UNITED STATES POSTAL SERVICE®

DOCKET SECTION

FINANCIAL & OPERATING STATEMENTS

Accounting Period 5, PFY 1998

January 3 - January 30, 1998

Finance

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
$ 4,810.9	$ 36.9	0.8	$ 4,617.2	4.2	Total Revenue	$ 23,687.6	[$ - 127.5]	[- 0.5]	$ 22,930.2	3.3
4,604.6	- 31.1	- 0.7	4,451.8	3.4	Total Expense	22,532.3	- 263.5	- 1.2	22,104.9	1.9
$ 206.3	$ 68.1	NM	$ 165.4	NM	Income	$ 1,155.3	$ 136.0	NM	$ 825.3	NM
$ 80.6	$ - 216.5	- 72.9	$ 137.0	- 41.2	Capital Commitments	$ 470.8	$ - 334.8	- 41.6	$ 620.3	- 24.1
124.6	- 1.0	- 0.8	124.2	0.4	Total Workhours	636.1	[1.0]	[0.2]	628.4	1.2
15,880.7	258.0	1.7	15,285.4	3.9	Mail Volume	77,780.6	[- 209.0]	[- 0.3]	75,649.9	2.8

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

Actual Number Of:	Current Period	Last Period	SPLY
Post Offices	27,930	27,930	28,028
Active Postal Owned Vehicles			
Administrative	4,695	4,714	4,799
Operations	199,496	200,034	198,880
Possible City Deliveries (000)	81,939	81,904	81,524
Rural Routes	60,018	59,872	58,169
Delivery Routes	167,023	166,967	170,198
Career Employees	771,715	771,664	758,271
Casual Employees	30,710	19,038	31,008
Transitional Employees	22,778	30,288	34,341

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
$ 4,808.6	$ 36.7	0.8	$ 4,612.1	4.3	Operating Revenue	$ 23,669.4	[$ - 129.4]	[- 0.5]	$ 22,902.0	3.4
4,460.3	- 22.3	- 0.5	4,303.5	3.6	Operating Expense	21,789.0	- 235.6	- 1.1	21,350.8	2.1
$ 348.3	$ 59.0	NM	$ 308.6	NM	Income From Operations	$ 1,880.4	$ 106.2	NM	$ 1,551.2	NM
2.3	0.2	8.5	5.1	- 56.1	Investment Income	18.2	1.8	10.8	28.2	- 35.5
- 17.4	8.9	- 33.8	- 25.5	- 31.6	Interest Expense	- 109.1	28.0	- 20.4	- 131.4	- 16.9
- 125.6	0.0	0.0	- 120.3	4.4	Interest on Deferred Ret. Liabilities	- 627.8	0.0	0.0	- 610.3	2.9
- 1.3	0.0	0.0	- 2.5	- 48.0	Interest Exp. for OBRA '93	- 6.4	0.0	0.0	- 12.4	- 48.4
$ 206.3	68.1	NM	$ 165.4	NM	Income	$ 1,155.3	136.0	NM	$ 825.3	NM

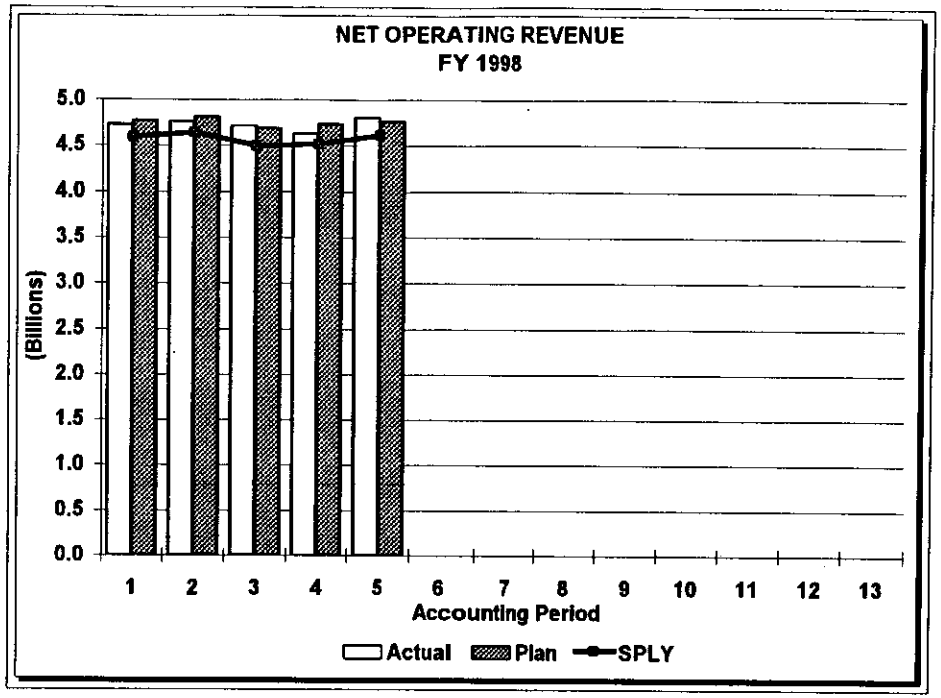
[ ]=Unfavorable variance to budget
NM = Non-Meaningful

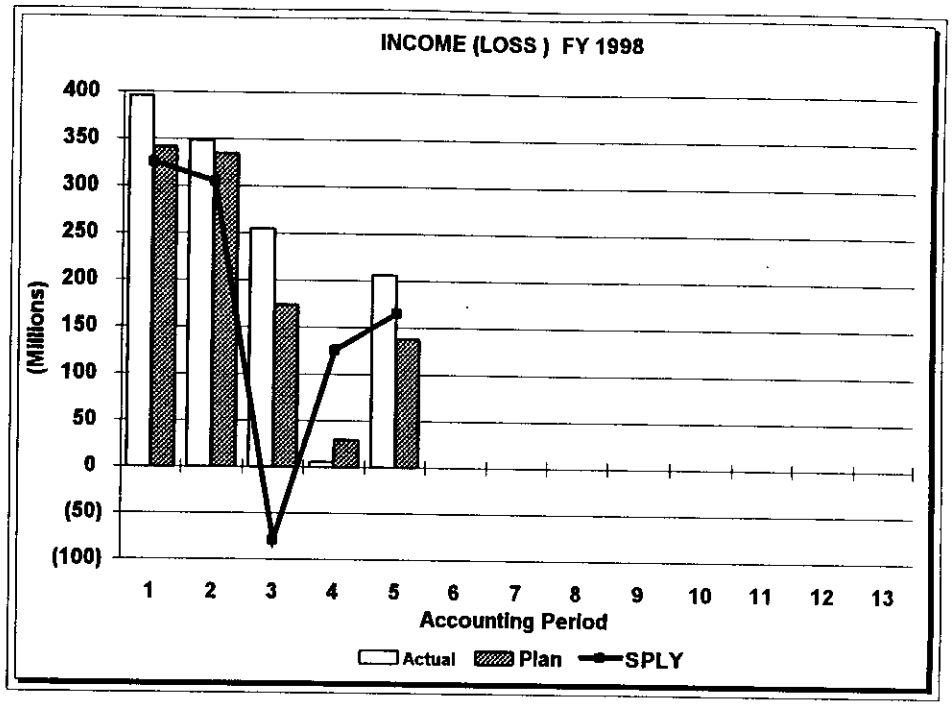
MAIL VOLUME - MAIL REVENUE
(Thousands)

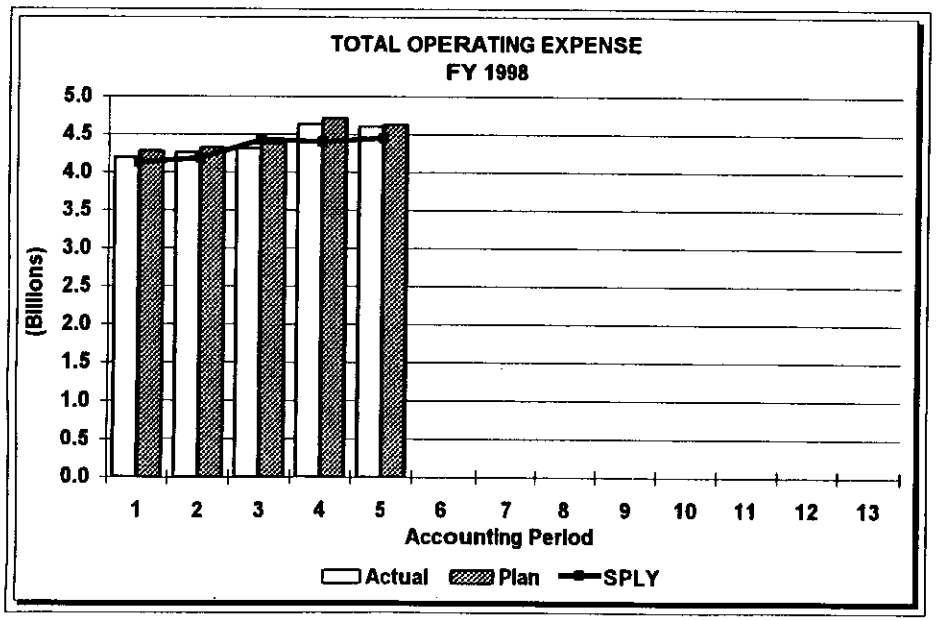
	CURRENT PERIOD			YEAR-TO-DATE		
	A/P 5 1998	A/P 5 1997	% CHANGE	A/P 5 1998	A/P 5 1997	% CHANGE
FIRST-CLASS						
VOLUME	8,578,457	8,332,145	3.0	39,862,031	39,542,392	0.8
REVENUE	$ 2,859,424	$ 2,742,284	4.3	$ 13,364,520	$ 13,153,013	1.6
REV/PC.	0.3333	0.3291	1.3	0.3353	0.3326	0.8
PRIORITY-MAIL						
VOLUME	86,949	79,660	9.2	461,344	404,727	14.0
REVENUE	$ 307,347	$ 283,298	8.5	$ 1,675,043	$ 1,476,799	13.4
REV/PC.	3.5348	3.5563	- 0.6	3.6308	3.6489	- 0.5
EXPEDITED MAIL						
VOLUME	5,008	4,656	7.6	24,687	22,730	8.6
REVENUE	$ 63,933	$ 59,005	8.4	$ 321,819	$ 294,543	9.3
REV/PC.	12.7662	12.6729	0.7	13.0360	12.9583	0.6
PERIODICALS						
VOLUME	772,326	800,386	- 3.5	3,896,325	3,925,352	- 0.7
REVENUE	$ 154,282	$ 155,974	- 1.1	$ 790,695	$ 784,468	0.8
REV/PC.	0.1998	0.1949	2.5	0.2029	0.1998	1.5
STANDARD (A) MAIL						
VOLUME	6,249,048	5,871,203	6.4	32,560,941	30,787,008	5.8
REVENUE	$ 1,041,445	$ 987,660	5.4	$ 5,427,301	$ 5,139,057	5.6
REV/PC.	0.1667	0.1682	- 0.9	0.1667	0.1669	- 0.1
STANDARD (B) MAIL						
VOLUME	78,360	75,561	3.7	406,518	395,027	2.9
REVENUE	$ 121,915	$ 119,337	2.2	$ 685,647	$ 658,625	4.1
REV/PC.	1.5558	1.5793	- 1.5	1.6866	1.6673	1.2
INTERNATIONAL						
VOLUME	76,237	74,665	2.1	405,353	406,639	- 0.3
REVENUE	$ 118,076	$ 121,113	- 2.5	$ 663,704	$ 658,531	0.8
REV/PC.	1.5488	1.6221	- 4.5	1.6373	1.6194	1.1
ALL OTHER_1/						
VOLUME	34,358	47,145	- 27.1	163,435	165,991	- 1.5
REVENUE	$ 141	$ 235	- 40.0	$ 708	$ 1,004	- 29.5
ALL MAIL						
VOLUME	15,880,743	15,285,421	3.9	77,780,634	75,649,866	2.8
REVENUE	$ 4,666,563	$ 4,468,906	4.4	$ 22,929,437	$ 22,166,040	3.4
REV/PC.	0.2939	0.2924	0.5	0.2948	0.2930	0.6

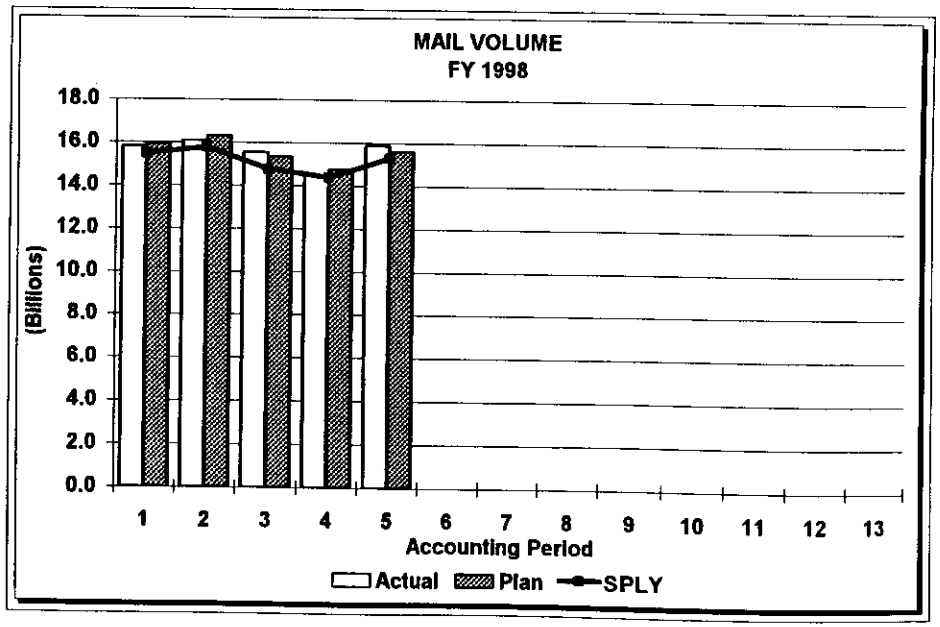
_1/ All other volume includes a decrease of 1,856 pieces in Internal Mail and an increase of 218 pieces in Free Mail for the Blind and Handicapped for the year-to-date.

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


NET OPERATING REVENUE
FY 1998
(Billions)
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


INCOME (LOSS) FY 1998
(Millions)
400
350
300
250
200
150
100
50
0
(50)
(100)
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


TOTAL OPERATING EXPENSE
FY 1998
(Billions)
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


MAIL VOLUME
FY 1998
(Billions)
18.0
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
AP 5, FY 1998
($Millions)

Current Period Actual	Current Period SPLY	% Diff		Year-To-Date Actual	Year-To-Date SPLY	% Diff
			Operating Revenue:			
$ 2,070.2	$ 2,011.1	2.9	Metered Postage	$ 9,640.3	$ 9,483.4	1.7
867.4	837.5	3.6	Stamps and Stamped Paper	4,612.1	4,554.7	1.3
1,112.6	1,033.4	7.7	Permit Imprint	5,880.0	5,481.1	7.3
157.9	161.1	- 2.0	Periodicals & Standard A	809.3	807.1	0.3
68.7	66.6	3.2	Official Mail	324.5	334.0	- 2.8
375.9	341.1	10.2	Presort First Class & Standard B/Permit Imprint	1,630.3	1,498.0	8.8
45.6	44.3	2.9	Box Rents	228.0	221.6	2.9
13.2	13.0	1.5	Money Order Fees	66.5	67.4	- 1.3
91.9	97.7	- 5.9	Other	452.6	421.1	7.5
$ 4,803.4	$ 4,605.8	4.3	**Subtotal**	$ 23,643.6	$ 22,868.4	3.4
			Government Appropriation:			
5.2	6.3	- 17.5	Revenue Forgone	25.8	33.6	- 23.2
$ 4,808.6	$ 4,612.1	4.3	**Total Operating Revenue**	$ 23,669.4	$ 22,902.0	3.4
2.3	5.1	- 56.1	Investment Income	18.2	28.2	- 35.5
$ 4,810.9	$ 4,617.2	4.2	**Total Revenue**	$ 23,687.6	$ 22,930.2	3.3

Revenue by Category
AP 5, FY 1998
($Millions)

Current Period Actual	Current Period Budget	% Var		Year-To-Date Actual	Year-To-Date Budget	% Var
			Commercial Revenue			
$ 1,666.0	$ 1,634.4	1.9	Permit Revenue	$ 8,381.5	$ 8,158.6	2.7
1,942.8	1,906.8	1.8	Other Commercial Accounts Revenue	8,786.0	9,038.2	[2.8]
$ 3,608.8	**$ 3,541.2**	**1.9**	**Total Commercial Revenue**	**$ 17,167.5**	**$ 17,196.8**	**[0.1]**
			Retail Revenue			
939.4	960.5	[2.2]	Retail Postage Revenue	5,246.7	5,258.9	[0.2]
63.8	64.5	[1.2]	Retail Services Revenue	301.3	309.3	[2.6]
8.5	12.4	[31.3]	Retail Products Revenue	56.0	63.3	[11.5]
159.7	152.5	4.7	Other Retail Channels Revenue	730.6	761.9	[4.1]
$ 1,171.4	**$ 1,189.9**	**[1.5]**	**Total Retail Revenue**	**$ 6,334.6**	**$ 6,393.4**	**[0.9]**
$ 4,780.2	**$ 4,731.1**	**1.0**	**Total Commercial & Retail Revenue**	**$ 23,502.1**	**$ 23,590.2**	**[0.4]**
23.3	35.6	[34.6]	Other Income	141.5	182.8	[22.6]
5.2	5.2	0.0	Revenue Forgone	25.8	25.8	0.0
$ 4,808.6	**$ 4,771.9**	**0.8**	**Total Operating Revenue**	**$ 23,669.4**	**$ 23,798.8**	**[0.5]**
2.3	2.1	8.5	Investment Income	18.2	16.4	10.8
$ 4,810.9	**$ 4,774.0**	**0.8**	**Total Revenue**	**$ 23,687.6**	**$ 23,815.2**	**[0.5]**

[ ]=Unfavorable variance to budget

Expense Analysis
Accounting Period 5, FY 1998
($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
$ 3,495.3	$ - 28.5	- 0.8	$ 3,356.0	4.2	**Personnel Compensation**	$ 17,518.0	$ - 90.5	- 0.5	$ 17,145.0	2.2
					Non-Personnel Expense:					
417.5	[44.8]	[12.0]	370.6	12.6	Transportation	1,688.0	[69.4]	[4.3]	1,582.5	6.7
238.9	- 30.4	- 11.3	210.9	13.3	Supplies & Services	930.3	- 164.4	- 15.0	814.9	14.2
308.6	- 8.2	- 2.6	366.0	- 15.7	Other	1,652.7	- 50.1	- 2.9	1,808.4	- 8.6
$ 965.0	[$ 6.2]	[0.6]	$ 947.5	1.9	**Subtotal**	$ 4,271.0	$ - 145.1	- 3.3	$ 4,205.8	1.6
$ 4,460.3	$ - 22.3	- 0.5	$ 4,303.5	3.6	**Total Operating Expense**	$ 21,789.0	$ - 235.6	- 1.1	$ 21,350.8	2.1
17.4	- 8.9	- 33.8	25.5	- 31.6	Interest Expense	109.1	- 28.0	- 20.4	131.4	- 16.9
125.6	0.0	0.0	120.3	4.4	Interest on Deferred Ret. Liabilities	627.8	0.0	0.0	610.3	2.9
1.3	0.0	0.0	2.5	- 48.0	Interest on OBRA '93 Retroactive Assessment	6.4	0.0	0.0	12.4	- 48.4
$ 4,604.6	$ - 31.2	- 0.7	$ 4,451.8	3.4	**Total Expense**	$ 22,532.3	$ - 263.6	- 1.2	$ 22,104.9	1.9

[ ]=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:					
24.8	[0.2]	[0.6]	$ 23.3	6.5	-Support	$ 117.3	$ - 3.0	- 2.5	$ 111.3	5.4
853.8	- 23.5	- 2.7	838.1	1.9	-Mail Processing	4,431.9	- 76.6	- 1.7	4,328.5	2.4
255.7	[1.3]	[0.5]	240.8	6.2	-Rural Delivery	1,257.8	[4.4]	[0.3]	1,195.9	5.2
984.3	[7.8]	[0.8]	961.4	2.4	-Other Delivery	4,920.6	[57.8]	[1.2]	4,810.7	2.3
70.0	[0.7]	[1.1]	67.2	4.2	-Vehicles Services	350.7	[3.7]	[1.1]	336.5	4.2
170.2	- 1.7	- 1.0	162.8	4.5	-Plant & Equip Maint	838.3	- 12.1	- 1.4	805.2	4.1
525.5	[2.2]	[0.4]	504.5	4.2	-Customer Services	2,632.4	[6.7]	[0.3]	2,541.5	3.6
22.5	- 1.6	- 6.6	21.6	4.5	Controller	107.4	- 10.8	- 9.1	104.2	3.0
24.0	- 1.1	- 4.3	23.1	4.1	Human Resources	115.1	- 7.1	- 5.8	110.5	4.2
35.1	- 1.5	- 4.2	34.2	2.6	Customer Service & Sales	168.9	- 11.1	- 6.1	168.5	0.2
151.5	- 0.1	- 0.1	149.3	1.5	Administration	737.2	- 4.3	- 0.6	725.1	1.7
109.6	- 15.5	- 12.4	99.0	10.8	Other Salaries & Benefits	525.3	- 30.2	- 5.4	476.5	10.2
$ 3,227.2	**- 32.8**	**- 1.0**	**$ 3,125.2**	**3.3**	**Total Salaries & Benefits**	**$ 16,202.9**	**$ - 82.6**	**- 0.5**	**$ 15,714.5**	**3.1**
56.6	0.0	0.0	16.1	251.1	Workers' Compensation	282.9	0.0	0.0	80.6	251.1
6.5	0.0	0.0	7.0	- 6.8	Unemployment Compensation	32.7	[0.1]	[0.4]	34.1	- 4.1
88.7	0.0	0.0	82.9	7.0	Deferred Retirement Cost	443.4	0.0	0.0	334.5	32.6
46.6	0.0	0.0	43.5	7.2	CSRS Annuitant COLA	233.2	0.0	0.0	220.6	5.7
47.2	0.0	0.0	42.9	10.0	Annuitant Health Benefits	236.0	0.0	0.0	220.6	7.0
22.5	[4.3]	[23.6]	38.4	- 41.4	Other Compensation	87.0	- 8.0	- 8.4	540.2	- 83.9
$ 3,495.3	**$ - 28.5**	**- 0.8**	**$ 3,356.0**	**4.2**	**Total Personnel Compensation**	**$ 17,518.0**	**$ - 90.5**	**- 0.5**	**$ 17,145.0**	**2.2**

[ ]=Unfavorable variance to budget

NM=Non-meaningful

*** Recasted Data**

Analysis of Non Personnel Expenses
($Millions)

Accounting Period 5					Description	Year-to-Date				
Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY		Actual	Var. to Budget	%Var.	SPLY *	% Var to SPLY
$ 417.5	[$ 44.8]	[12.0]	$ 370.6	12.6	Transportation	$ 1,688.0	[$ 69.4]	[4.3]	$ 1,582.5	6.7
238.9	- 30.4	- 11.3	210.9	13.3	Supplies & Services	930.3	- 164.4	- 15.0	814.9	14.2
128.8	[8.2]	[6.8]	119.5	7.8	Depreciation	618.2	[23.4]	[3.9]	593.6	4.1
4.8	- 12.8	- 72.8	53.2	- 91.0	Rent	239.8	- 13.1	- 5.2	256.2	- 6.4
38.1	[2.5]	[6.9]	35.4	7.7	Fuel & Utilities	143.3	- 11.8	- 7.6	147.2	- 2.6
24.6	- 1.0	- 3.9	24.2	1.5	Rural Carrier Equip Maint Allow	122.3	- 4.7	- 3.7	120.3	1.7
26.0	- 0.3	- 1.1	24.6	5.9	Vehicle Maintenance	116.6	- 10.4	- 8.2	109.5	6.5
14.7	- 1.7	- 10.1	12.6	16.7	Building Projects Expensed	70.8	- 3.4	- 4.6	53.4	32.7
4.1	- 0.6	- 12.8	4.0	2.4	Contract Job Cleaners	20.9	- 2.4	- 10.2	19.9	5.0
10.1	- 3.2	- 24.2	10.0	1.0	Travel & Relocation	54.9	- 15.3	- 21.7	47.7	15.0
18.2	[3.4]	[22.6]	14.0	30.2	Communications	63.3	- 1.3	- 2.0	57.1	10.9
3.7	- 1.7	- 31.2	4.9	- 22.9	Contract Stations	25.9	- 2.6	- 9.2	29.1	- 10.9
4.7	- 0.7	- 13.2	2.6	78.4	Printing	15.6	- 7.4	- 32.1	10.6	47.0
3.2	- 1.6	- 33.3	2.6	23.7	Training	20.1	- 5.8	- 22.3	18.0	11.7
4.3	[0.2]	[3.8]	4.1	3.6	Carfare & Tolls	21.6	- 0.3	- 1.3	22.0	- 1.8
2.3	- 0.6	- 19.1	2.8	- 15.2	Vehicle Hire	11.6	- 0.9	- 7.2	12.2	- 5.4
4.9	[1.1]	[30.7]	4.5	7.4	Accident Cost	18.2	- 2.9	- 13.7	20.8	- 12.5
- 3.9	- 0.8	[26.1]	- 1.8	113.1	Capitalized Interest	- 18.6	- 3.2	[20.8]	- 12.2	52.1
20.1	[1.5]	[8.1]	48.9	- 58.9	Miscellaneous	108.1	[11.9]	[12.4]	302.9	- 64.3
$ 965.0	**[$ 6.2]**	**[0.6]**	**$ 947.5**	**1.9**	**Total Other Operating Expenses**	**$ 4,271.0**	**$ - 145.1**	**- 3.3**	**$ 4,205.8**	**1.6**

[ ]=Unfavorable variance to budget
*** Recasted Data**

Statement of Financial Position
AP 5, FY 1998
($ Millions)

Assets	January 30, 1998	January 2, 1998	September 30, 1997 *
Current Assets:			
Cash and cash equivalents _1/	$ - 119	$ - 91	$ 394
U.S. Government securities, at amortized cost which approximates market	8	9	9
Receivables:			
Foreign countries	411	414	441
U.S. Government	187	176	101
Other	222	224	207
	820	814	749
Less allowances	87	85	77
	733	729	672
Supplies, advances and prepayments	344	350	388
Total Current Assets	**966**	**997**	**1,463**
Other assets _2/	**373**	**373**	**372**
Property and equipment, at cost:			
Buildings	14,309	14,251	13,911
Equipment	10,577	10,537	10,328
Land	2,205	2,199	2,178
	27,091	26,987	26,417
Less allowances for depreciation	9,667	9,601	9,343
	17,424	17,386	17,074
Construction in progress	2,111	2,087	1,862
Leasehold improvements, net	453	455	438
	19,988	**19,928**	**19,374**
Deferred Retirement Costs _3/	**33,678**	**33,813**	**31,929**
Total Assets	**$ 55,005**	**$ 55,111**	**$ 53,138**

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

_2/ Includes $372 million as of September 30, 1997, January 2 and January 30, 1998 for supplemental appropriation receivable for revenue forgone.

* Audited year-end data.

Statement of Financial Position
AP 5, FY 1998
($ Millions)

Liabilities and Equities	January 30, 1998	January 2, 1998	September 30, 1997 *
Current Liabilities:			
Compensation and employees' benefits	$ 4,807	$ 4,712	$ 5,056
Estimated prepaid postage	1,743	1,743	1,743
Payables and accrued expenses:			
Foreign countries	649	644	703
U.S. Government	189	173	181
Other	2,141	2,308	940
	2,979	3,125	1,824
Appropriation for free & reduced rate mail	46	51	0
Prepaid permit mail and box rentals	1,486	1,585	1,924
Outstanding postal money orders	759	839	640
Current portion of long-term debt	1,452	2,550	2,647
Total Current Liabilities	**13,272**	**14,605**	**13,834**
Long-term debt, less current portion	2,224	1,224 3,775	3,225
Other Liabilities:			
Amounts payable for retirement benefits _3/	32,505	32,505	30,343
Workers' compensation claims	4,973	4,916	4,749
Retroactive assessment payable to the U. S. Government	0	0	0
Employees' accumulated leave	1,694	1,728	1,858
Other	777	764	489
Total Other Liabilities	**39,949**	**39,913**	**37,439**
Net Capital Deficiency	**- 440**	**- 631**	**- 1,360**
Total Liabilities and Equity	**$ 55,005**	**$ 55,111**	**$ 53,138**

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
1998
($ MILLIONS)

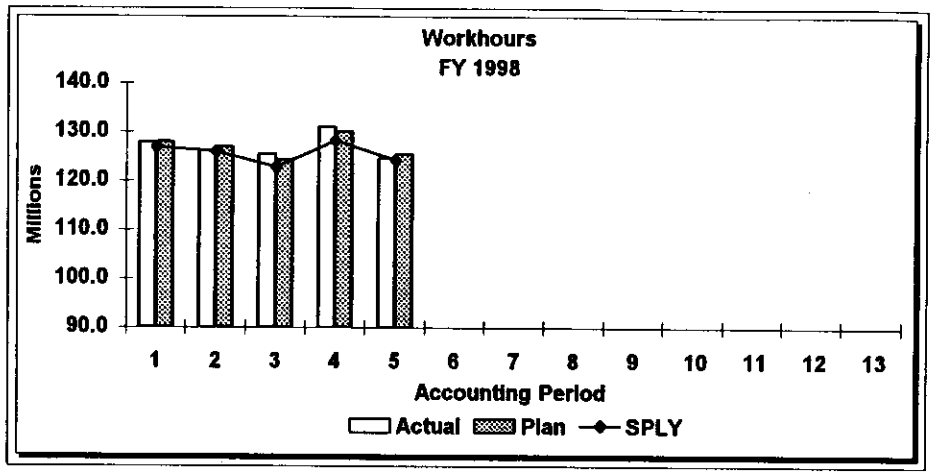
MAJOR CATEGORIES	COMMITMENTS A/P 5 - YEAR-TO-DATE ACTUAL	PLAN	SPLY	EXPENDITURES A/P 5 - YEAR-TO-DATE ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	$ 160.4	$ 218.9	$ 246.2	$ 296.7	$ 271.6	$ 193.2
BUILDING IMPROVEMENTS	117.2	140.9	141.5	223.0	175.0	215.2
MAIL PROCESSING EQUIPMENT	83.2	285.4	111.1	322.5	433.9	408.1
VEHICLES	14.9	19.8	24.3	87.8	92.6	49.0
RETAIL EQUIPMENT	34.2	17.4	3.0	32.7	33.2	10.5
POSTAL SUPPORT EQUIPMENT	60.9	123.2	94.2	137.1	276.5	173.1
TOTAL COMMITMENTS/EXPENDITURES	$ 470.8	$ 805.6	$ 620.3	$ 1,099.8	$ 1,282.8	$ 1,049.1
	(335)			(183)		

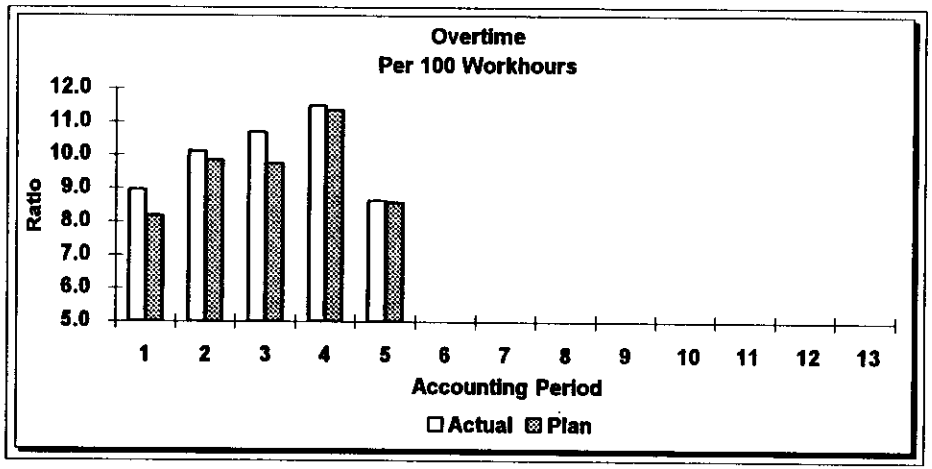
RESOURCES ON ORDER
($ MILLIONS)

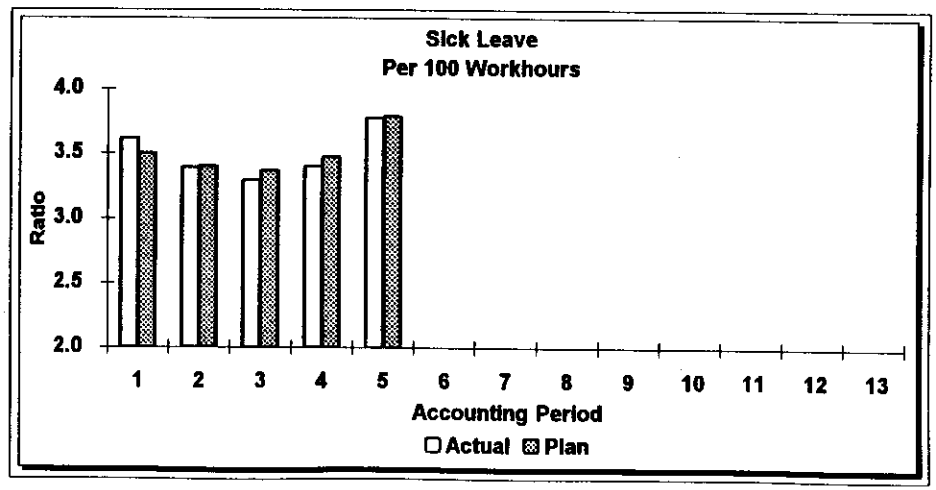
MAJOR CATEGORIES - EXPENDITURES	Jan. 30, 1998	Sept. 30, 1997
CONSTRUCTION AND BUILDING PURCHASE	$ 632.2	$ 798.4
BUILDING IMPROVEMENTS	345.9	462.3
MAIL PROCESSING EQUIPMENT	569.4	813.6
VEHICLES	62.8	135.7
RETAIL EQUIPMENT	200.1	198.5
POSTAL SUPPORT EQUIPMENT	309.2	384.4
INVENTORIES	179.3	198.0
RESEARCH AND DEVELOPMENT	44.9	44.5
MISCELLANEOUS EXPENSE COMMITMENTS	3,621.0	3,291.4
TOTAL RESOURCES ON ORDER	$ 5,964.8	$ 6,326.8

STATEMENT OF CASH FLOWS
($ Millions)

For the fiscal year through January 30, 1998	FY 1998
Cash flows from operating activities:	
Net income/(loss) (Government Fiscal Year Basis)	$ 920
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:	
Depreciation and amortization	600
Increase/(decrease) in other liabilities	288
Increase/(decrease) in employees' accumulated leave	- 164
Increase/(decrease) in non-current workers' compensation claims	224
Increase/(decrease) in retirement, net	413
Changes in current assets and liabilities:	
Increase/(decrease) in accrued compensation and benefits	- 249
Increase/(decrease) in deferred revenue	- 392
Increase/(decrease) in payables and accrued expenses	1,155
(Increase)/decrease in receivables	- 61
(Increase)/decrease in supplies, advances and prepayments	44
Increase/(decrease) in outstanding postal money orders	119
Net cash provided/(used) by operating activities	**2,897**
Cash flows from investing activities:	
Sale/(purchase) of U.S. Government securities, net	1
Purchase of property and equipment, net	- 1,214
Net cash used in investing activities	**- 1,213**
Cash flows from financing activities:	
Increase/(decrease) in long-term debt	- 2,196
(Increase)/decrease in other non-current assets	- 1
Net cash provided by financing activities	**- 2,197**
Net (decrease)/increase in cash and cash equivalents	- 513
Cash and cash equivalents at beginning of period	**394**
Cash and cash equivalents at end of period	**$ - 119**


Workhours
FY 1998
140.0
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
Plan


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
Plan

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:					
757	[11]	[1.5]	724	4.6	-Support	3,601	- 38	- 1.0	3,458	4.1
34,158	- 1,264	- 3.6	34,666	- 1.5	-Mail Processing	184,073	- 1,747	- 0.9	182,610	0.8
11,794	[108]	[0.9]	11,314	4.2	-Rural Delivery	58,637	[595]	[1.0]	56,288	4.2
37,551	[309]	[0.8]	37,650	- 0.3	-Other Delivery	188,611	[2,430]	[1.3]	188,225	0.2
2,523	[8]	[0.3]	2,491	1.3	-Vehicles Services	12,691	[101]	[0.8]	12,409	2.3
6,248	- 126	- 2.0	6,142	1.7	-Plant & Equip Maint	30,811	- 644	- 2.0	30,177	2.1
20,331	[5]	[0.0]	20,162	0.8	-Customer Services	102,498	[307]	[0.3]	101,269	1.2
768	- 43	- 5.3	750	2.4	Controller	3,660	- 302	- 7.6	3,613	1.3
756	- 17	- 2.2	733	3.1	Human Resources	3,646	- 138	- 3.6	3,536	3.1
1,234	- 50	- 3.9	1,232	0.2	Customer Service & Sales	5,953	- 355	- 5.6	6,035	- 1.4
5,174	[14]	[0.3]	5,183	- 0.2	Administration	25,672	[173]	[0.7]	25,532	0.5
3,337	[92]	[2.8]	3,130	6.6	Other	16,259	[635]	[4.1]	15,225	6.8
124,631	- 953	- 0.8	124,177	0.4	Total Workhours	636,112	[1,017]	[0.2]	628,377	1.2

Overtime

	Actual	Budget	SPLY
Overtime Ratio Per 100 Workhours	10.0	8.1	9.7

Actual	Budget	SPLY
8.6	7.3	8.6

Sick Leave

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

Actual		SPLY
3.8	--	3.7

[ ]=Unfavorable variance to budget
NM=Non-meaningful
* Recasted Data