UNITED STATES POSTAL SERVICE

DOCKET SECTION

FINANCIAL & OPERATING STATEMENTS

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Accounting Period 5, PFY 2001

December 30, 2000 - January 26, 2001

Prepared by:
Financial Analysis

HIGHLIGHTS

Accounting Period 5, FY 2001

($ Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	%Bdgt	SPLY	%SPLY		Actual	Budget	Var. to Budget	%Bdgt	SPLY	%SPLY
$ 5,229.1	$ 5,195.2	$ 33.9	0.7	$ 4,915.9	6.4	Total Revenue	$ 25,978.2	$ 26,248.7	[$ - 270.5]	[- 1.0]	$ 25,583.3	1.5
5,202.9	5,236.9	- 34.0	- 0.6	4,932.5	5.5	Total Expense *	26,041.7	25,957.8	[83.9]	[0.3]	24,570.5	6.0
$ 26.2	$ - 41.7	$ 67.9	-	$ - 16.6	-	Net Income/(Loss)	$ - 63.5	$ 290.9	[$ - 354.4]	-	$ 1,012.8	-
$ 135.4	$ 161.9	$ - 26.5	- 16.4	$ 59.9	126.0	Capital Commitments	$ 387.4	$ 427.6	$ - 40.2	- 9.4	$ 479.1	- 19.1
121.5	120.7	[0.8]	[0.6]	122.4	- 0.8	Total Work Hours	636.3	630.2	[6.1]	[1.0]	639.3	- 0.5
16,366.8	16,014.2	352.6	2.2	15,863.5	3.2	Total Mail Volume						

[ ] = Unfavorable variance to budget

Note: Totals may not sum due to rounding.

Note: Mail Volume numbers are preliminary numbers and are subject to change.

* Please see explanation on page 6 referencing transportation expense.

Actual Number Of:	Current Period	Last Period	SPLY
Post Offices	27,873	27,873	27,883
Active Postal Owned Vehicles:			
Administrative	5,621	5,617	5,452
Operations	201,176	201,064	196,628
Possible City Deliveries (000)	83,497	83,458	82,957
Rural Routes	67,739	67,657	65,309
Delivery Routes	168,199	168,150	169,511
Career Employees (Excludes Inspector General)	783,898	784,674	791,895
Casual Employees	37,075	21,099	31,029
Transitional Employees	14,412	17,574	14,158

STATEMENT OF INCOME & EXPENSE
Accounting Period 5, FY 2001
($ Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	%Bdgt	SPLY	%SPLY		Actual	Budget	Var. to Budget	%Bdgt	SPLY	%SPLY
$ 5,226.4	$ 5,193.2	$ 33.2	0.6	$ 4,909.6	6.5	Operating Revenue	$ 25,963.7	$ 26,237.7	[$ - 274.0]	[- 1.0]	$ 25,567.8	1.5
5,047.1	5,074.5	- 27.4	- 0.5	4,788.7	5.4	Operating Expense	25,262.9	25,157.4	[105.5]	[0.4]	23,849.8	5.9
$ 179.3	$ 118.7	$ 60.6	-	$ 120.9	-	Income From Operations	$ 700.8	$ 1,080.3	[$ - 379.5]	-	$ 1,718.0	-
2.7	2.0	0.7	35.7	6.3	- 57.4	Investment Income	14.5	11.0	3.5	31.4	15.5	- 7.1
- 31.9	- 38.5	6.6	- 17.1	- 22.2	43.7	Interest Expense	- 159.2	- 180.8	21.6	- 11.9	- 112.5	41.5
- 123.9	- 123.9	0.0	0.0	- 121.6	1.9	Interest on Deferred Ret. Liabilities	- 619.6	- 619.6	0.0	0.0	- 608.2	1.9
$ 26.2	$ - 41.7	$ 67.9	-	$ - 16.6	-	Income/(Loss)	$ - 63.5	$ 290.9	[$ - 354.4]	-	$ 1,012.8	-

[ ]=Unfavorable variance to budget

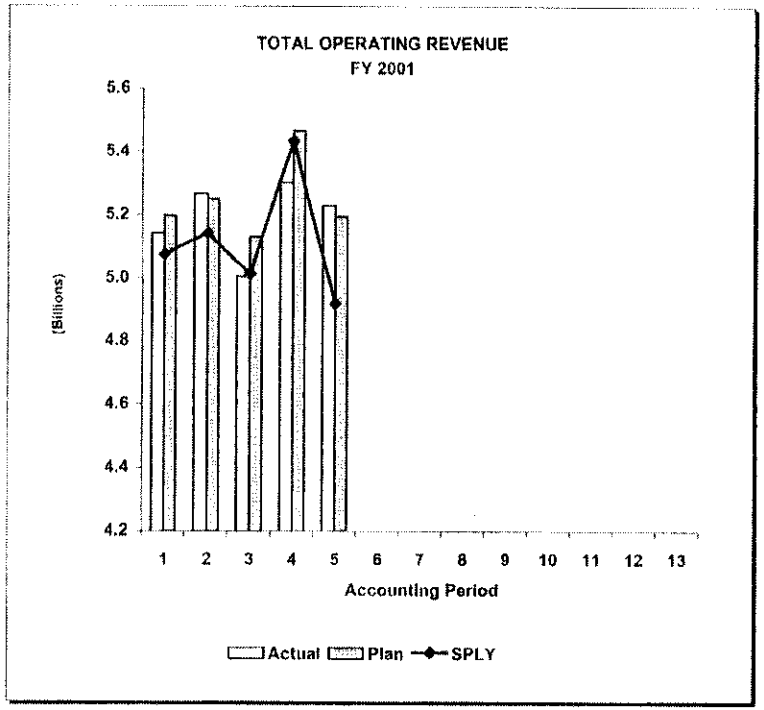
Note: Totals may not sum due to rounding.

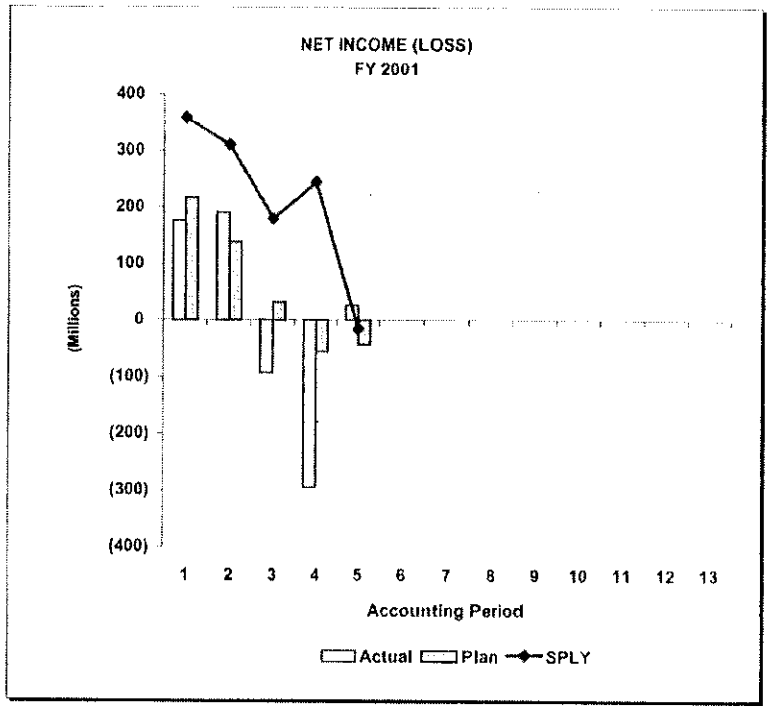
MAIL VOLUME - MAIL REVENUE
Accounting Period 5, FY 2001
(Data in Thousands)

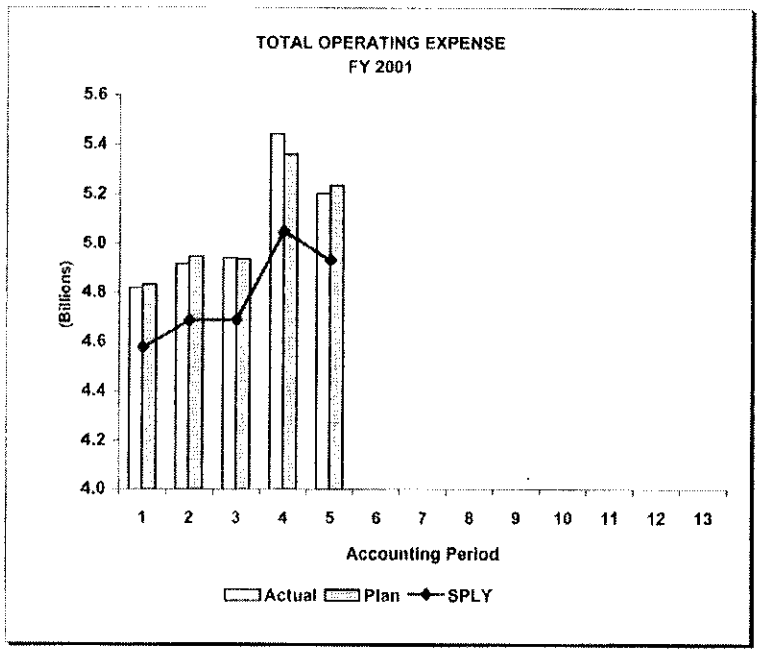
	CURRENT PERIOD		
	A/P 5 2001	A/P 5 2000	% CHANGE
FIRST-CLASS MAIL			
VOLUME	8,752,950	8,270,948	5.8
REVENUE	$ 3,017,866	$ 2,812,004	7.3
REV/PC.	0.3448	0.3400	1.4
PRIORITY MAIL			
VOLUME	91,624	89,334	2.6
REVENUE	$ 391,899	$ 354,265	10.6
REV/PC.	4.2773	3.9656	7.9
EXPRESS MAIL			
VOLUME	4,833	5,084	- 4.9
REVENUE	$ 68,718	$ 71,068	- 3.3
REV/PC.	14.2188	13.9795	1.7
PERIODICAL MAIL			
VOLUME	730,802	777,963	- 6.1
REVENUE	$ 161,993	$ 157,739	2.7
REV/PC.	0.2217	0.2028	9.3
STANDARD MAIL			
VOLUME	6,581,920	6,545,367	0.6
REVENUE	$ 1,151,721	$ 1,112,940	3.5
REV/PC.	0.1750	0.1700	2.9
PACKAGE SERVICES			
VOLUME	76,972	78,134	- 1.5
REVENUE	$ 141,136	$ 135,169	4.4
REV/PC.	1.8336	1.7300	6.0
INTERNATIONAL			
VOLUME	86,640	68,183	27.1
REVENUE	$ 123,062	$ 109,833	12.0
REV/PC.	1.4204	1.6109	- 11.8
ALL OTHER			
VOLUME	41,053	28,508	44.0
REVENUE	$ 110	$ 104	6.4
ALL MAIL _1/			
VOLUME	16,366,793	15,863,520	3.2
REVENUE	$ 5,056,507	$ 4,753,121	6.4
REV/PC.	0.3089	0.2996	3.1

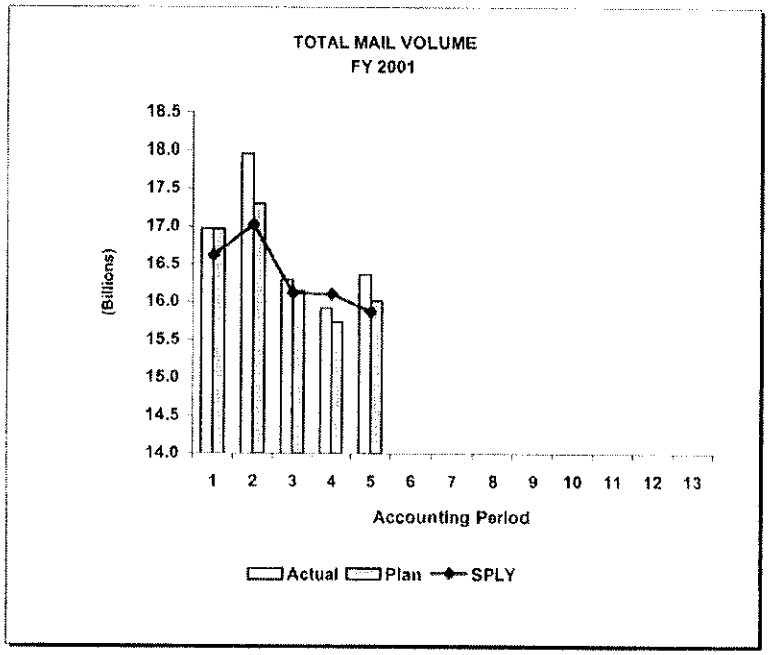
_ 1/ Totals may not sum due to rounding.

2/ Numbers are preliminary numbers and are subject to change.


TOTAL OPERATING REVENUE
FY 2001
(Billions)
5.6
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


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


TOTAL OPERATING EXPENSE
FY 2001
(Billions)
5.6
5.4
5.2
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


TOTAL 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 5, FY 2001
($ Millions)

Current Period				Year-to-Date		
Actual	SPLY	% Diff		Actual	SPLY	% Diff
			Operating Revenue:			
$ 2,045.8	$ 1,962.1	4.3	Metered Postage	$ 9,794.9	$ 9,889.7	- 1.0
977.0	861.1	13.5	Stamps and Stamped Paper	4,704.7	4,746.2	- 0.9
1,073.6	1,025.4	4.7	Permit Imprint	5,841.5	5,579.9	4.7
160.1	156.5	2.3	Periodicals & Standard A	823.4	810.7	1.6
70.1	64.1	9.4	Official Mail	317.6	321.5	- 1.2
695.3	634.3	9.6	Presort First-Class & Standard B/Permit Imprint	3,471.2	3,251.9	6.7
52.8	53.2	- 0.8	Box Rents	264.1	259.1	1.9
13.3	14.4	- 7.6	Money Order Fees	68.7	70.3	- 2.3
133.4	133.5	- 0.1	Other	651.9	613.5	6.3
$ 5,221.3	**$ 4,904.6**	**6.5**	**Subtotal**	**$ 25,938.0**	**$ 25,542.8**	**1.5**
			Government Appropriation:			
5.1	5.0	2.6	Revenue Forgone	25.7	25.0	2.6
$ 5,226.4	**$ 4,909.6**	**6.5**	**Total Operating Revenue**	**$ 25,963.7**	**$ 25,567.8**	**1.5**
2.7	6.3	- 57.4	Investment Income	14.5	15.5	- 7.1
$ 5,229.1	**$ 4,915.9**	**6.4**	**Total Revenue**	**$ 25,978.2**	**$ 25,583.3**	**1.5**

Note: Totals may not sum due to rounding.

REVENUE BY CATEGORY
Accounting Period 5, FY 2001
($ Millions)

Current Period				Year-to-Date		
Actual	Budget	% Diff		Actual	Budget	% Diff
			Commercial Revenue			
$ 1,986.6	$ 2,191.4	[9.3]	Permit Revenue	$ 10,425.4	$ 10,781.1	[3.3]
1,870.9	1,695.5	10.3	Other Commercial Accounts Revenue	8,710.9	8,464.2	2.9
$ 3,857.5	**$ 3,886.9**	**[0.7]**	**Total Commercial Revenue**	**$ 19,136.3**	**$ 19,245.3**	**[0.5]**
			Retail Revenue			
1,098.7	1,044.1	5.2	Retail Postage Revenue	5,568.1	5,595.0	[0.5]
71.0	72.7	[2.3]	Retail Services Revenue	350.2	367.9	[4.8]
9.1	12.4	[26.6]	Retail Products Revenue	54.2	64.4	[15.8]
154.4	147.0	4.9	Other Retail Channels Revenue	673.0	724.8	[7.1]
$ 1,333.2	**$ 1,276.2**	**4.5**	**Total Retail Revenue**	**$ 6,645.5**	**$ 6,752.1**	**[1.5]**
$ 5,190.7	**$ 5,163.1**	**0.5**	**Total Commercial & Retail Revenue**	**$ 25,781.8**	**$ 25,997.4**	**[0.8]**
30.6	25.0	22.7	Other Income	156.2	214.6	[27.2]
5.1	5.1	0.0	Revenue Forgone	25.7	25.7	0.0
$ 5,226.4	**$ 5,193.2**	**0.6**	**Total Operating Revenue**	**$ 25,963.7**	**$ 26,237.7**	**[1.0]**
2.7	2.0	35.7	Investment Income	14.5	11.0	31.4
$ 5,229.1	**$ 5,195.2**	**0.7**	**Total Revenue**	**$ 25,978.2**	**$ 26,248.7**	**[1.0]**

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

EXPENSE ANALYSIS
Accounting Period 5, FY 2001
($ Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	%Bdgt	SPLY	%SPLY		Actual	Budget	Var to Budget	%Bdgt	SPLY	%SPLY
$ 3,988.0	$ 3,994.8	$ - 6.8	- 0.2	$ 3,757.9	6.1	**Personnel Compensation**	$ 20,006.6	$ 19,873.8	[$ 132.8]	[0.7]	$18,926.1	5.7
						Non-Personnel Expense:						
433.1	413.5	[19.6]	[4.7]	438.5	- 1.2	Transportation	2,036.4	1,914.3	[122.1]	[6.4]	1,832.8	11.1
237.3	254.2	- 16.9	- 6.6	256.7	- 7.6	Supplies & Services	1,130.7	1,185.8	- 55.1	- 4.6	1,144.1	- 1.2
388.7	412.0	- 23.3	- 5.7	335.6	15.8	Other	2,089.2	2,183.5	- 94.3	- 4.3	1,946.8	7.3
$ 1,059.1	$ 1,079.7	$ - 20.6	- 1.9	$ 1,030.8	2.7	**Subtotal**	$ 5,256.3	$ 5,283.6	$ - 27.3	- 0.5	$ 4,923.7	6.8
$ 5,047.1	$ 5,074.5	$ - 27.4	- 0.5	$ 4,788.7	5.4	**Total Operating Expense**	$ 25,262.9	$ 25,157.4	[$ 105.5]	[0.4]	$ 23,849.8	5.9
31.9	38.5	- 6.6	- 17.1	22.2	43.7	Interest Expense	159.2	180.8	- 21.6	- 11.9	112.5	41.5
123.9	123.9	0.0	0.0	121.6	1.9	Interest on Deferred Ret. Liabilities	619.6	619.6	0.0	0.0	608.2	1.9
$ 5,202.9	$ 5,236.9	$ - 34.0	- 0.6	$ 4,932.5	5.5	**Total Expense**	$ 26,041.7	$ 25,957.8	[$ 83.9]	[0.3]	$ 24,570.5	6.0

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

* In Fiscal Year (FY) 2001, the Postal Service began accruing for the cost of holiday transportation when incurred, rather than recognizing the expense when paid. The impact of this change in accounting policy is to increase the reported growth in AP 4 transportation expenses by $137 million, relative to the same period last year (SPLY). Future accounting periods in FY 2001 will also be less comparable to the prior year, as the reported growth will be slightly lower than it otherwise would have been, compared to SPLY.

ANALYSIS OF OPERATING EXPENSES
Accounting Period 5, FY 2001
Personnel Compensation
($ Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	%Bdgt	SPLY *	%SPLY	Total Compensation	Actual	Budget	Var. to Budget	%Bdgt	SPLY *	%SPLY
						Operations:						
26.2	27.1	$ - 0.9	- 3.5	$ 27.0	- 3.0	-Support	$ 130.1	$ 136.5	$ - 6.5	- 4.7	$ 128.7	1.1
880.6	880.4	[0.2]	[0.0]	881.0	- 0.0	-Mail Processing	4,577.7	4,586.6	- 8.9	- 0.2	4,558.4	0.4
299.9	299.7	[0.2]	[0.1]	282.4	6.2	-Rural Delivery	1,545.2	1,515.4	[29.7]	[2.0]	1,420.3	8.8
1,106.9	1,094.8	[12.1]	[1.1]	1,043.4	6.1	-Other Delivery	5,611.2	5,510.2	[101.0]	[1.8]	5,253.9	6.8
77.7	78.8	- 1.1	- 1.4	76.3	1.8	-Vehicles Services	400.1	400.4	- 0.3	- 0.1	385.0	3.9
190.9	198.2	- 7.3	- 3.7	186.8	2.2	-Plant & Equip Maint	972.2	988.7	- 16.5	- 1.7	925.4	5.1
578.0	577.1	[0.9]	[0.2]	567.2	1.9	-Customer Services	2,962.3	2,949.1	[13.2]	[0.4]	2,876.1	3.0
22.8	24.9	- 2.2	- 8.7	23.5	- 3.0	Controller	114.4	126.3	- 11.9	- 9.4	114.7	- 0.2
24.1	26.5	- 2.4	- 9.1	25.1	- 4.3	Human Resources	122.0	132.3	- 10.3	- 7.8	120.5	1.2
31.4	33.9	- 2.5	- 7.4	38.6	- 18.6	Customer Service & Sales	160.7	170.9	- 10.2	- 6.0	187.5	- 14.3
156.5	154.2	[2.2]	[1.5]	157.2	- 0.5	Administration	786.1	777.5	[8.6]	[1.1]	767.0	2.5
146.6	177.5	- 31.0	- 17.4	136.7	7.2	Other Salaries & Benefits	731.3	710.9	[20.3]	[2.9]	610.7	19.8
$ 3,541.5	**$ 3,573.2**	**$ - 31.8**	**- 0.9**	**$ 3,445.3**	**2.8**	**Total Salaries & Benefits**	**$ 18,113.1**	**$ 18,004.8**	**[$ 108.3]**	**[0.6]**	**$ 17,348.2**	**4.4**
108.6	78.7	[29.9]	[38.0]	70.0	55.2	Workers' Compensation	396.0	366.3	[29.7]	[8.1]	349.9	13.2
5.6	5.6	0.0	0.0	3.0	86.2	Unemployment Compensation	28.1	28.1	0.0	0.0	15.1	85.8
107.4	107.4	0.0	0.0	99.2	8.2	Deferred Retirement Cost	536.8	536.8	0.0	0.0	495.9	8.2
61.3	61.3	0.0	0.0	52.0	17.9	CSRS Annuitant COLA	306.3	306.3	0.0	0.0	259.8	17.9
66.0	66.0	0.0	0.0	57.0	15.7	Annuitant Health Benefits	330.0	330.0	0.0	0.0	285.1	15.7
97.6	102.5	- 4.9	- 4.8	31.4	210.9	Other Compensation	296.2	301.4	- 5.2	- 1.7	172.1	72.2
$ 3,988.0	**$ 3,994.8**	**$ - 6.8**	**- 0.2**	**$ 3,757.9**	**6.1**	**Total Personnel Compensation**	**$ 20,006.6**	**$ 19,873.8**	**[$ 132.8]**	**[0.7]**	**$ 18,926.1**	**5.7**

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.

ANALYSIS OF NON-PERSONNEL EXPENSES
Accounting Period 5, FY 2001
($ Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	%Bdgt	SPLY *	%SPLY	Description	Actual	Budget	Var. to Budget	%Bdgt	SPLY *	%SPLY
$ 433.1	$ 413.5	[$ 19.6]	[4.7]	$ 438.5	- 1.2	Transportation	$ 2,036.4	$ 1,914.3	[$ 122.0]	[6.4]	$ 1,832.8	11.1
237.3	254.2	- 16.9	- 6.6	256.7	- 7.6	Supplies & Services	1,130.7	1,185.8	- 55.1	- 4.6	1,144.1	- 1.2
165.1	169.7	- 4.6	- 2.7	152.7	8.1	Depreciation	827.2	829.2	- 1.9	- 0.2	781.5	5.8
8.3	12.7	- 4.4	- 34.4	11.1	- 25.1	Rent	292.3	309.3	- 17.0	- 5.5	281.8	3.7
42.4	40.1	[2.3]	[5.8]	34.1	24.2	Fuel & Utilities	170.2	175.7	- 5.5	- 3.1	152.0	12.0
28.5	29.7	- 1.2	- 3.9	25.3	12.5	Rural Carrier Equip Maint Allow	146.0	143.7	[2.3]	[1.6]	131.6	10.9
36.3	33.4	[2.9]	[8.6]	30.6	18.6	Vehicle Maintenance	162.7	142.4	[20.2]	[14.2]	128.8	26.3
22.2	31.1	- 8.8	- 28.4	21.2	4.7	Information Technology	85.0	121.8	- 36.8	- 30.2	122.0	- 30.3
12.2	14.8	- 2.6	- 17.5	13.3	- 8.8	Building Projects Expensed	53.7	71.4	- 17.8	- 24.9	67.0	- 19.9
5.0	5.4	- 0.4	- 7.1	5.0	- 0.3	Contract Job Cleaners	25.6	26.7	- 1.1	- 4.0	24.6	4.1
7.3	12.4	- 5.1	- 41.4	9.5	- 23.6	Travel & Relocation	46.1	63.9	- 17.8	- 27.8	48.7	- 5.2
15.4	15.5	- 0.1	- 0.8	17.4	- 11.7	Communications	73.5	84.4	- 10.9	- 12.9	84.2	- 12.7
5.2	5.9	- 0.8	- 13.3	5.8	- 11.0	Contract Stations	23.1	24.9	- 1.8	- 7.1	24.5	- 5.8
2.3	4.3	- 2.0	- 46.2	3.6	- 34.9	Printing	10.2	16.2	- 6.0	- 37.3	12.1	- 16.2
4.0	6.0	- 2.0	- 33.4	3.1	28.3	Training	23.9	30.2	- 6.3	- 20.9	17.8	33.8
4.1	4.6	- 0.5	- 11.8	4.3	- 4.8	Carfare & Tolls	21.3	24.6	- 3.3	- 13.5	22.3	- 4.7
4.1	4.0	[0.1]	[3.5]	4.5	- 8.2	Vehicle Hire	18.8	17.1	[1.7]	[10.0]	15.7	19.8
6.8	4.0	[2.8]	[69.4]	4.0	68.2	Accident Cost	20.6	19.7	[0.9]	[4.8]	13.5	52.5
- 4.2	- 5.0	[0.8]	[16.0]	- 4.0	- 4.0	Capitalized Interest	- 22.7	- 25.0	[2.3]	[9.2]	- 21.0	- 8.4
23.7	23.5	[0.3]	[1.3]	- 6.1	-	Miscellaneous	111.8	107.4	[4.4]	[4.1]	39.6	-
$ 1,059.1	**$ 1,079.7**	**$ - 20.6**	**- 1.9**	**$ 1,030.8**	**2.7**	**Total Other Operating Expenses**	**$ 5,256.3**	**$ 5,283.6**	**$ - 27.3**	**- 0.5**	**$ 4,923.7**	**6.8**

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

STATEMENT OF FINANCIAL POSITION
Accounting Period 5, FY 2001
($ Millions)

Assets	January 26, 2001	December 29, 2000	September 30, 2000 *
Current Assets:			
Cash and cash equivalents _1/	$ 100	$ 150	$ 677
U.S. Government securities, at amortized cost which approximates market	6	6	6
Receivables:			
Foreign countries	368	366	349
U.S. Government	144	126	134
Other	231	235	213
	743	727	696
Less allowances	112	112	107
	631	615	589
Supplies, advances and prepayments	368	316	383
Total Current Assets	**1,105**	**1,087**	**1,655**
Other assets _2/	375	375	375
Property and equipment, at cost:			
Buildings	18,202	18,106	17,685
Equipment	14,296	14,220	13,973
Land	2,614	2,606	2,534
	35,112	34,932	34,192
Less allowances for depreciation	13,697	13,572	13,143
	21,415	21,360	21,049
Construction in progress	2,546	2,472	2,389
Leasehold improvements, net	659	659	632
	24,620	24,491	24,070
Deferred Retirement Costs _3/	33,710	33,878	32,183
Total Assets	**$ 59,810**	**$ 59,831**	**$ 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 $373 million as of September 30, 2000, December 29, 2000 and January 26, 2001 for appropriation receivable for revenue forgone.

_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

STATEMENT OF FINANCIAL POSITION
Accounting Period 5, FY 2001
($ Millions)

Liabilities and Equities	January 26, 2001	December 29, 2000	September 30, 2000 *
Current Liabilities:			
Compensation and employees' benefits	$ 5,529	$ 5,391	$ 5,295
Estimated prepaid postage	1,683	1,601	1,594
Payables and accrued expenses:			
Foreign countries	472	466	439
U.S. Government	181	151	150
Other	2,500	2,604	1,300
	3,153	3,221	1,889
Appropriation for free & reduced rate mail	45	50	0
Prepaid permit mail and box rentals	1,534	1,601	1,969
Outstanding postal money orders	818	853	716
Current portion of debt	3,725	3,819	6,814
Total Current Liabilities	**16,487**	**16,536**	**18,277**
Long-term debt, less current portion	3,752	3,752	2,502
Other Liabilities:			
Amounts payable for retirement benefits _3/	32,275	32,275	30,212
Workers' compensation claims	5,348	5,239	5,029
Employees' accumulated leave	1,838	1,980	2,090
Other	1,070	1,030	819
Total Other Liabilities	40,531	40,524	38,150
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	- 3,994	- 4,015	- 3,680
Equity/Capital Deficiency	- 960	- 981	- 646
Total Liabilities and Equity	**$ 59,810**	**$ 59,831**	**$ 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 INVESTMENT
FY 2001

($ Millions)

MAJOR CATEGORIES	COMMITMENTS A/P 5 Year-to-Date ACTUAL	PLAN	SPLY	EXPENDITURES A/P 5 Year-to-Date ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 62.6	$ 66.4	$ 96.9	$ 270.9	$ 343.7	$ 318.9
BUILDING IMPROVEMENTS	71.8	83.3	172.4	223.9	259.8	274.1
MAIL PROCESSING EQUIPMENT	148.5	166.4	116.6	358.0	285.5	360.9
VEHICLES	22.0	11.8	28.7	109.6	86.5	19.5
RETAIL EQUIPMENT	20.3	28.0	17.6	98.9	103.2	102.1
POSTAL SUPPORT EQUIPMENT	62.1	71.8	46.9	157.0	241.1	131.2
TOTAL COMMITMENTS/EXPENDITURES	**$ 387.4**	**$ 427.6**	**$ 479.1**	**$ 1,218.4**	**$ 1,319.8**	**$ 1,206.7**

Note: Totals may not sum due to rounding.

RESOURCES ON ORDER

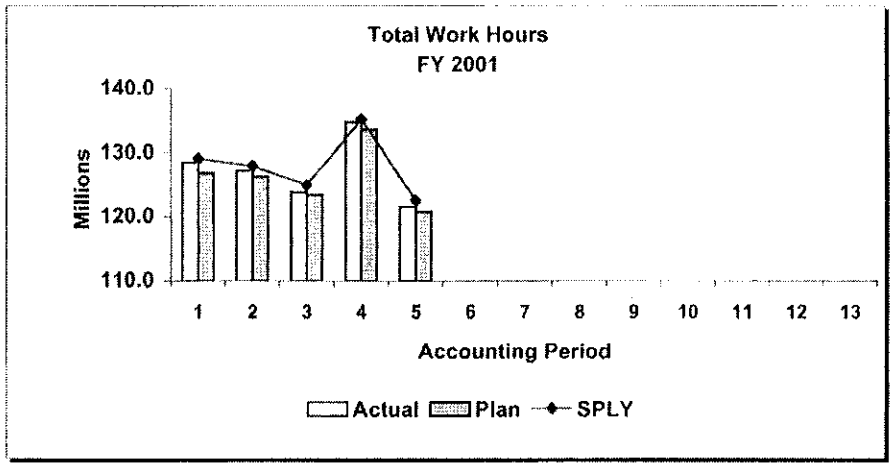
($ Millions)

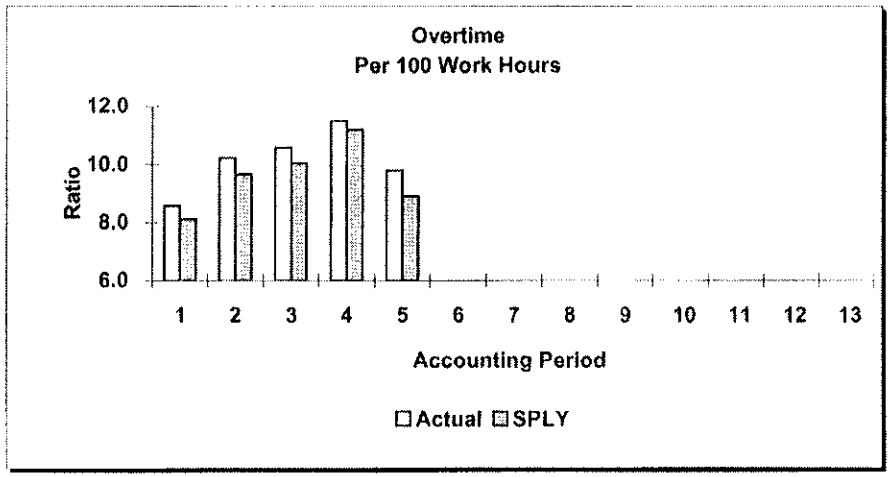
MAJOR CATEGORIES	Jan. 26, 2001	Sept. 30, 2000
CONSTRUCTION AND BUILDING PURCHASE	$ 482.7	$ 693.2
BUILDING IMPROVEMENTS	293.3	458.1
MAIL PROCESSING EQUIPMENT	1,387.8	1,617.0
VEHICLES	286.9	375.2
RETAIL EQUIPMENT	150.0	228.7
POSTAL SUPPORT EQUIPMENT	169.2	269.2
INVENTORIES	200.1	230.2
RESEARCH AND DEVELOPMENT	41.6	38.9
MISCELLANEOUS EXPENSE COMMITMENTS	3,561.1	3,463.1
TOTAL RESOURCES ON ORDER	**$ 6,572.8**	**$ 7,373.5**

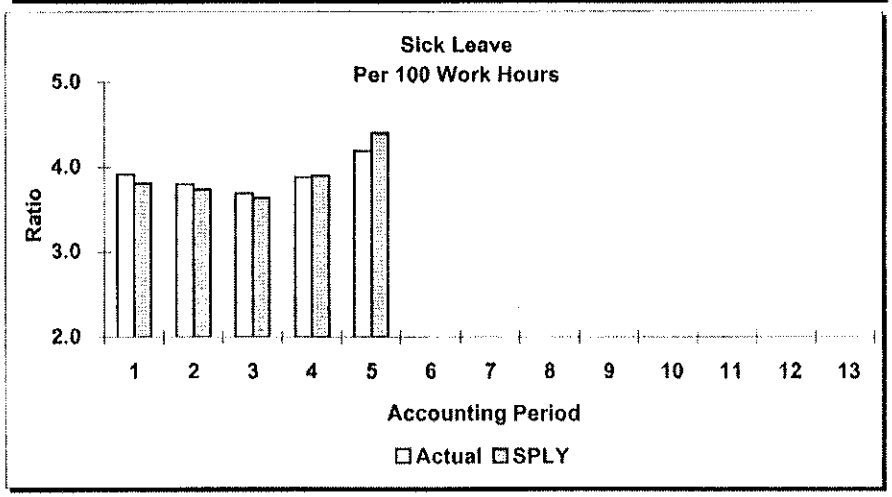
STATEMENT OF CASH FLOWS

($ Millions)

For the Government Fiscal Year through January 26, 2001	FY 2001 Accounting Period 5
Cash flows from operating activities:	
Net income/(loss) (Government Fiscal Year Basis)	$ (314)
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:	
Depreciation and amortization	723
Increase/(decrease) in other liabilities	251
Increase/(decrease) in employees' accumulated leave	(252)
Increase/(decrease) in non-current workers' compensation claims	319
Increase/(decrease) in retirement, net	536
Changes in current assets and liabilities:	
Increase/(decrease) in accrued compensation and benefits	234
Increase/(decrease) in deferred revenue	(301)
Increase/(decrease) in payables and accrued expenses	1,264
(Increase)/decrease in receivables	(42)
(Increase)/decrease in supplies, advances and prepayments	15
Increase/(decrease) in outstanding postal money orders	102
Net cash provided by operating activities	**2,535**
Cash flows from investing activities:	
Sale/(purchase) of U.S. Government securities, net	0
Purchase of property and equipment, net	(1,273)
Net cash used in investing activities	**(1,273)**
Cash flows from financing activities:	
Increase/(decrease) in debt	(1,839)
(Increase)/decrease in other non-current assets	0
Net cash used by financing activities	**(1,839)**
Net (decrease)/increase in cash and cash equivalents	**(577)**
Cash and cash equivalents at beginning of period	**677**
Cash and cash equivalents at end of period	**$ 100**


Total Work Hours
FY 2001
140.0
130.0
120.0
110.0
Millions
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


Overtime
Per 100 Work Hours
12.0
10.0
8.0
6.0
Ratio
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
SPLY


Sick Leave
Per 100 Work Hours
5.0
4.0
3.0
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 5, FY 2001

(Data in Thousands)

Total Work Hours	Current Period Actual	Var. to Budget	%Bdgt	SPLY*	%SPLY	Year-to-Date Actual	Var. to Budget	%Bdgt	SPLY*	%SPLY
Operations:										
-Support	718	- 26	- 3.4	777	- 7.5	3,677	- 166	- 4.3	3,785	- 2.9
-Mail Processing	31,669	[794]	[2.6]	32,189	- 1.6	168,534	[1,573]	[0.9]	173,820	- 3.0
-Rural Delivery	12,583	- 145	- 1.1	12,313	2.2	65,764	[333]	[0.5]	63,489	3.6
-Other Delivery	36,574	[430]	[1.2]	36,530	0.1	191,074	[3,169]	[1.7]	190,076	0.5
-Vehicles Services	2,510	- 33	- 1.3	2,544	- 1.3	13,066	- 50	- 0.4	13,104	- 0.3
-Plant & Equip Maint	6,250	- 233	- 3.6	6,307	- 0.9	32,097	- 702	- 2.1	31,807	0.9
-Customer Services	19,953	[54]	[0.3]	20,193	- 1.2	103,509	[356]	[0.3]	104,577	- 1.0
Controller	694	- 63	- 8.3	738	- 6.0	3,543	- 351	- 9.0	3,691	- 4.0
Human Resources	684	- 59	- 7.9	744	- 8.1	3,584	- 237	- 6.2	3,662	- 2.1
Customer Service & Sales	1,008	- 77	- 7.1	1,255	- 19.6	5,230	- 314	- 5.7	6,205	- 15.7
Administration	4,890	[11]	[0.2]	5,091	- 4.0	25,549	[144]	[0.6]	25,836	- 1.1
Other	3,939	[120]	[3.1]	3,759	4.8	20,681	[1,697]	[8.9]	19,218	7.6
Total Work Hours	121,473	[757]	[0.6]	122,440	- 0.8	636,307	[6,139]	[1.0]	639,269	- 0.5

Overtime

	Actual	Budget	SPLY	Actual	Budget	SPLY
Overtime Ratio Per 100 Work Hours	9.8	8.5	8.9	10.2	9.0	9.6

Sick Leave

	Actual		SPLY	Actual		SPLY
Sick Leave Ratio Per 100 Work Hours	4.2	--	4.4	3.9	--	4.0

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.