UNITED STATES POSTAL SERVICE

FINANCIAL & OPERATING STATEMENTS

Accounting Period 10, PFY 1997

May 24 - June 20, 1997

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Finance

POSTAL RATE COMMISSION
DOCKETED
JUL 2 5 1997
OFFICE OF THE SECRETARY

HIGHLIGHTS
(MILLIONS)

Accounting Period 10						Year to Date				
Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	% Var.	SPLY	% Var to SPLY
$ 4,120.1	[$ - 144.0]	[- 3.4]	$ 4,031.1	2.2	Total Revenue	$ 44,992.0	[$ - 502.4]	[- 1.1]	$ 43,951.9	2.4
4,129.2	- 352.1	- 7.9	4,056.2	1.8	Total Expense	43,663.6	- 1,030.6	- 2.3	42,222.9	3.4
$ - 9.1	$ 208.1	NM	$ - 25.1	NM	Income\(Loss)	$ 1,328.4	$ 528.2	NM	$ 1,729.0	NM
$ 135.9	$ - 275.3	- 67.0	$ 135.4	0.4	Capital Commitments	$ 1,515.0	$ - 770.7	- 33.7	$ 1,068.5	41.8
117.7	- 1.6	- 1.3	116.8	0.8	Total Workhours	1,243.3	[3.7]	[0.3]	1,229.9	1.1
13,395.4	[- 80.0]	[- 0.6]	13,061.5	2.6	Mail Volume	147,617.2	714.4	0.5	142,532.1	3.6

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

Actual Number Of:	Current Period	Last Period	SPLY
Post Offices	27,973	27,992	28,132
Active Postal Owned Vehicles			
Administrative	5,186	5,190	5,018
Operations	201,124	199,321	200,121
Possible City Deliveries (000)	81,653	81,625	81,216
Rural Routes	59,073	58,921	56,770
Delivery Routes	169,010	169,439	171,741
Career Employees	761,915	760,488	762,079
Casual Employees	28,101	27,944	25,264
Transitional Employees	31,527	32,078	36,793

STATEMENT OF INCOME & EXPENSE
($ MILLIONS)

Accounting Period 10						Year to date				
Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY		Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY
$ 4,108.0	[$ - 145.4]	[- 3.4]	$ 4,020.3	2.2	Operating Revenue	$ 44,913.9	[$ - 500.6]	[- 1.1]	$ 43,842.2	2.4
3,982.1	- 348.2	- 8.0	3,916.3	1.7	Operating Expense	42,169.5	- 1,014.7	- 2.3	40,754.3	3.5
$ 125.9	$ 202.8	NM	$ 104.0	NM	Income From Operations	$ 2,744.4	$ 514.1	NM	$ 3,087.9	NM
12.1	1.4	13.7	10.8	12.2	Investment Income	78.1	[- 1.8]	[- 2.3]	109.7	- 28.8
- 24.3	3.9	- 13.7	- 25.9	- 6.2	Interest Expense	- 257.4	15.9	- 5.8	- 328.1	- 21.5
- 120.3	0.0	0.0	- 110.4	9.0	Interest on Deferred Ret. Liabilities	- 1,211.8	0.0	0.0	- 1,104.1	9.8
- 2.5	0.0	0.0	- 3.6	- 31.0	Interest Exp. for OBRA '93	- 24.9	0.0	0.0	- 36.4	- 31.6
$ - 9.1	208.1	NM	$ - 25.1	NM	Income (Loss)	$ 1,328.4	528.2	NM	$ 1,729.0	NM

[ ]=Unfavorable variance to budget

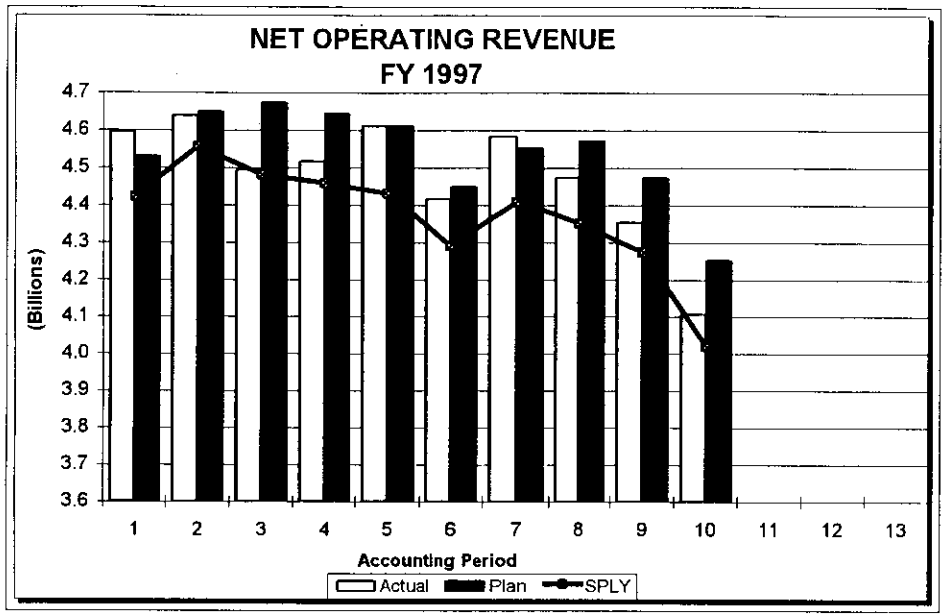
NM = Non-Meaningful

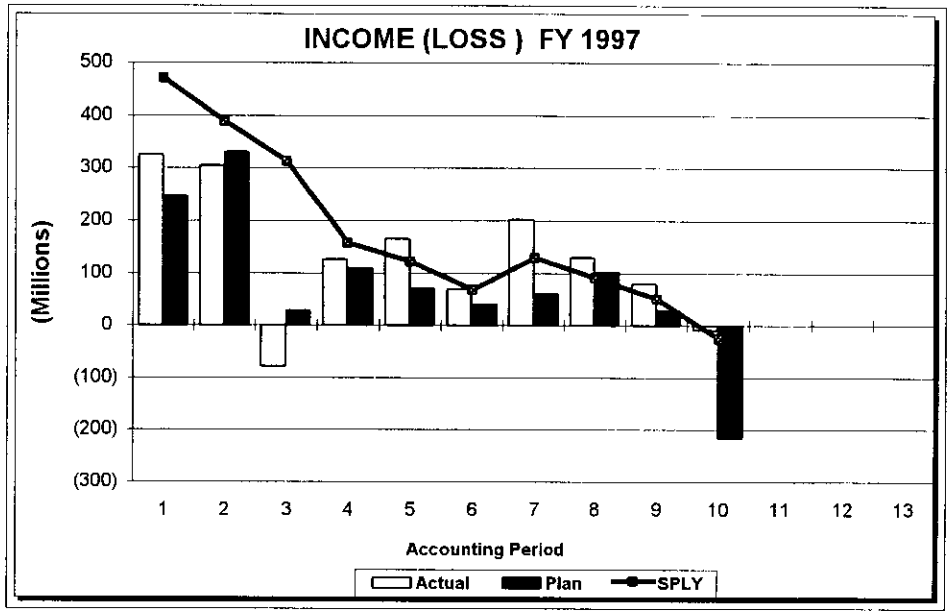
MAIL VOLUME - MAIL REVENUE
(000'S)

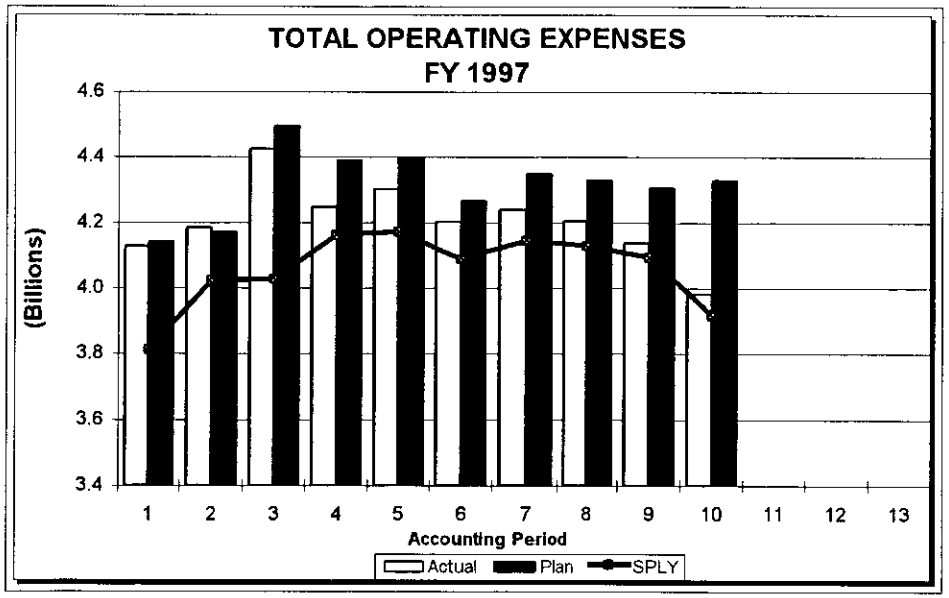
	CURRENT PERIOD			YEAR-TO-DATE		
	A/P 10 1997	A/P 10 1996	% CHANGE	A/P 10 1997	A/P 10 1996	% CHANGE
FIRST-CLASS						
VOLUME	7,221,149	7,118,311	1.4	77,551,337	76,412,997	1.5
REVENUE	$ 2,423,301	$ 2,395,470	1.2	$ 25,950,789	$ 25,742,455	0.8
REV/PC.	0.3356	0.3365	- 0.3	0.3346	0.3369	- 0.7
PRIORITY-MAIL						
VOLUME	75,535	71,568	5.5	803,268	714,218	12.5
REVENUE	$ 261,322	$ 251,123	4.1	$ 2,871,579	$ 2,552,618	12.5
REV/PC.	3.4596	3.5089	- 1.4	3.5749	3.5740	0.0
EXPEDITED MAIL						
VOLUME	4,726	4,437	6.5	46,833	44,045	6.3
REVENUE	$ 59,942	$ 56,291	6.5	$ 600,816	$ 564,993	6.3
REV/PC.	12.6835	12.6867	- 0.0	12.8289	12.8276	0.0
PERIODICALS						
VOLUME	790,172	758,472	4.2	8,093,261	7,874,256	2.8
REVENUE	$ 155,598	$ 145,405	7.0	$ 1,611,621	$ 1,576,973	2.2
REV/PC.	0.1969	0.1917	2.7	0.1991	0.2003	- 0.6
STANDARD (A) MAIL						
VOLUME	5,146,073	4,950,853	3.9	59,301,268	55,604,829	6.6
REVENUE	$ 856,971	$ 826,398	3.7	$ 9,901,419	$ 9,471,721	4.5
REV/PC.	0.1665	0.1669	- 0.2	0.1670	0.1703	- 2.0
STANDARD (B) MAIL						
VOLUME	61,427	63,044	- 2.6	732,755	711,792	2.9
REVENUE	$ 98,515	$ 103,054	- 4.4	$ 1,236,439	$ 1,192,651	3.7
REV/PC.	1.6038	1.6346	- 1.9	1.6874	1.6756	0.7
INTERNATIONAL						
VOLUME	65,847	66,661	- 1.2	758,655	840,353	- 9.7
REVENUE	$ 109,968	$ 124,427	- 11.6	$ 1,241,470	$ 1,320,251	- 6.0
REV/PC.	1.6701	1.8666	- 10.5	1.6364	1.5711	4.2
ALL OTHER_1/						
VOLUME	30,440	28,149	8.1	329,823	329,625	0.1
REVENUE	$ 104	$ 135	0.6	$ 1,656	$ 1,186	39.7
ALL MAIL						
VOLUME	13,395,369	13,061,495	2.6	147,617,200	142,532,116	3.6
REVENUE	$ 3,965,721	$ 3,902,303	1.6	$ 43,415,790	$ 42,422,848	2.3
REV/PC.	0.2961	0.2988	- 0.9	0.2941	0.2976	- 1.2

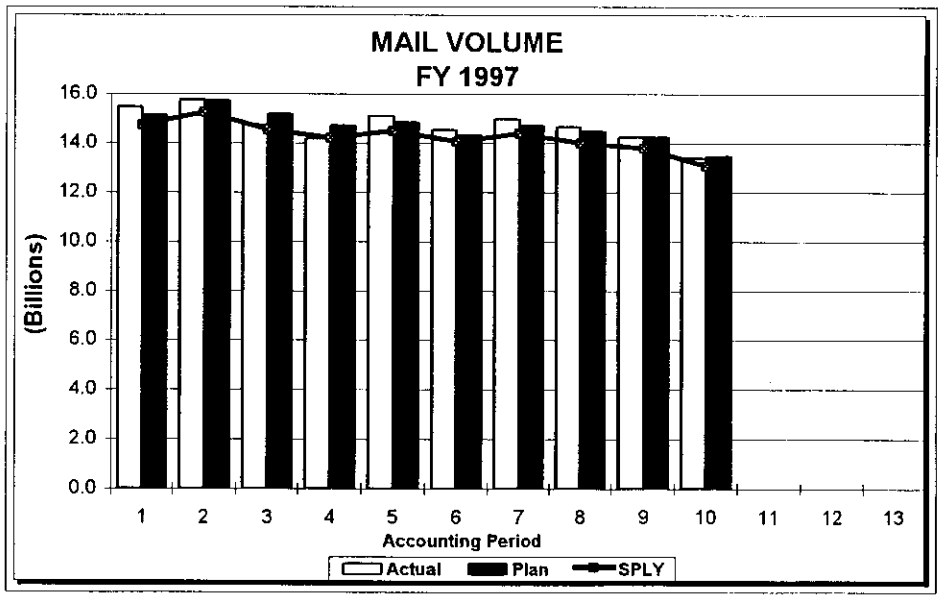
_1/ All other volume consists of an increase of 1,727 pieces in Internal Mail for the period and a decrease of 4,114 pieces year to date from this time a year ago.

-- Data reflects preliminary estimates for the accounting period. These estimates are recast quarterly and at the end of the year.


NET OPERATING REVENUE
FY 1997
(Billions)
4.7
4.6
4.5
4.4
4.3
4.2
4.1
4.0
3.9
3.8
3.7
3.6
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)
(200)
(300)
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
14.0
12.0
10.0
8.0
6.0
4.0
2.0
0.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY

Revenue by Source
A/P 10, FY 1997
($ Millions)

Current Period				Year-To-Date		
Actual	SPLY	% Diff		Actual	SPLY	% Diff
			Operating Revenue:			
$ 1,762.4	$ 1,747.9	0.8	Metered Postage	$ 18,835.6	$ 18,584.3	1.4
787.0	777.8	1.2	Stamps and Stamped Paper	8,726.5	8,632.2	1.1
890.3	866.9	2.7	Permit Imprint	10,514.0	9,962.8	5.5
159.7	151.6	5.3	Periodicals & Standard A	1,653.6	1,631.3	1.4
54.1	59.6	- 9.2	Official Mail	645.6	698.8	- 7.6
300.6	263.6	14.0	Presort First and Standard B/Permit Imprint	3,022.1	2,804.8	7.7
44.3	45.5	- 2.6	Box Rents	443.2	430.7	2.9
13.7	13.7	0.0	Money Order Fees	139.0	138.3	0.5
89.6	86.4	3.7	Other	869.4	886.3	- 1.9
$ 4,101.7	$ 4,013.0	2.2	**Subtotal**	$ 44,849.0	$ 43,769.5	2.5
			Government Appropriation:			
6.3	7.3	- 13.7	Revenue Forgone	64.9	72.7	- 10.7
$ 4,108.0	$ 4,020.3	2.2	**Total Operating Revenue**	$ 44,913.9	$ 43,842.2	2.4
12.1	10.8	12.2	Investment Income	78.1	109.7	- 28.8
$ 4,120.1	$ 4,031.1	2.2	**Total Revenue**	$ 44,992.0	$ 43,951.9	2.4

Expense Analysis
Accounting Period 10, FY 1997
($ Millions)

Accounting Period 10						Year-To-Date				
Actual	Var. to Budget	%Var.	SPLY	% Var to SPLY		Actual	Var to Budget	%Var	SPLY	% Var to SPLY
$ 3,198.2	$ - 211.4	- 6.2	$ 3,112.2	2.8	**Personnel Compensation**	$ 34,047.4	$ - 369.0	- 1.1	$ 33,011.5	3.1
					Non-Personnel Expense:					
290.2	[4.4]	[1.5]	271.4	6.9	Transportation	3,065.5	[46.9]	[1.6]	2,862.8	7.1
166.2	- 80.3	- 32.6	193.1	- 14.0	Supplies & Services	1,750.2	- 419.7	- 19.3	1,623.7	7.8
327.5	- 60.9	- 15.7	339.6	- 3.6	Other	3,306.4	- 272.9	- 7.6	3,256.3	1.5
$ 783.9	$ - 136.8	- 14.9	$ 804.1	- 2.5	**Subtotal**	$ 8,122.1	$ - 645.7	- 7.4	$ 7,742.8	4.9
$ 3,982.1	$ - 348.2	- 8.0	$ 3,916.3	1.7	**Total Operating Expense**	$ 42,169.5	$ - 1,014.7	- 2.3	$ 40,754.3	3.5
24.3	- 3.9	- 13.7	25.9	- 6.2	Interest Expense	257.4	- 15.9	- 5.8	328.1	- 21.5
120.3	0.0	0.0	110.4	9.0	Interest on Deferred Ret. Liabilities	1,211.8	0.0	0.0	1,104.1	9.8
2.5	0.0	0.0	3.6	- 31.0	Interest on OBRA '93 Retroactive Assessment	24.9	0.0	0.0	36.4	- 31.6
$ 4,129.2	- 352.1	- 7.9	$ 4,056.2	1.8	**Total Expense**	$ 43,663.6	- 1,030.6	- 2.3	$ 42,222.9	3.4

[ ] = Unfavorable variance to Budget.

Analysis of Operating Expenses
Personnel Compensation
($ Millions)

Accounting Period 10						Year to date				
Actual	Var. to Budget	% Var.	SPLY *	% Var to SPLY	Total Compensation	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
					Operations:					
$ 23.4	[0.1]	[0.5]	$ 22.0	6.2	-Support	$ 232.1	$ - 4.7	- 2.0	$ 218.4	6.3
779.0	- 28.5	- 3.5	756.3	3.0	-Mail Processing	8,414.7	[82.7]	[1.0]	8,009.5	5.1
238.9	- 7.3	- 3.0	231.8	3.0	-Rural Delivery	2,420.7	- 46.1	- 1.9	2,318.2	4.4
926.1	- 5.5	- 0.6	905.7	2.3	-Other Delivery	9,585.9	[12.2]	[0.1]	9,411.3	1.9
65.6	- 0.9	- 1.3	62.9	4.4	-Vehicles Services	672.8	[1.0]	[0.1]	647.0	4.0
159.7	- 3.1	- 1.9	153.7	3.9	-Plant & Equip Maint	1,622.2	- 18.6	- 1.1	1,561.1	3.9
485.0	- 1.6	- 0.3	471.2	2.9	-Customer Services	5,042.9	[20.2]	[0.4]	4,910.2	2.7
21.0	- 1.0	- 4.7	20.5	2.4	Controller	212.2	- 10.1	- 4.5	205.1	3.5
22.7	- 1.5	- 6.0	22.2	2.5	Human Resources	227.4	- 13.6	- 5.6	224.4	1.3
33.2	- 1.3	- 3.8	33.1	0.1	Customer Service & Sales	340.7	- 11.7	- 3.3	336.5	1.3
207.8	- 96.0	- 31.6	204.6	1.6	Administration	2,077.4	- 182.7	- 8.1	2,037.9	1.9
37.9	[1.1]	[3.0]	33.1	14.7	Other Salaries & Benefits	382.3	- 9.8	- 2.5	331.5	15.3
$ 3,000.3	- 145.3	- 4.6	$ 2,917.1	2.9	Total Salaries & Benefits	$ 31,231.3	$ - 181.4	- 0.5	$ 30,210.8	3.4
19.5	- 44.0	- 69.3	24.2	- 19.5	Workers' Compensation	547.0	- 88.0	- 13.9	671.7	- 18.6
3.8	0.0	0.0	7.0	- 45.5	Unemployment Compensation	66.8	- 1.7	- 2.5	70.2	- 4.8
82.9	[0.0]	[0.0]	89.8	- 7.7	Deferred Retirement Cost	831.9	[0.0]	[0.0]	897.8	- 7.3
43.5	0.0	0.0	39.4	10.3	CSRS Annuitant COLA	437.9	0.0	0.0	393.9	11.2
43.1	0.0	0.0	9.0	[378.4]	Annuitant Health Benefits	436.7	0.0	0.0	399.0	9.4
5.2	- 22.1	- 81.0	25.7	- 79.8	Other Compensation	495.9	- 98.0	- 16.5	368.2	34.7
$ 3,198.2	$ - 211.4	- 6.2	$ 3,112.2	2.8	Total Personnel Compensation	$ 34,047.4	$ - 369.0	- 1.1	$ 33,011.5	3.1

[ ] = Unfavorable variance to budget
* Recasted Data

Analysis of Non Personnel Expenses
($ Millions)

Accounting Period 10						Year to date				
Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY	Description	Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
$ 290.2	[$ 4.4]	[1.5]	$ 271.4	6.9	Transportation	$ 3,065.5	[$ 46.9]	[1.6]	$ 2,862.6	7.1
166.2	- 80.3	- 32.6	193.1	- 14.0	Supplies & Services	1,750.2	- 419.7	- 19.3	1,623.7	7.8
119.4	- 17.3	- 12.6	104.8	13.9	Depreciation	1,178.4	- 92.4	- 7.3	1,001.6	17.7
50.9	- 2.7	- 5.1	50.2	1.4	Rent	521.2	- 17.0	- 3.2	494.2	5.5
26.4	- 3.1	- 10.6	27.0	- 2.2	Fuel & Utilities	306.2	- 2.4	- 0.8	292.0	4.9
24.4	- 0.9	- 3.7	22.9	6.4	Rural Carrier Equip Maint Allow	245.0	[9.3]	[3.9]	226.5	8.2
22.7	- 2.5	- 10.0	22.5	0.8	Vehicle Maintenance	241.5	[9.6]	[4.1]	217.9	10.8
16.6	- 1.8	- 9.9	18.1	- 8.1	Building Projects Expensed	137.1	- 30.9	- 18.4	120.3	14.0
4.1	- 0.1	- 1.3	3.9	4.7	Contract Job Cleaners	40.4	- 0.7	- 1.8	38.6	4.8
12.8	[0.0]	[0.3]	12.4	3.8	Travel & Relocation	114.9	- 4.2	- 3.5	105.1	9.4
13.5	- 2.2	- 14.2	9.8	37.2	Communications	124.0	- 14.3	- 10.3	102.1	21.4
5.4	[2.3]	[72.5]	1.9	184.6	Contract Stations	53.3	- 2.0	- 3.7	54.9	- 2.9
3.8	- 0.7	- 15.4	3.4	11.0	Printing	31.7	- 10.5	- 24.9	31.2	1.6
4.7	- 2.2	- 31.6	5.4	- 12.5	Training	42.7	- 21.1	- 33.1	48.1	- 11.3
4.4	[0.5]	[13.7]	4.0	9.9	Carfare & Tolls	44.9	[6.0]	[15.5]	41.1	9.2
1.6	- 0.2	- 12.4	1.8	- 12.1	Vehicle Hire	22.8	[2.2]	[10.6]	19.4	17.2
4.6	[1.1]	[32.9]	3.2	43.7	Accident Cost	43.5	[4.4]	[11.4]	38.7	12.5
- 3.0	[0.1]	[2.9]	- 2.7	11.4	Capitalized Interest	- 26.3	[4.4]	[14.4]	- 29.8	- 11.7
15.5	- 31.2	- 66.8	51.1	- 69.8	Miscellaneous	185.1	- 113.2	- 38.0	454.6	- 59.3
$ 783.9	$- 136.8	- 14.9	$ 804.1	- 2.5	Total Other Operating Expenses	$ 8,122.1	$ - 645.7	- 7.4	$ 7,742.8	4.9

[ ]=Unfavorable variance to budget
* Recasted Data

Statement of Financial Position
AP 10, FY 1997
($ Millions)

Assets	June 20, 1997	May 23, 1997	September 30, 1996*
Current Assets:			
Cash and cash equivalents _1/	$ 1,769.6	$ 1,535.5	$ 301.1
U.S. Government securities, at amortized cost which approximates market	8.9	458.9	8.7
Receivables:			
Foreign countries	383.0	370.5	547.2
U.S. Government	161.1	163.1	109.5
Other	206.8	201.9	153.9
	$ 750.9	$ 735.5	$ 810.6
Less allowances	79.5	79.0	83.3
	$ 671.4	$ 656.5	$ 727.3
Supplies, advances and prepayments	393.0	393.6	410.0
Total Current Assets	$ 2,842.9	$ 3,044.5	$ 1,447.1
Other assets _2/	354.4	354.4	354.2
Property and equipment, at cost:			
Buildings	13,693.7	13,620.0	12,923.3
Equipment	10,654.1	10,530.7	9,738.2
Land	2,183.0	2,177.6	2,107.0
	$ 26,530.8	$ 26,328.3	$ 24,768.5
Less allowances for depreciation	9,615.6	9,541.5	8,843.2
	$ 16,915.2	$ 16,786.8	$ 15,925.3
Construction in progress	1,665.4	1,657.5	1,551.7
Leasehold improvements, net	428.6	431.2	380.9
	$ 19,009.2	$ 18,875.5	$ 17,857.9
Deferred retirement costs _3/	32,710.0	32,836.4	31,944.3
Total Assets	$ 54,916.5	$ 55,110.8	$ 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, May 23 and June 20, 1997 for supplemental appropriation receivable for revenue forgone.

* Audited year-end data

Statement of Financial Position
AP 10, FY 1997
($ Millions)

Liabilities and Equities	June 20, 1997	May 23, 1997	September 30, 1996*
Current Liabilities:			
Compensation and employees' benefits	$ 5,806.9	$ 5,706.0	$ 4,742.7
Estimated prepaid postage	1,775.5	1,770.7	1,723.4
Payables and accrued expenses:			
Foreign countries	622.6	590.1	720.5
U.S. Government	217.7	275.6	225.9
Other	1,606.8	1,634.7	877.7
	$ 2,447.1	$ 2,500.4	$ 1,824.1
Appropriation for free & reduced rate mail	22.9	29.1	0.0
Prepaid permit mail and box rentals	1,400.8	1,376.4	1,592.3
Outstanding postal money orders	964.0	943.6	680.6
Current portion of long-term debt	251.1	509.5	2,009.5
Total Current Liabilities	$ 12,668.3	$ 12,835.7	$ 12,572.6
Long-term debt, less current portion	3,907.9	3,908.1	3,909.2
Other Liabilities:			
Amounts payable for retirement benefits _3/	31,579.9	31,579.9	30,459.4
Worker's compensation claims	5,392.6	5,373.1	4,890.0
Retroactive assessment payable to the U.S. Government	355.6	353.1	330.8
Employees accumulated leave	1,825.4	1,874.8	1,621.9
Other	712.0	700.8	443.1
Total Other Liabilities	$ 39,865.5	$ 39,881.7	$ 37,745.2
Equity of the U.S. Government	- 1,525.2	- 1,514.7	- 2,623.5
Total Liabilities and Equity	$ 54,916.5	$ 55,110.8	$ 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)

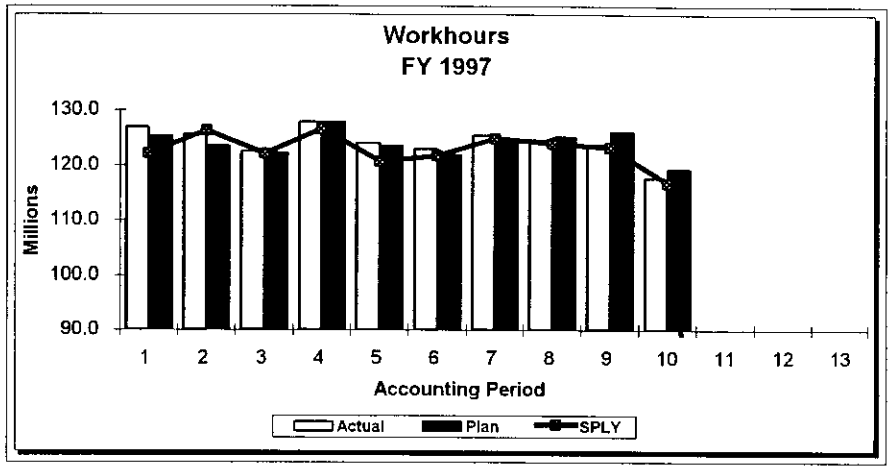
MAJOR CATEGORIES	COMMITMENTS A/P 10 - YEAR TO DATE ACTUAL	PLAN	SPLY	EXPENDITURES A/P 10 - YEAR TO DATE ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 479.5	$ 768.3	$ 219.6	$ 461.5	$ 443.5	$ 421.0
BUILDING IMPROVEMENTS	303.3	351.6	230.1	433.9	364.1	359.2
MAIL PROCESSING EQUIPMENT	478.6	763.3	377.9	810.7	1,213.1	531.7
VEHICLES	33.8	42.1	79.3	159.2	195.9	24.2
RETAIL EQUIPMENT	6.6	28.3	0.3	22.1	67.1	3.3
POSTAL SUPPORT EQUIPMENT	213.2	332.1	161.3	281.1	473.5	252.1
TOTAL COMMITMENTS	$ 1,515.0	$ 2,285.7	$ 1,068.5	$ 2,168.5	$ 2,757.2	$ 1,591.5

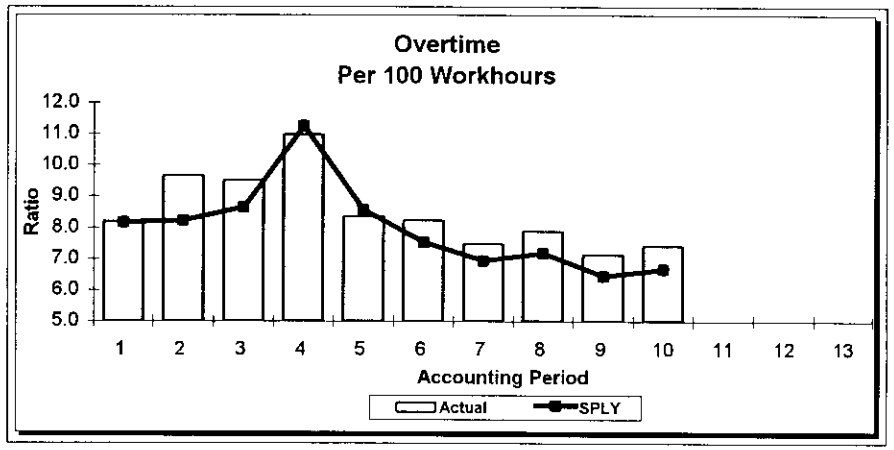
RESOURCES ON ORDER
($ MILLIONS)

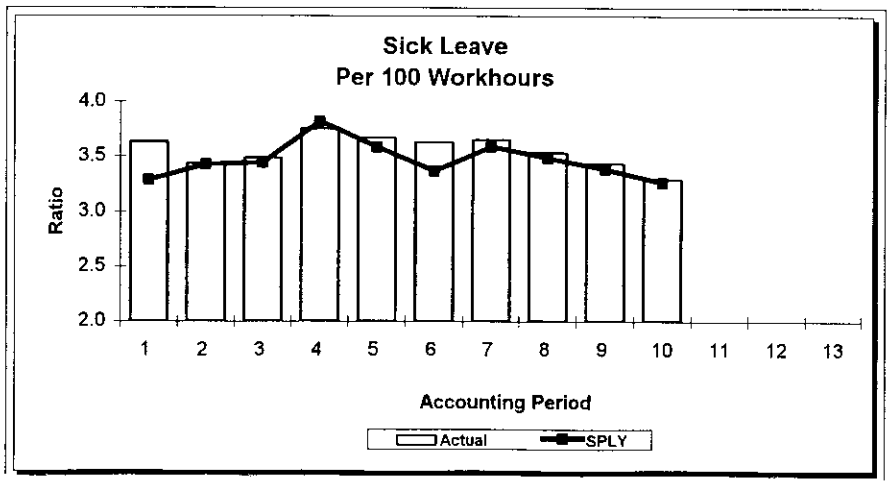
MAJOR CATEGORIES - EXPENDITURES	JUNE 20, 1997	Sept. 30, 1996
CONSTRUCTION AND BUILDING PURCHASE	$ 494.9	$ 506.9
BUILDING IMPROVEMENTS	263.7	418.0
MAIL PROCESSING EQUIPMENT	888.2	1,222.3
VEHICLES	185.8	310.6
RETAIL EQUIPMENT	203.8	219.4
POSTAL SUPPORT EQUIPMENT	94.2	163.2
INVENTORIES	198.7	288.7
RESEARCH AND DEVELOPMENT	59.7	68.9
MISCELLANEOUS EXPENSE COMMITMENTS	1,603.9	1,458.5
TOTAL RESOURCES ON ORDER	$ 3,992.9	$ 4,656.5

STATEMENT OF CASH FLOWS
($ Millions)

For the Fiscal Year through June 20, 1997	FY 1997
Cash flows from operating activities:	
Net income/(loss) (Government Fiscal Year)	$ 1,098.3
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:	
Depreciation and amortization	1,170.3
Increase/(decrease) in other liabilities	268.9
Increase/(decrease) in employees' accumulated leave	203.5
Increase/(decrease) in non-current workers' compensation claims	502.6
Increase/(decrease) in retirement, net	379.6
Changes in current assets and liabilities:	
Increase/(decrease) in accrued compensation and benefits	1,064.2
Increase/(decrease) in deferred revenue	- 116.5
Increase/(decrease) in payables and accrued expenses	623.0
(Increase)/decrease in receivables	55.9
(Increase)/decrease in supplies, advances and prepayments	17.0
Increase/(decrease) in outstanding postal money orders	283.4
Net cash provided/(used) by operating activities	$ 5,550.2
Cash flows from investing activities:	
Sale/(purchase) of U.S. Government securities, net	- 0.2
Purchase of property and equipment, net	- 2,321.6
Net cash used in investing activities	$ - 2,321.8
Cash flows from financing activities:	
Increase/(decrease) in long-term debt	- 1,759.7
(Increase)/decrease in other non-current assets	- 0.2
Net cash provided by/(used in) financing activities	$ - 1,759.9
Net (decrease)/increase in cash and cash equivalents	$ 1,468.5
Cash and cash equivalents at beginning of period	301.1
Cash and cash equivalents at end of period	$ 1,769.6


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


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


Sick Leave
Per 100 Workhours
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

WORKHOURS & OVERTIME/SICK LEAVE RATIOS
(Thousands)

Accounting Period 10						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	[4]	[0.6]	693	4.2	-Support	7,233	83	- 1.1	6,948	4.1
31,663	1,208	- 3.7	31,346	1.0	-Mail Processing	350,302	[3,610]	[1.0]	340,590	2.9
11,280	157	- 1.4	11,033	2.2	-Rural Delivery	114,197	1,005	- 0.9	110,991	2.9
35,892	255	- 0.7	35,947	- 0.2	-Other Delivery	375,188	567	- 0.2	377,880	- 0.7
2,393	29	- 1.2	2,337	2.4	-Vehicles Services	24,825	[76]	[0.3]	24,267	2.3
5,929	127	- 2.1	5,815	1.9	-Plant & Equip Maint	60,875	1,120	- 1.8	59,870	1.7
18,974	34	- 0.2	18,885	0.5	-Customer Services	200,395	[656]	[0.3]	200,396	- 0.0
725	32	- 4.3	718	0.9	Controller	7,367	334	- 4.3	7,265	1.4
726	29	- 3.8	714	1.7	Human Resources	7,287	323	- 4.3	7,335	- 0.7
1,178	39	- 3.2	1,201	- 1.9	Customer Service & Sales	12,235	354	- 2.8	12,325	- 0.7
6,759	[213]	[3.3]	6,745	0.2	Administration	68,218	[2,104]	[3.2]	68,298	- 0.1
1,495	[86]	[6.1]	1,330	12.4	Other	15,204	[1,087]	[7.7]	13,698	11.0
117,736	1,607	- 1.3	116,764	0.8	Total Workhours	1,243,326	[3,747]	[0.3]	1,229,863	1.1

Overtime

	Actual	Budget	SPLY		Actual	Budget	SPLY
Overtime Ratio Per 100 Workhours	7.4	6.2	6.7	Overtime Ratio Per 100 Workhours	8.7	7.4	8.0

Sick Leave

	Actual		SPLY		Actual		SPLY
Sick Leave Ratio Per 100 Workhours	3.3	--	3.3	Sick Leave Ratio Per 100 Workhours	3.6	--	3.5

[ ] = Unfavorable variance to budget
* Recasted Data