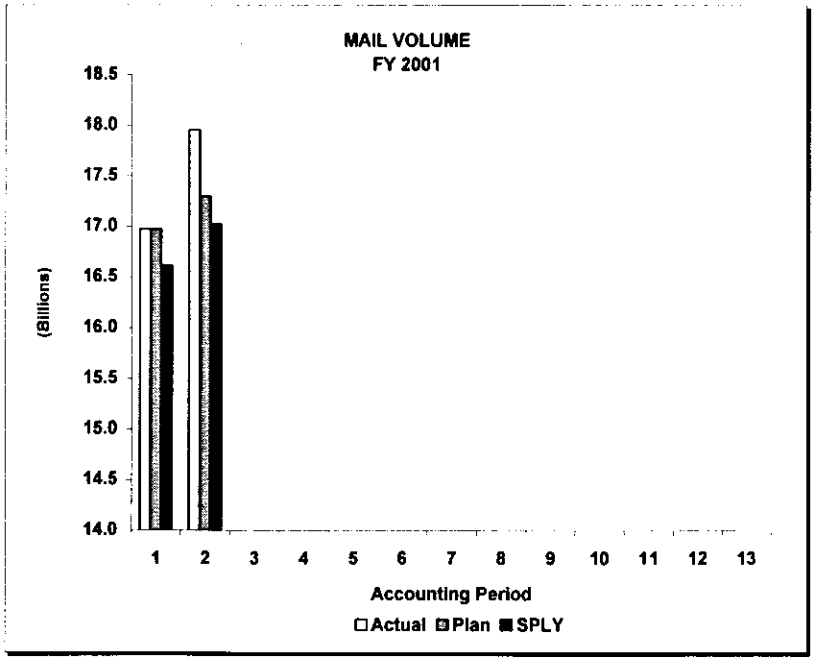
	CURRENT PERIOD			YEAR-TO-DATE		
	A/P 2 2001	A/P 2 2000	% CHANGE	A/P 2 2001	A/P 2 2000	% CHANGE
FIRST-CLASS						
VOLUME	7,939,624	7,935,589	0.1	15,879,339	15,840,160	0.2
REVENUE	$ 2,720,885	$ 2,727,428	- 0.2	$ 5,451,773	$ 5,440,336	0.2
REV/PC.	0.3427	0.3437	- 0.3	0.3433	0.3435	- 0.0
PRIORITY-MAIL						
VOLUME	94,301	91,480	3.1	187,606	183,488	2.2
REVENUE	$ 372,614	$ 359,135	3.8	$ 739,296	$ 720,424	2.6
REV/PC.	3.9513	3.9258	0.6	3.9407	3.9263	0.4
EXPRESS MAIL						
VOLUME	5,298	5,166	2.5	10,794	10,402	3.8
REVENUE	$ 74,579	$ 72,216	3.3	$ 151,204	$ 145,087	4.2
REV/PC.	14.0768	13.9791	0.7	14.0082	13.9480	0.4
PERIODICALS						
VOLUME	814,170	797,630	2.1	1,558,155	1,545,115	0.8
REVENUE	$ 177,144	$ 169,922	4.2	$ 338,821	$ 331,480	2.2
REV/PC.	0.2176	0.2130	2.1	0.2175	0.2145	1.4
STANDARD (A) MAIL						
VOLUME	8,901,660	7,991,451	11.4	16,880,633	15,652,618	7.8
REVENUE	$ 1,471,066	$ 1,364,937	7.8	$ 2,812,458	$ 2,672,203	5.2
REV/PC.	0.1653	0.1708	- 3.2	0.1666	0.1707	- 2.4
STANDARD (B) MAIL						
VOLUME	90,818	95,208	- 4.6	176,544	180,098	- 2.0
REVENUE	$ 152,425	$ 162,047	- 5.9	$ 303,599	$ 310,973	- 2.4
REV/PC.	1.6784	1.7020	- 1.4	1.7197	1.7267	- 0.4
INTERNATIONAL						
VOLUME	81,688	76,799	6.4	172,755	160,724	7.5
REVENUE	$ 129,854	$ 122,254	6.2	$ 267,769	$ 247,492	8.2
REV/PC.	1.5896	1.5919	- 0.1	1.5500	1.5399	0.7
ALL OTHER_1/						
VOLUME	29,645	30,467	- 2.7	67,011	66,120	1.3
REVENUE	$ 110	$ 119	- 7.3	$ 220	$ 238	- 7.6
ALL MAIL						
VOLUME	17,957,205	17,023,790	5.5	34,932,838	33,638,725	3.8
REVENUE	$ 5,098,678	$ 4,978,058	2.4	$ 10,065,140	$ 9,868,232	2.0
REV/PC.	0.2839	0.2924	- 2.9	0.2881	0.2934	- 1.8

_1/ All other volume includes an increase of 2,129 thousand pieces in Internal Mail and a decrease of 1,227 thousand pieces in Free Mail for the Blind and Handicapped for the year-to-date.


NET OPERATING REVENUE
FY 2001
(Billions)
5.4
5.2
5.0
4.8
4.6
4.4
4.2
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


INCOME
FY 2001
(Millions)
400
300
200
100
0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


TOTAL OPERATING EXPENSE
FY 2001
(Billions)
5.0
4.8
4.6
4.4
4.2
4.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


MAIL VOLUME
FY 2001
(Billions)
18.5
18.0
17.5
17.0
16.5
16.0
15.5
15.0
14.5
14.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY

Revenue by Source
Accounting Period 2, FY 2001
($Millions)

Current Period Actual	Current Period SPLY	Current Period % Diff		Year-To-Date Actual	Year-To-Date SPLY	Year-To-Date % Diff
			Operating Revenue:			
$ 1,912.7	$ 1,935.4	- 1.2	Metered Postage	$ 3,866.2	$ 3,899.7	- 0.9
855.6	859.0	- 0.4	Stamps and Stamped Paper	1,705.5	1,700.7	0.3
1,390.0	1,284.0	8.3	Permit Imprint	2,643.9	2,498.3	5.8
175.8	168.6	4.3	Periodicals & Standard A	336.0	328.4	2.3
45.6	49.3	- 7.5	Official Mail	112.3	120.6	- 6.9
690.2	652.0	5.9	Presort First Class & Standard B/Permit Imprint	1,346.4	1,264.6	6.5
52.8	50.9	3.7	Box Rents	105.6	101.8	3.7
14.0	14.3	- 2.1	Money Order Fees	28.5	28.8	- 1.0
124.7	123.8	0.7	Other	253.2	255.5	- 0.9
$ 5,261.4	**$ 5,137.3**	**2.4**	**Subtotal**	**$ 10,397.6**	**$ 10,198.4**	**2.0**
			Government Appropriation:			
5.1	5.0	2.0	Revenue Forgone	10.3	10.0	3.0
$ 5,266.5	**$ 5,142.3**	**2.4**	**Total Operating Revenue**	**$ 10,407.9**	**$ 10,208.4**	**2.0**
2.5	2.2	12.6	Investment Income	5.9	4.6	26.3
$ 5,269.0	**$ 5,144.5**	**2.4**	**Total Revenue**	**$ 10,413.8**	**$ 10,213.0**	**2.0**

Note: Totals may not sum due to rounding.

Revenue by Category
Accounting Period 2, FY 2001
($Millions)

Accounting Period 2				Year-To-Date		
Actual	Budget	% Var		Actual	Budget	% Var
			Commercial Revenue			
$ 2,313.7	$ 2,346.1	[1.4]	Permit Revenue	$ 4,444.8	$ 4,571.1	[2.8]
1,733.0	1,649.9	5.0	Other Commercial Accounts Revenue	3,524.1	3,405.3	3.5
$ 4,046.7	**$ 3,996.0**	**1.2**	**Total Commercial Revenue**	**$ 7,968.9**	**$ 7,976.4**	**0.0**
			Retail Revenue			
981.0	995.7	[1.5]	Retail Postage Revenue	1,956.2	1,962.6	[0.3]
69.8	67.9	2.8	Retail Services Revenue	140.5	137.3	2.3
9.1	11.2	[18.9]	Retail Products Revenue	17.8	22.7	[21.2]
125.2	128.0	[2.2]	Other Retail Channels Revenue	252.7	255.7	[1.2]
$ 1,185.1	**$ 1,202.8**	**[1.4]**	**Total Retail Revenue**	**$ 2,367.2**	**$ 2,378.3**	**[0.4]**
$ 5,231.8	**$ 5,198.8**	**0.6**	**Total Commercial & Retail Revenue**	**$ 10,336.1**	**$ 10,354.7**	**[0.2]**
29.6	46.4	[36.4]	Other Income	61.5	81.7	[24.8]
5.1	5.1	0.0	Revenue Forgone	10.3	10.3	0.0
$ 5,266.5	**$ 5,250.3**	**0.3**	**Total Operating Revenue**	**$ 10,407.9**	**$ 10,446.7**	**[0.4]**
2.5	2.0	26.1	Investment Income	5.9	5.0	17.9
$ 5,269.0	**$ 5,252.3**	**0.3**	**Total Revenue**	**$ 10,413.8**	**$ 10,451.7**	**[0.4]**

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

Expense Analysis
Accounting Period 2, FY 2001
($Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	%Var	SPLY	% Var to SPLY		Actual	Budget	Var to Budget	%Var	SPLY	% Var to SPLY
$ 3,929.8	$ 3,916.7	[$ 13.1]	[0.3]	$ 3,754.7	4.7	**Personnel Compensation**	$ 7,885.7	$ 7,836.6	[$ 49.1]	[0.6]	$7,508.5	5.0
						Non-Personnel Expense:						
355.4	337.4	[18.0]	[5.3]	342.8	3.7	Transportation	692.4	666.0	[26.4]	[4.0]	639.8	8.2
210.4	220.7	- 10.3	- 4.7	195.7	7.5	Supplies & Services	359.9	396.0	- 36.1	- 9.1	354.6	1.5
422.7	473.5	- 50.8	- 10.7	394.2	7.2	Other	808.6	883.1	- 74.5	- 8.4	771.9	4.8
$ 988.6	$ 1,031.6	$ - 43.1	- 4.2	$ 932.7	6.0	**Subtotal**	$ 1,860.9	$ 1,945.1	$ - 84.2	- 4.3	$ 1,766.3	5.4
$ 4,918.3	$ 4,948.3	$ - 30.0	- 0.6	$ 4,687.4	4.9	**Total Operating Expense**	$ 9,746.6	$ 9,781.7	$ - 35.1	- 0.4	$ 9,274.8	5.1
36.1	40.8	- 4.7	- 11.5	25.7	40.3	Interest Expense	61.7	65.8	- 4.1	- 6.2	44.3	39.3
123.9	123.9	0.0	0.0	121.6	1.9	Interest on Deferred Ret. Liabilities	247.8	247.8	0.0	0.0	243.3	1.8
$ 5,078.3	$ 5,113.0	$ - 34.7	- 0.7	$ 4,834.7	5.0	**Total Expense**	$ 10,056.1	$ 10,095.3	$ - 39.2	- 0.4	$ 9,562.4	5.2

[ ]=Unfavorable variance to budget
Note: Totals may not sum due to rounding.

Analysis of Operating Expenses
Accounting Period 2, FY 2001
Personnel Compensation
($Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	% Var.	SPLY*	% Var. to SPLY	**Total Compensation**	Actual	Budget	Var. to Budget	% Var.	SPLY*	% Var. to SPLY
						Operations:						
26.4	27.5	$ - 1.1	- 3.8	$ 26.1	1.1	-Support	$ 53.8	$ 55.8	$ - 2.0	- 3.6	$ 53.0	1.6
902.8	912.8	- 10.0	- 1.1	896.5	0.7	-Mail Processing	1,799.4	1,808.2	- 8.8	- 0.5	1,783.3	0.9
307.6	303.3	[4.2]	[1.4]	279.7	9.9	-Rural Delivery	623.5	611.5	[12.0]	[2.0]	564.6	10.4
1,113.9	1,094.5	[19.4]	[1.8]	1,032.7	7.9	-Other Delivery	2,226.6	2,188.9	[37.7]	[1.7]	2,099.6	6.0
78.4	78.7	- 0.4	- 0.5	74.8	4.7	-Vehicles Services	158.1	158.6	- 0.5	- 0.3	151.3	4.5
193.9	197.5	- 3.6	- 1.8	183.2	5.8	-Plant & Equip Maint	391.7	397.8	- 6.1	- 1.5	370.6	5.7
587.8	585.4	[2.3]	[0.4]	567.0	3.7	-Customer Services	1,182.1	1,175.7	[6.5]	[0.5]	1,140.5	3.7
23.1	25.4	- 2.3	- 9.0	23.0	0.5	Controller	46.8	51.5	- 4.7	- 9.1	46.5	0.8
24.8	26.9	- 2.1	- 7.7	24.7	0.4	Human Resources	50.3	54.3	- 4.0	- 7.3	49.8	0.9
32.7	34.5	- 1.7	- 5.0	37.9	- 13.6	Customer Service & Sales	66.3	69.8	- 3.5	- 5.0	76.7	- 13.6
157.8	157.8	[0.0]	[0.0]	153.4	2.9	Administration	321.9	319.2	[2.7]	[0.8]	314.2	2.4
148.3	140.1	[8.2]	[5.9]	131.6	12.7	Other Salaries & Benefits	301.4	280.9	[20.5]	[7.3]	224.4	34.3
$ 3,597.5	**$ 3,584.3**	**[$ 13.2]**	**[0.4]**	**$ 3,430.6**	**4.9**	**Total Salaries & Benefits**	**$ 7,221.9**	**$ 7,172.4**	**[$ 49.6]**	**[0.7]**	**$ 6,874.6**	**5.1**
65.1	65.1	[0.0]	[0.0]	70.0	- 7.0	Workers' Compensation	130.1	130.2	- 0.1	- 0.1	140.0	- 7.1
5.6	5.6	0.0	0.0	3.0	85.9	Unemployment Compensation	11.2	11.2	0.0	0.0	6.1	85.6
107.5	107.5	0.0	0.0	99.2	8.4	Deferred Retirement Cost	214.7	214.7	0.0	0.0	198.4	8.2
61.3	61.3	0.0	0.0	52.0	17.9	CSRS Annuitant COLA	122.5	122.5	0.0	0.0	103.9	17.9
66.0	66.0	- 0.0	- 0.0	57.0	15.7	Annuitant Health Benefits	132.0	132.0	[0.0]	[0.0]	114.1	15.7
26.8	26.9	- 0.0	- 0.2	42.8	- 37.4	Other Compensation	53.3	53.6	- 0.3	- 0.5	71.5	- 25.4
$ 3,929.8	**$ 3,916.7**	**[$ 13.1]**	**[0.3]**	**$ 3,754.7**	**4.7**	**Total Personnel Compensation**	**$ 7,885.7**	**$ 7,836.6**	**[$ 49.1]**	**[0.6]**	**$ 7,508.5**	**5.0**

[ ]=Unfavorable variance to budget
*** Recasted Data**
Note: Totals may not sum due to rounding.

Analysis of Non-Personnel Expenses
Accounting Period 2, FY 2001
($ Millions)

Current Period							Year-to-Date						
Actual	Budget	Var. to Budget	% Var.	SPLY *	% Var. to SPLY	Description	Actual	Budget	Var. to Budget	% Var.	SPLY *	% Var. to SPLY
$ 355.4	$ 337.4	[$ 18.0]	[5.3]	$ 342.8	3.7	Transportation	$ 692.4	$ 666.0	[$ 26.4]	[4.0]	$ 639.8	8.2
210.1	220.7	- 10.6	- 4.8	195.7	7.4	Supplies & Services	359.9	396.0	- 36.1	- 9.1	354.6	1.5
158.9	168.7	- 9.8	- 5.8	154.3	3.0	Depreciation	325.0	325.3	- 0.3	- 0.1	309.3	5.1
70.9	73.4	- 2.5	- 3.4	68.6	3.3	Rent	140.8	144.7	- 3.8	- 2.6	134.9	4.4
32.7	36.1	- 3.3	- 9.2	33.2	- 1.4	Fuel & Utilities	56.0	65.7	- 9.7	- 14.8	54.8	2.2
28.8	28.1	[0.8]	[2.7]	26.2	10.1	Rural Carrier Equip Maint Allow	59.3	57.1	[2.2]	[3.8]	53.5	10.8
34.9	28.7	[6.2]	[21.5]	27.5	27.0	Vehicle Maintenance	58.0	53.0	[5.0]	[9.4]	42.9	35.1
15.2	36.6	- 21.4	- 58.5	47.2	- 67.8	Information Technology	25.1	59.0	- 33.9	- 57.5	60.2	- 58.4
12.7	16.8	- 4.1	- 24.3	10.2	24.7	Building Projects Expensed	16.5	28.8	- 12.3	- 42.7	19.3	- 14.3
4.8	5.5	- 0.7	- 12.7	4.9	- 3.0	Contract Job Cleaners	9.4	10.7	- 1.3	- 12.3	9.8	- 4.0
12.5	14.4	- 1.9	- 13.1	9.9	26.2	Travel & Relocation	20.8	25.1	- 4.3	- 17.1	16.6	25.1
15.2	21.7	- 6.5	- 29.9	7.3	108.2	Communications	25.9	32.4	- 6.5	- 20.0	17.2	50.7
5.3	5.9	- 0.6	- 10.8	5.6	- 5.1	Contract Stations	11.3	12.0	- 0.7	- 6.0	11.9	- 5.4
1.9	2.8	- 1.0	- 34.6	2.2	- 16.5	Printing	2.1	4.6	- 2.5	- 55.3	2.6	- 19.8
5.5	6.1	- 0.6	- 9.1	4.2	30.8	Training	9.7	10.3	- 0.6	- 6.0	6.5	48.2
2.1	5.0	- 3.0	- 58.8	4.9	- 57.9	Carfare & Tolls	5.3	9.9	- 4.6	- 46.1	8.4	- 36.5
3.0	3.2	- 0.2	- 7.0	3.5	- 12.7	Vehicle Hire	7.2	6.7	[0.5]	[7.0]	4.4	62.7
5.4	4.3	[1.2]	[27.2]	4.1	32.3	Accident Cost	7.8	7.6	[0.2]	[2.3]	1.9	311.2
- 4.5	- 5.0	[0.5]	[9.7]	- 4.3	- 5.9	Capitalized Interest	- 10.1	- 10.0	- 0.1	- 1.1	- 8.2	- 23.2
17.5	21.2	- 3.6	- 17.1	- 15.4	-	Miscellaneous	38.6	40.3	- 1.7	- 4.2	25.9	48.9
$ 988.5	**$ 1,031.6**	**$ - 43.1**	**- 4.2**	**$ 932.7**	**6.0**	**Total Other Operating Expenses**	**$ 1,860.9**	**$ 1,946.1**	**$ - 84.2**	**- 4.3**	**$ 1,766.3**	**5.4**

[ ]=Unfavorable variance to budget
*** Recasted Data**
Note: Totals may not sum due to rounding.

Statement of Financial Position
Accounting Period 2, FY 2001
($ Millions)

Assets	November 3, 2000	October 6, 2000	September 30, 2000 *
Current Assets:			
Cash and cash equivalents _1/	$ 311	$ 172	$ 677
U.S. Government securities, at amortized cost which approximates market	6	6	6
Receivables:			
Foreign countries	337	322	349
U.S. Government	114	103	134
Other	224	223	213
	675	648	696
Less allowances	109	107	107
	566	541	589
Supplies, advances and prepayments	326	337	383
Total Current Assets	**1,209**	**1,056**	**1,655**
Other assets _2/	375	375	375
Property and equipment, at cost:			
Buildings	17,907	17,779	17,685
Equipment	14,107	14,028	13,973
Land	2,572	2,557	2,534
	34,586	34,364	34,192
Less allowances for depreciation	13,305	13,185	13,143
	21,281	21,179	21,049
Construction in progress	2,367	2,351	2,389
Leasehold improvements, net	649	649	632
	24,297	24,179	24,070
Deferred Retirement Costs _3/	34,215	34,384	32,183
Total Assets	**$ 60,096**	**$ 59,994**	**$ 58,283**

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

_2/ Includes $375 million as of September 30, 2000, October 6, 2000 and November 3, 2000 for appropriation receivable for revenue forgone.

* Audited year-end data

Statement of Financial Position
Accounting Period 2, FY 2001
($ Millions)

Liabilities and Equities	November 3, 2000	October 6, 2000	September 30, 2000 *
Current Liabilities:			
Compensation and employees' benefits	$ 5,130	$ 4,900	$ 5,295
Estimated prepaid postage	1,596	1,594	1,594
Payables and accrued expenses:			
Foreign countries	443	427	439
U.S. Government	196	169	150
Other	2,324	2,344	1,300
	2,963	2,940	1,889
Appropriation for free & reduced rate mail	61	66	0
Prepaid permit mail and box rentals	1,646	1,641	1,969
Outstanding postal money orders	999	967	716
Current portion of debt	5,329	5,791	6,814
Total Current Liabilities	**17,724**	**17,899**	**18,277**
Long-term debt, less current portion	2,502	2,502	2,502
Other Liabilities:			
Amounts payable for retirement benefits _3/	32,275	32,275	30,212
Workers' compensation claims	5,082	5,017	5,029
Employees' accumulated leave	2,006	1,981	2,090
Other	1,042	1,038	819
Total Other Liabilities	40,405	40,311	38,150
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	- 3,569	- 3,752	- 3,680
Equity/Capital Deficiency	- 535	- 718	- 646
Total Liabilities and Equity	**$ 60,096**	**$ 59,994**	**$ 58,283**

_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
FY 2001

($ MILLIONS)

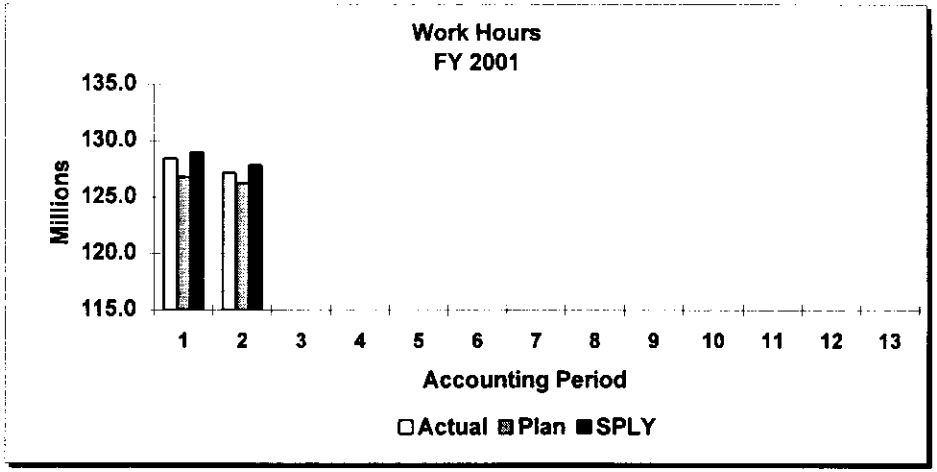
MAJOR CATEGORIES	COMMITMENTS ACTUAL	COMMITMENTS PLAN	COMMITMENTS SPLY	EXPENDITURES ACTUAL	EXPENDITURES PLAN	EXPENDITURES SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 30.7	$ 15.8	$ 33.5	$ 108.2	$ 126.1	$ 124.7
BUILDING IMPROVEMENTS	30.1	36.7	77.1	84.3	99.5	107.4
MAIL PROCESSING EQUIPMENT	37.5	18.6	35.4	112.9	137.9	171.1
VEHICLES	0.7	2.1	0.1	33.4	39.4	12.2
RETAIL EQUIPMENT	18.1	0.4	11.6	38.9	46.2	52.9
POSTAL SUPPORT EQUIPMENT	14.6	27.5	21.6	56.1	94.6	59.5
TOTAL COMMITMENTS/EXPENDITURES	$ 131.7	$ 101.1	$ 179.3	$ 433.8	$ 543.7	$ 527.8

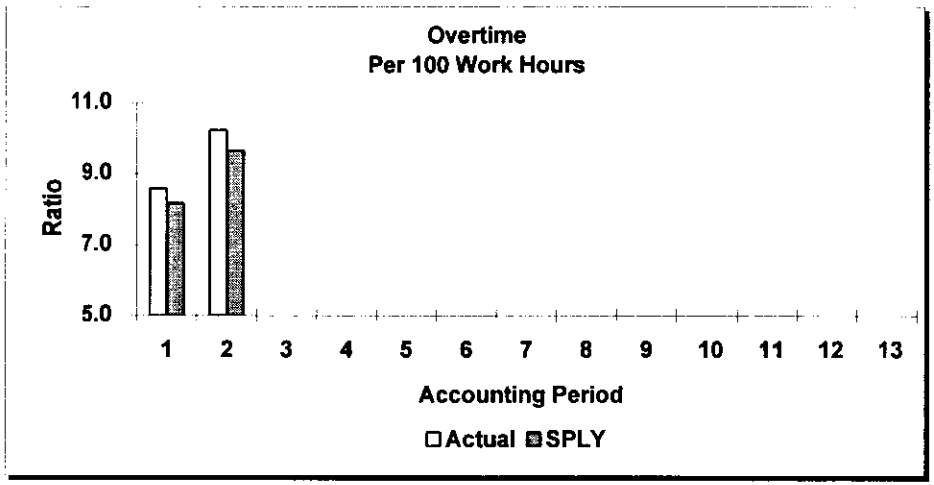
RESOURCES ON ORDER
($ MILLIONS)

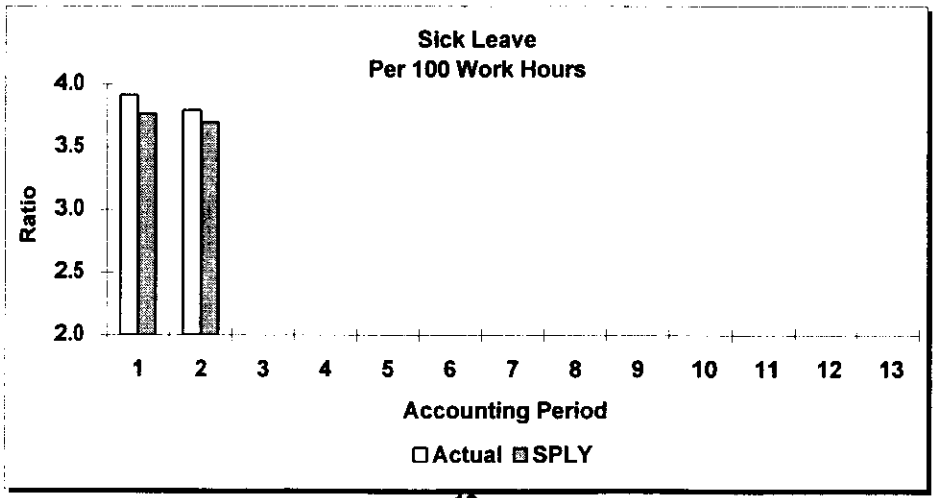
MAJOR CATEGORIES	Nov. 3, 2000	Sept. 30, 2000
CONSTRUCTION AND BUILDING PURCHASE	$ 608.9	$ 693.2
BUILDING IMPROVEMENTS	396.3	458.1
MAIL PROCESSING EQUIPMENT	1,529.8	1,617.0
VEHICLES	342.5	375.2
RETAIL EQUIPMENT	207.9	228.7
POSTAL SUPPORT EQUIPMENT	222.4	269.2
INVENTORIES	213.1	230.1
RESEARCH AND DEVELOPMENT	44.6	38.9
MISCELLANEOUS EXPENSE COMMITMENTS	3,663.3	3,463.1
TOTAL RESOURCES ON ORDER	$ 7,228.8	$ 7,373.5

STATEMENT OF CASH FLOWS
($ Millions)

For the Year through November 3, 2000		FY 2001
Cash flows from operating activities:		
Net income/(loss) (Government Fiscal Year Basis)	$	111
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:		
Depreciation and amortization		222
Increase/(decrease) in other liabilities		223
Increase/(decrease) in employees' accumulated leave		(84)
Increase/(decrease) in non-current workers' compensation claims		53
Increase/(decrease) in retirement, net		31
Changes in current assets and liabilities:		
Increase/(decrease) in accrued compensation and benefits		(165)
Increase/(decrease) in deferred revenue		(260)
Increase/(decrease) in payables and accrued expenses		1,074
(Increase)/decrease in receivables		23
(Increase)/decrease in supplies, advances and prepayments		57
Increase/(decrease) in outstanding postal money orders		283
Net cash provided by operating activities		**1,568**
Cash flows from investing activities:		
Sale/(purchase) of U.S. Government securities, net		0
Purchase of property and equipment, net		(449)
Net cash used in investing activities		**(449)**
Cash flows from financing activities:		
Increase/(decrease) in debt		(1,485)
(Increase)/decrease in other non-current assets		0
Net cash used by financing activities		**(1,485)**
Net (decrease)/increase in cash and cash equivalents		**(366)**
Cash and cash equivalents at beginning of period		**677**
Cash and cash equivalents at end of period	**$**	**311**


Work Hours
FY 2001
135.0
130.0
125.0
120.0
115.0
Millions
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual Plan SPLY


Overtime
Per 100 Work Hours
11.0
9.0
7.0
5.0
Ratio
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual SPLY


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

WORK HOURS & OVERTIME/SICK LEAVE RATIOS
Accounting Period 2, FY 2001
(Thousands)

Total Work Hours	Current Period Actual	Var. to Budget	% Var.	SPLY*	% Var. to SPLY	Year-to-Date Actual	Var. to Budget	%Var.	SPLY*	% Var. to SPLY
Operations:										
-Support	762	- 25	- 3.1	787	- 3.1	1,560	- 44	- 2.7	1,595	- 2.2
-Mail Processing	32,792	0	0.0	33,973	- 3.5	65,244	[376]	[0.6]	67,315	- 3.1
-Rural Delivery	13,185	[89]	[0.7]	12,700	3.8	26,777	[354]	[1.3]	25,637	4.4
-Other Delivery	38,737	[619]	[1.6]	38,466	0.7	77,789	[1,294]	[1.7]	77,486	0.4
-Vehicles Services	2,567	- 27	- 1.0	2,584	- 0.6	5,190	- 46	- 0.9	5,219	- 0.6
-Plant & Equip Maint	6,454	- 164	- 2.5	6,430	0.4	13,072	- 273	- 2.0	12,972	0.8
-Customer Services	20,605	[61]	[0.3]	20,861	- 1.2	41,544	[204]	[0.5]	41,997	- 1.1
Controller	724	- 66	- 8.4	754	- 4.0	1,472	- 136	- 8.5	1,526	- 3.5
Human Resources	744	- 45	- 5.7	768	- 3.1	1,508	- 92	- 5.8	1,558	- 3.2
Customer Service & Sales	1,079	- 52	- 4.6	1,281	- 15.8	2,193	- 104	- 4.5	2,594	- 15.5
Administration	5,183	- 4	- 0.1	5,232	- 0.9	10,634	[65]	[0.6]	10,779	- 1.3
Other	4,304	[514]	[13.6]	4,001	7.6	8,789	[1,127]	[14.7]	8,160	7.7
Total Work Hours	127,136	[901]	[0.7]	127,836	- 0.5	255,772	[2,725]	[1.1]	256,838	- 0.4

Overtime

	Actual	Budget	SPLY
Overtime Ratio Per 100 Work Hours	9.4	8.5	8.9

	Actual	Budget	SPLY
	10.2	9.1	9.7

Sick Leave

	Actual		SPLY
Sick Leave Ratio Per 100 Work Hours	3.9	--	3.8

Actual		SPLY
3.8	--	3.7

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.