UNITED STATES POSTAL SERVICE

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APR 15 1 19 PM '99
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

DOCKET SECTION

# FINANCIAL & OPERATING STATEMENTS

## Accounting Period 6, PFY 1999

## January 30 - February 26, 1999

**Finance**

POSTAL RATE COMMISSION
DOCKETED
APR 1 5 1999
OFFICE OF THE SECRETARY

# HIGHLIGHTS
(MILLIONS)

| Accounting Period 6 | | | | | | Year-to-Date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | % Var. | SPLY | % Var to SPLY | | Actual | Var. to Budget | % Var. | SPLY | % Var to SPLY |
| $ 4,830.8 | [$ - 51.9 ] | [ - 1.1 ] | $ 4,599.2 | 5.0 | Total Revenue | $ 29,435.4 | [$ - 203.8 ] | [ - 0.7 ] | $ 28,295.0 | 4.0 |
| 4,843.7 | [ 40.8 ] | [ 0.8 ] | 4,521.4 | 7.1 | Total Expense | 28,675.9 | [ 76.8 ] | [ 0.3 ] | 27,060.6 | 6.0 |
| $ - 12.9 | [$ - 92.7 ] | NM | $ 77.8 | NM | Income\(Loss) | $ 759.5 | [$ - 280.6 ] | NM | $ 1,234.4 | NM |
| $ 125.9 | $ - 15.6 | - 11.0 | $ 12.7 | 891.3 | Capital Commitments | $ 689.2 | $ - 155.3 | - 18.4 | $ 633.0 | 8.9 |
| 125.7 | [ 0.6 ] | [ 0.5 ] | 124.0 | 1.4 | Total Workhours | 773.7 | [ 6.8 ] | [ 0.9 ] | 760.8 | 1.7 |
| 15,367.6 | [ - 188.7 ] | [ - 1.2 ] | 15,065.9 | 2.0 | Mail Volume | 95,771.3 | [ - 173.3 ] | [ - 0.2 ] | 92,368.7 | 3.7 |

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

| Actual Number Of: | Current Period | Last Period | SPLY |
|---|---|---|---|
| Post Offices | 27,836 | 27,837 | 27,927 |
| Active Postal Owned Vehicles | | | |
| Administrative | 5,203 | 5,192 | 4,701 |
| Operations | 197,445 | 197,503 | 199,086 |
| Possible City Deliveries (000) | 82,442 | 82,400 | 81,974 |
| Rural Routes | 63,020 | 62,790 | 60,344 |
| Delivery Routes | 168,164 | 167,669 | 167,170 |
| Career Employees | 800,975 | 800,281 | 772,809 |
| Casual Employees | 28,580 | 28,354 | 30,590 |
| Transitional Employees | 14,208 | 18,748 | 21,729 |

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

| Accounting Period 6 | | | | | | Year-to-Date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | %Var. | SPLY | % Var to SPLY | | Actual | Var. to Budget | %Var. | SPLY | % Var to SPLY |
| $ 4,828.7 | [$ - 51.5 ] | [ - 1.1 ] | $ 4,597.3 | 5.0 | Operating Revenue | $ 29,419.5 | [$ - 204.7 ] | [ - 0.7 ] | $ 28,274.9 | 4.0 |
| 4,704.2 | [ 37.5 ] | [ 0.8 ] | 4,377.8 | 7.5 | Operating Expense | 27,825.3 | [ 60.9 ] | [ 0.2 ] | 26,173.7 | 6.3 |
| $ 124.5 | [$ - 89.0 ] | NM | $ 219.5 | NM | Income From Operations | $ 1,594.2 | [$ - 265.6 ] | NM | $ 2,101.2 | NM |
| 2.1 | [ - 0.4 ] | [ 15.8 ] | 1.9 | 10.5 | Investment Income | 15.9 | 0.9 | 5.3 | 20.1 | - 20.9 |
| - 17.6 | [ - 3.3 ] | [ 23.1 ] | - 16.7 | 5.4 | Interest Expense | - 114.7 | [ - 15.9 ] | [ 16.1 ] | - 125.8 | - 8.8 |
| - 121.9 | 0.0 | 0.0 | - 126.9 | - 3.9 | Interest on Deferred Ret. Liabilities | - 735.9 | 0.0 | 0.0 | - 761.1 | - 3.3 |
| $ - 12.9 | [ - 92.7 ] | NM | $ 77.8 | NM | Income\(Loss) | $ 759.5 | [ - 280.6 ] | NM | $ 1,224.4 | NM |

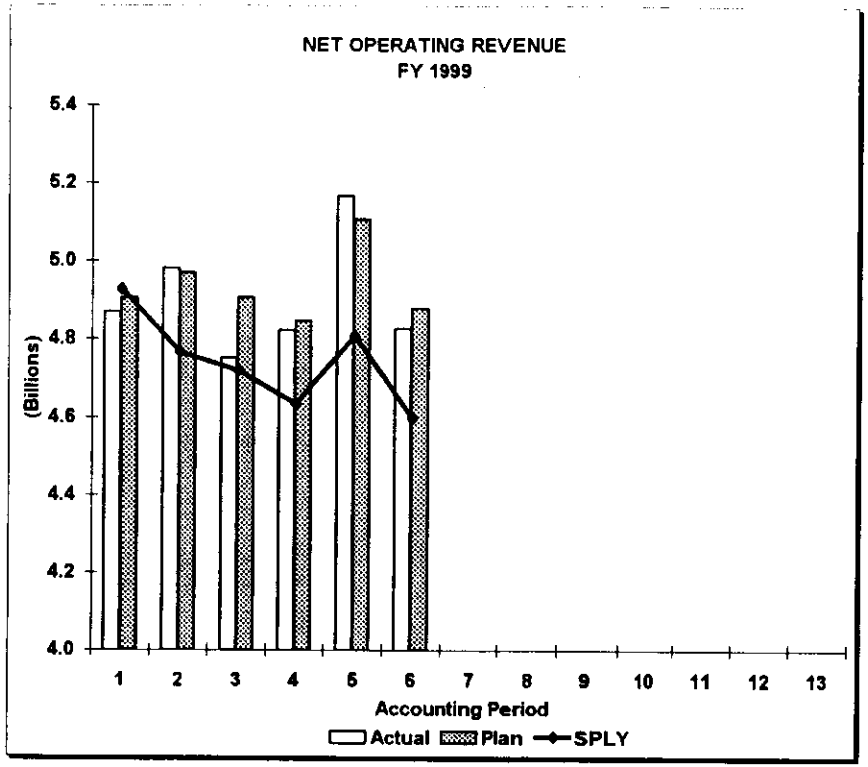
[ ]=Unfavorable variance to budget
NM = Non-Meaningful
Note: Totals may not sum due to rounding.

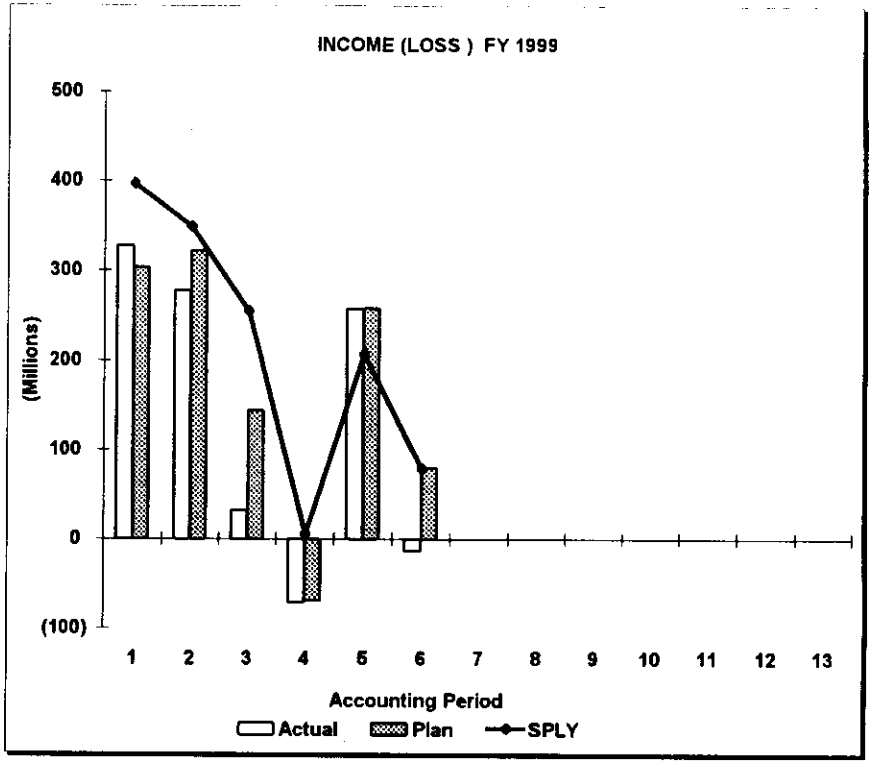
# MAIL VOLUME - MAIL REVENUE
( Thousands)

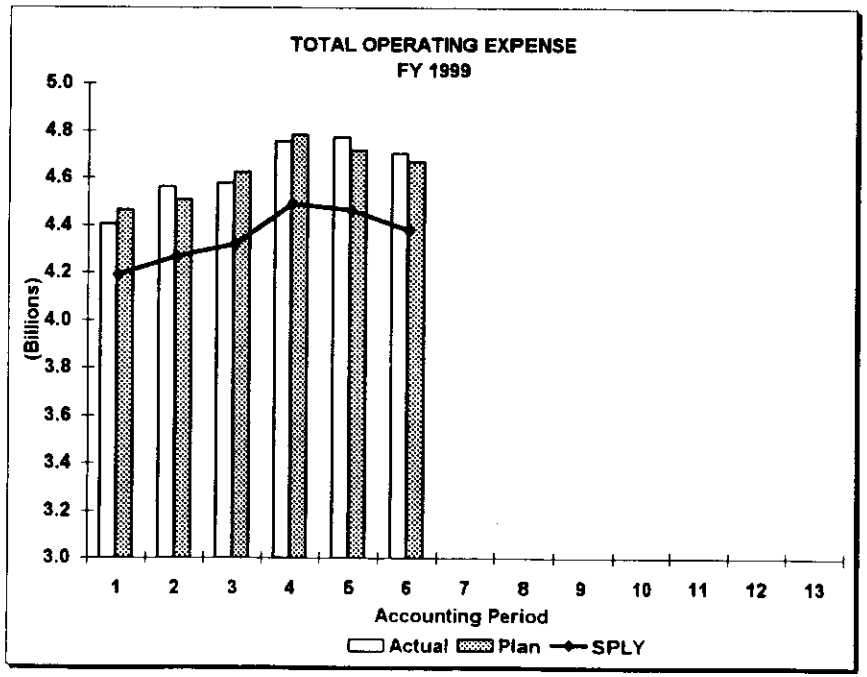
| | CURRENT PERIOD | | | YEAR-TO-DATE | | |
|---|---|---|---|---|---|---|
| | A/P 6 1999 | A/P 6 1998 | % CHANGE | A/P 6 1999 | A/P 6 1998 | % CHANGE |
| **FIRST-CLASS** | | | | | | |
| VOLUME | 7,967,320 | 7,842,620 | 1.6 | 48,394,274 | 47,332,302 | 2.2 |
| REVENUE | $ 2,754,125 | $ 2,618,169 | 5.2 | $ 16,345,816 | $ 15,910,703 | 2.7 |
| REV/PC. | 0.3457 | 0.3338 | 3.5 | 0.3378 | 0.3361 | 0.5 |
| **PRIORITY-MAIL** | | | | | | |
| VOLUME | 88,904 | 91,182 | -2.5 | 591,193 | 558,790 | 5.8 |
| REVENUE | $ 338,730 | $ 323,927 | 4.6 | $ 2,209,446 | $ 2,023,934 | 9.2 |
| REV/PC. | 3.8101 | 3.5525 | 7.2 | 3.7373 | 3.6220 | 3.2 |
| **EXPEDITED MAIL** | | | | | | |
| VOLUME | 5,294 | 5,202 | 1.8 | 31,141 | 29,889 | 4.2 |
| REVENUE | $ 74,298 | $ 66,676 | 11.4 | $ 416,265 | $ 388,495 | 7.1 |
| REV/PC. | 14.0344 | 12.8174 | 9.5 | 13.3671 | 12.9979 | 2.8 |
| **PERIODICALS** | | | | | | |
| VOLUME | 853,002 | 846,413 | 0.8 | 4,754,377 | 4,738,376 | 0.3 |
| REVENUE | $ 175,393 | $ 167,147 | 4.9 | $ 977,218 | $ 957,652 | 2.0 |
| REV/PC. | 0.2056 | 0.1975 | 4.1 | 0.2055 | 0.2021 | 1.7 |
| **STANDARD (A) MAIL** | | | | | | |
| VOLUME | 6,267,698 | 6,095,649 | 2.8 | 40,823,820 | 38,522,283 | 6.0 |
| REVENUE | $ 1,060,268 | $ 1,013,415 | 4.6 | $ 6,803,295 | $ 6,421,449 | 5.9 |
| REV/PC. | 0.1692 | 0.1663 | 1.8 | 0.1667 | 0.1667 | 0.0 |
| **STANDARD (B) MAIL** | | | | | | |
| VOLUME | 81,353 | 74,388 | 9.4 | 520,939 | 504,631 | 3.2 |
| REVENUE | $ 150,789 | $ 129,524 | 16.4 | $ 937,596 | $ 881,031 | 6.4 |
| REV/PC. | 1.8535 | 1.7412 | 6.5 | 1.7998 | 1.7459 | 3.1 |
| **INTERNATIONAL_1/** | | | | | | |
| VOLUME | 72,896 | 78,090 | -6.7 | 447,504 | 482,777 | -7.3 |
| REVENUE | $ 106,318 | $ 125,274 | -15.1 | $ 741,718 | $ 788,888 | -6.0 |
| REV/PC. | 1.4585 | 1.6042 | -9.1 | 1.6575 | 1.6341 | 1.4 |
| **ALL OTHER_2/** | | | | | | |
| VOLUME | 31,153 | 32,346 | -3.7 | 208,003 | 199,664 | 4.2 |
| REVENUE | $ 138 | $ 144 | 0.0 | $ 804 | $ 857 | -6.2 |
| **ALL MAIL** | | | | | | |
| VOLUME | 15,367,620 | 15,065,890 | 2.0 | 95,771,251 | 92,368,712 | 3.7 |
| REVENUE | $ 4,660,059 | $ 4,444,275 | 4.9 | $ 28,432,159 | $ 27,373,009 | 3.9 |
| REV/PC. | 0.3032 | 0.2950 | 2.8 | 0.2969 | 0.2963 | 0.2 |

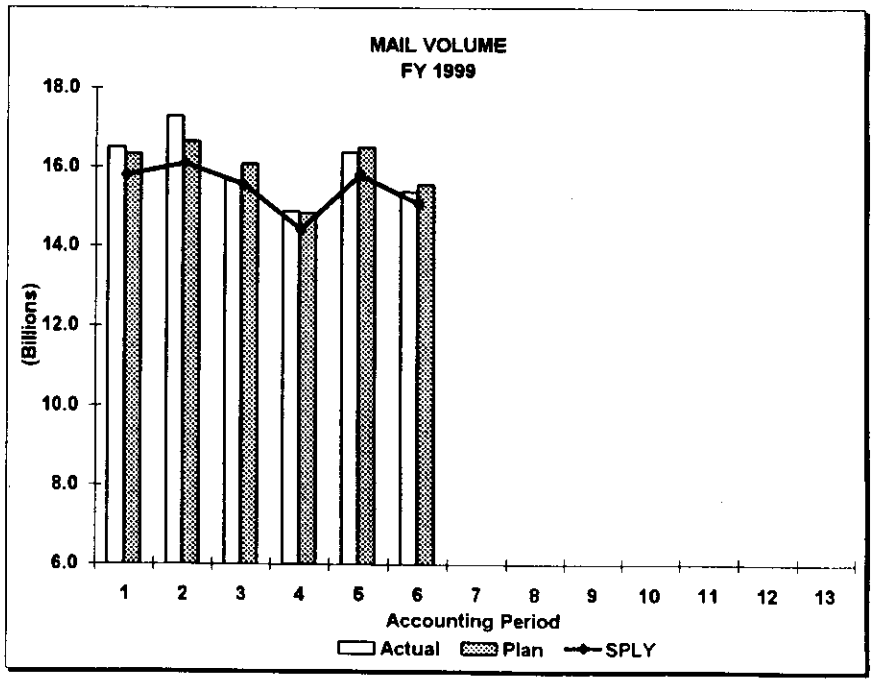
_2/ All other volume includes an increase of 7,442 pieces in Internal Mail and an increase of 868 pieces in Free Mail for the Blind and Handicapped for the year-to-date.

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


NET OPERATING REVENUE
FY 1999
(Billions)
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


INCOME (LOSS ) FY 1999
(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 EXPENSE
FY 1999
(Billions)
5.0
4.8
4.6
4.4
4.2
4.0
3.8
3.6
3.4
3.2
3.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY


MAIL VOLUME
FY 1999
(Billions)
18.0
16.0
14.0
12.0
10.0
8.0
6.0
1 2 3 4 5 6 7 8 9 10 11 12 13
Accounting Period
Actual
Plan
SPLY

**Revenue by Source**
**Accounting Period 6, FY 1999**
($Millions)

| Current Period Actual | Current Period SPLY | Current Period % Diff | | Year-To-Date Actual | Year-To-Date SPLY | Year-To-Date % Diff |
|---|---|---|---|---|---|---|
| | | | **Operating Revenue:** | | | |
| $ 1,968.6 | $ 1,941.7 | 1.4 | Metered Postage | $ 11,725.6 | $ 11,599.7 | 1.1 |
| 890.4 | 858.1 | 3.8 | Stamps and Stamped Paper | 5,615.2 | 5,452.2 | 3.0 |
| 994.5 | 1,072.7 | -7.3 | Permit Imprint | 7,249.5 | 6,952.6 | 4.3 |
| 178.8 | 171.5 | 4.3 | Periodicals & Standard A | 998.7 | 980.8 | 1.8 |
| 54.2 | 59.7 | -9.2 | Official Mail | 379.7 | 388.7 | -2.3 |
| 555.5 | 340.9 | 63.0 | Presort First Class & Standard B/Permit Imprint | 2,442.9 | 1,971.2 | 23.9 |
| 50.7 | 45.6 | 11.2 | Box Rents | 294.3 | 273.6 | 7.6 |
| 14.8 | 14.1 | 5.0 | Money Order Fees | 83.9 | 80.6 | 4.1 |
| 115.7 | 87.8 | 31.8 | Other | 596.9 | 544.5 | 9.6 |
| $ 4,823.2 | $ 4,592.1 | 5.0 | **Subtotal** | $ 29,386.7 | $ 28,243.9 | 4.0 |
| | | | **Government Appropriation:** | | | |
| 5.5 | 5.2 | 5.8 | Revenue Forgone | 32.8 | 31.0 | 5.8 |
| $ 4,828.7 | $ 4,597.3 | 5.0 | **Total Operating Revenue** | $ 29,419.5 | $ 28,274.9 | 4.0 |
| 2.1 | 1.9 | 10.5 | Investment Income | 15.9 | 20.1 | -20.9 |
| $ 4,830.8 | $ 4,599.2 | 5.0 | **Total Revenue** | $ 29,435.4 | $ 28,295.0 | 4.0 |

Note: Totals may not sum due to rounding.

# Revenue by Category
## Accounting Period 6, FY 1999
($Millions)

| Current Period Actual | Current Period Budget | % Var | | Year-To-Date Actual | Year-To-Date Budget | % Var |
|---|---|---|---|---|---|---|
| $ 1,754.8 | $ 1,738.5 | 0.9 | Permit Revenue | $ 10,801.1 | $ 10,682.7 | 1.1 |
| 1,801.9 | 1,863.4 | [ 3.3 ] | Other Commercial Accounts Revenue | 10,620.8 | 10,965.3 | [ 3.1 ] |
| **$ 3,556.7** | **$ 3,601.9** | **[ 1.2 ]** | **Total Commercial Revenue** | **$ 21,421.9** | **$ 21,648.0** | **[ 1.0 ]** |
| | | | **Retail Revenue** | | | |
| 997.0 | 1,018.2 | [ 2.1 ] | Retail Postage Revenue | 6,472.4 | 6,397.8 | 1.2 |
| 65.6 | 64.0 | 2.5 | Retail Services Revenue | 390.0 | 380.5 | 2.5 |
| 9.7 | 15.0 | [ 35.0 ] | Retail Products Revenue | 68.2 | 95.7 | [ 28.8 ] |
| 150.6 | 140.9 | 6.9 | Other Retail Channels Revenue | 845.6 | 868.5 | [ 2.6 ] |
| **$ 1,222.9** | **$ 1,238.1** | **[ 1.2 ]** | **Total Retail Revenue** | **$ 7,776.2** | **$ 7,742.5** | **0.4** |
| **$ 4,779.6** | **$ 4,840.0** | **[ 1.2 ]** | **Total Commercial & Retail Revenue** | **$ 29,198.1** | **$ 29,390.5** | **[ 0.7 ]** |
| 43.6 | 34.7 | 25.8 | Other Income | 188.6 | 200.9 | [ 6.1 ] |
| 5.5 | 5.5 | 0.0 | Revenue Forgone | 32.8 | 32.8 | 0.0 |
| **$ 4,828.7** | **$ 4,860.2** | **[ 1.1 ]** | **Total Operating Revenue** | **$ 29,419.5** | **$ 29,624.2** | **[ 0.7 ]** |
| 2.1 | 2.5 | [ 15.8 ] | Investment Income | 15.9 | 15.0 | 5.3 |
| **$ 4,830.8** | **$ 4,862.7** | **[ 1.1 ]** | **Total Revenue** | **$ 29,435.4** | **$ 29,639.2** | **[ 0.7 ]** |

**[ ]=Unfavorable variance to budget**

**Note: Totals may not sum due to rounding.**

**Expense Analysis**
**Accounting Period 6, FY 1999**
**($Millions)**

| Accounting Period 6 | | | | | | Year-to-Date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | %Var | SPLY | % Var to SPLY | | Actual | Var to Budget | %Var | SPLY | % Var to SPLY |
| $ 3,630.3 | [$ 10.8 ] | [ 0.3 ] | $ 3,461.0 | 4.9 | **Personnel Compensation** | $ 21,833.5 | [$ 81.6 ] | [ 0.4 ] | $ 20,968.4 | 4.6 |
| | | | | | Non-Personnel Expense: | | | | | |
| 353.8 | [ 6.2 ] | [ 1.8 ] | 325.0 | 8.9 | Transportation | 2,085.8 | - 41.6 | - 2.0 | 2,004.7 | 4.0 |
| 310.9 | [ 3.0 ] | [ 1.0 ] | 226.3 | 37.3 | Supplies & Services | 1,624.4 | [ 21.8 ] | [ 1.4 ] | 1,136.7 | 42.9 |
| 409.2 | [ 17.5 ] | [ 4.5 ] | 365.5 | 12.0 | Other | 2,181.6 | - 0.9 | - 0.0 | 2,063.8 | 5.7 |
| $ 1,073.9 | [$ 26.7 ] | [ 2.6 ] | $ 916.8 | 17.1 | **Subtotal** | $ 5,891.8 | $ - 20.7 | - 0.4 | $ 5,205.3 | 13.2 |
| $ 4,704.2 | [$ 37.5 ] | [ 0.8 ] | $ 4,377.8 | 7.5 | **Total Operating Expense** | $ 27,825.3 | [$ 60.9 ] | [ 0.2 ] | $ 26,173.7 | 6.3 |
| 17.6 | [ 3.3 ] | [ 23.1 ] | 16.7 | 5.4 | Interest Expense | 114.7 | [ 15.9 ] | [ 16.1 ] | 125.8 | - 8.8 |
| 121.9 | - 0.0 | - 0.0 | 126.9 | - 3.9 | Interest on Deferred Ret. Liabilities | 735.9 | 0.0 | 0.0 | 761.1 | - 3.3 |
| $ 4,843.7 | [$ 40.8 ] | [ 0.8 ] | $ 4,521.4 | 7.1 | **Total Expense** | $ 28,675.9 | [$ 76.8 ] | [ 0.3 ] | $ 27,060.8 | 6.0 |

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

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

| Accounting Period 6 | | | | | | Year-to-Date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | % Var. | SPLY * | % Var to SPLY | Total Compensation | Actual | Var. to Budget | %Var. | SPLY * | % Var to SPLY |
| | | | | | Operations: | | | | | |
| $ 26.3 | - 0.1 | - 0.5 | $ 24.8 | 6.2 | -Support | $ 152.7 | - 2.6 | - 1.7 | $ 142.2 | 7.4 |
| 875.2 | - 10.5 | - 1.2 | 852.2 | 2.7 | -Mail Processing | 5,368.6 | - 70.8 | - 1.3 | 5,293.6 | 1.4 |
| 265.3 | - 1.0 | - 0.4 | 255.2 | 4.0 | -Rural Delivery | 1,581.8 | - 4.8 | - 0.3 | 1,513.1 | 4.5 |
| 1,000.8 | [ 8.9 ] | [ 0.9 ] | 971.0 | 3.1 | -Other Delivery | 6,091.8 | [ 64.6 ] | [ 1.1 ] | 5,897.3 | 3.3 |
| 74.0 | [ 1.7 ] | [ 2.4 ] | 69.6 | 6.2 | -Vehicles Services | 439.9 | [ 6.6 ] | [ 1.5 ] | 420.9 | 4.5 |
| 179.7 | - 0.3 | - 0.2 | 170.9 | 5.2 | -Plant & Equip Maint | 1,055.1 | [ 2.6 ] | [ 0.2 ] | 1,011.6 | 4.3 |
| 561.2 | [ 13.9 ] | [ 2.5 ] | 523.6 | 7.2 | -Customer Services | 3,344.6 | [ 72.5 ] | [ 2.2 ] | 3,161.4 | 5.8 |
| 23.3 | - 0.8 | - 3.4 | 22.4 | 4.2 | Controller | 135.6 | - 6.1 | - 4.3 | 129.5 | 4.7 |
| 24.7 | - 1.0 | - 4.0 | 24.1 | 2.8 | Human Resources | 145.4 | - 5.0 | - 3.3 | 139.3 | 4.3 |
| 37.7 | [ 0.4 ] | [ 1.1 ] | 35.2 | 7.3 | Customer Service & Sales | 218.0 | - 2.9 | - 1.3 | 203.8 | 6.9 |
| 154.7 | [ 0.5 ] | [ 0.3 ] | 151.2 | 2.4 | Administration | 908.9 | - 0.1 | - 0.0 | 889.4 | 2.2 |
| 124.9 | - 0.6 | - 0.5 | 109.8 | 13.7 | Other Salaries & Benefits | 718.1 | [ 9.5 ] | [ 1.3 ] | 637.4 | 12.7 |
| $ 3,346.0 | [ 11.0 ] | [ 0.3 ] | $ 3,209.9 | 4.3 | **Total Salaries & Benefits** | $ 20,160.6 | [$ 63.4 ] | [ 0.3 ] | $ 19,439.6 | 3.7 |
| 48.4 | [ 0.3 ] | [ 0.7 ] | 58.8 | - 17.8 | Workers' Compensation | 290.4 | [ 2.3 ] | [ 0.8 ] | 353.0 | - 17.7 |
| 6.3 | [ 0.0 ] | [ 0.7 ] | 6.6 | - 3.9 | Unemployment Compensation | 35.7 | [ 0.0 ] | [ 0.1 ] | 39.3 | - 9.1 |
| 95.7 | 0.0 | 0.0 | 88.7 | 7.9 | Deferred Retirement Cost | 567.7 | 0.0 | 0.0 | 443.4 | 28.0 |
| 46.8 | 0.0 | 0.0 | 46.6 | 0.5 | CSRS Annuitant COLA | 287.1 | 0.0 | 0.0 | 279.8 | 2.6 |
| 50.9 | 0.0 | 0.0 | 45.4 | 12.2 | Annuitant Health Benefits | 298.3 | 0.0 | 0.0 | 272.3 | 9.5 |
| 34.0 | - 0.7 | - 2.0 | 5.0 | NM | Other Compensation | 293.9 | [ 15.9 ] | [ 5.7 ] | 141.1 | NM |
| $ 3,630.3 | [$ 10.6 ] | [ 0.3 ] | $ 3,461.0 | 4.9 | **Total Personnel Compensation** | $ 21,933.5 | [$ 81.6 ] | [ 0.4 ] | $ 20,968.4 | 4.6 |

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

## Analysis of Non Personnel Expenses
($Millions)

| Accounting Period 6 | | | | | | Year-to-Date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | %Var. | SPLY* | % Var to SPLY | Description | Actual | Var. to Budget | %Var. | SPLY* | % Var to SPLY |
| $ 353.8 | [$ 6.2] | [ 1.8] | $ 325.0 | 8.9 | Transportation | $ 2,085.8 | $ - 41.6 | - 2.0 | $ 2,004.7 | 4.0 |
| 310.9 | [ 3.0] | [ 1.0] | 226.3 | 37.3 | Supplies & Services | 1,624.4 | [ 21.8] | [ 1.4] | 1,136.7 | 42.9 |
| 140.9 | [ 7.1] | [ 5.3] | 122.2 | 15.3 | Depreciation | 786.4 | - 6.2 | - 0.8 | 739.7 | 6.3 |
| 66.0 | [ 2.5] | [ 3.9] | 59.4 | 11.1 | Rent | 326.0 | [ 2.2] | [ 0.7] | 298.6 | 9.2 |
| 37.7 | [ 1.4] | [ 3.9] | 33.1 | 13.7 | Fuel & Utilities | 184.6 | - 14.7 | - 7.4 | 175.0 | 5.5 |
| 25.3 | - 1.1 | - 4.0 | 24.7 | 2.3 | Rural Carrier Equip Maint Allow | 151.1 | - 5.1 | - 3.3 | 147.2 | 2.6 |
| 27.3 | [ 0.7] | [ 2.8] | 26.3 | 3.7 | Vehicle Maintenance | 142.3 | - 9.3 | - 6.1 | 143.6 | - 0.8 |
| 21.2 | [ 4.0] | [ 22.9] | 19.1 | 11.2 | Building Projects Expensed | 112.1 | [ 24.7] | [ 28.2] | 89.6 | 25.1 |
| 4.4 | - 0.8 | - 14.7 | 4.4 | - 0.6 | Contract Job Cleaners | 26.7 | - 3.8 | - 12.5 | 25.7 | 3.9 |
| 15.5 | - 1.1 | - 6.4 | 13.1 | 18.2 | Travel & Relocation | 80.2 | - 12.1 | - 13.1 | 67.7 | 18.5 |
| 20.5 | - 1.4 | - 6.2 | 14.1 | 45.3 | Communications | 95.7 | - 6.3 | - 6.2 | 76.6 | 24.9 |
| 5.2 | - 0.5 | - 8.3 | 5.4 | - 4.3 | Contract Stations | 30.7 | - 2.4 | - 7.2 | 31.6 | - 3.0 |
| 8.6 | [ 3.9] | [ 83.0] | 5.1 | 67.8 | Printing | 24.4 | - 2.4 | - 9.0 | 20.8 | 17.8 |
| 6.6 | - 1.1 | - 14.8 | 5.3 | 24.0 | Training | 33.3 | - 3.5 | - 9.6 | 25.8 | 29.2 |
| 5.0 | [ 0.3] | [ 5.5] | 4.8 | 3.7 | Carfare & Tolls | 28.8 | [ 0.7] | [ 2.5] | 25.6 | 12.3 |
| 3.9 | [ 1.2] | [ 45.3] | 2.6 | 51.1 | Vehicle Hire | 18.7 | [ 2.4] | [ 14.8] | 14.8 | 25.9 |
| 3.3 | - 0.2 | - 5.7 | 3.6 | - 7.5 | Accident Cost | 21.7 | [ 0.7] | [ 3.4] | 21.6 | 0.4 |
| - 4.6 | [ 0.3] | [ 6.3] | - 2.0 | 125.4 | Capitalized Interest | - 28.4 | [ 0.2] | - 0.6 | - 20.0 | 41.5 |
| 22.5 | [ 2.1] | [ 10.3] | 24.3 | - 7.4 | Miscellaneous | 147.1 | [ 34.1] | [ 30.2] | 179.9 | - 18.2 |
| $ 1,073.9 | [$ 26.7] | [ 2.6] | $ 916.8 | 17.1 | **Total Other Operating Expenses** | $ 5,891.8 | $ - 20.7 | - 0.4 | $ 5,205.3 | 13.2 |

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

**Statement of Financial Position**
**Accounting Period 6, FY 1999**
($ Millions)

| Assets | February 26, 1999 | January 29, 1999 | September 30, 1998 * |
|---|---|---|---|
| **Current Assets:** | | | |
| Cash and cash equivalents _1/ | $ 20 | $ 4 | $ 387 |
| U.S. Government securities, at amortized cost which approximates market | 7 | 7 | 8 |
| **Receivables:** | | | |
| Foreign countries | 462 | 461 | 514 |
| U.S. Government | 258 | 262 | 154 |
| Other | 235 | 244 | 205 |
| | 955 | 967 | 873 |
| Less allowances | 110 | 106 | 88 |
| | 845 | 861 | 785 |
| Supplies, advances and prepayments | 311 | 311 | 348 |
| **Total Current Assets** | **1,183** | **1,183** | **1,528** |
| Other assets _2/ | 382 | 381 | 379 |
| **Property and equipment, at cost:** | | | |
| Buildings | 15,796 | 15,611 | 15,123 |
| Equipment | 11,733 | 11,587 | 11,179 |
| Land | 2,328 | 2,325 | 2,286 |
| | 29,857 | 29,523 | 28,588 |
| Less allowances for depreciation | 10,903 | 10,794 | 10,362 |
| | 18,954 | 18,729 | 18,226 |
| Construction in progress | 2,257 | 2,355 | 2,073 |
| Leasehold improvements, net | 513 | 500 | 493 |
| | 21,724 | 21,584 | 20,792 |
| Deferred Retirement Costs _3/ | 33,087 | 33,230 | 31,844 |
| **Total Assets** | **$ 56,376** | **$ 56,378** | **$ 54,543** |

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

_2/ Includes $378 million as of September 30, 1998, and $380 as of January 29, 1999 and February 26, 1999 for appropriation receivable for revenue forgone.

* Audited year-end data.

Statement of Financial Position
Accounting Period 6, FY 1999
($ Millions)

| Liabilities and Equities | February 26, 1999 | January 29, 1999 | September 30, 1998 * |
|---|---|---|---|
| **Current Liabilities:** | | | |
| Compensation and employees' benefits | $ 4,995 | $ 4,851 | $ 5,290 |
| Estimated prepaid postage | 1,673 | 1,673 | 1,673 |
| **Payables and accrued expenses:** | | | |
| Foreign countries | 644 | 656 | 780 |
| U.S. Government | 146 | 160 | 148 |
| Other | 2,553 | 2,540 | 742 |
| | 3,343 | 3,356 | 1,670 |
| Appropriation for free & reduced rate mail | 43 | 48 | - |
| Prepaid permit mail and box rentals | 1,594 | 1,574 | 1,955 |
| Outstanding postal money orders | 855 | 811 | 692 |
| Current portion of long-term debt | 1,628 | 1,879 | 3,633 |
| **Total Current Liabilities** | **14,131** | **14,192** | **14,913** |
| **Long-term debt, less current portion** | 2,887 | 2,887 | 2,788 |
| **Other Liabilities:** | | | |
| Amounts payable for retirement benefits _3/ | 31,845 | 31,845 | 30,138 |
| Workers' compensation claims | 5,154 | 5,106 | 4,923 |
| Employees' accumulated leave | 1,783 | 1,776 | 1,959 |
| Other | 832 | 824 | 632 |
| **Total Other Liabilities** | 39,614 | 39,551 | 37,652 |
| Capital Contributions of the US Government | 3,034 | 3,034 | 3,034 |
| Deficit Since Reorganization | - 3,290 | - 3,286 | - 3,844 |
| Net Capital Deficiency | - 256 | - 252 | - 810 |
| **Total Liabilities and Equity** | **$ 56,376** | **$ 56,378** | **$ 54,543** |

_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
## 1999
($ MILLIONS)

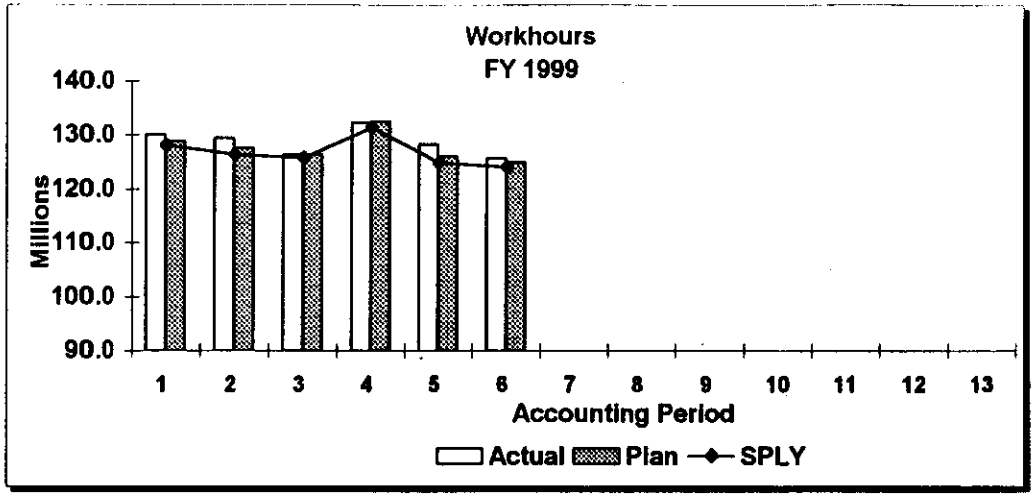
| MAJOR CATEGORIES | COMMITMENTS A/P 6 - YEAR-TO-DATE ACTUAL | PLAN | SPLY | EXPENDITURES A/P 6 - YEAR-TO-DATE ACTUAL | PLAN | SPLY |
|---|---|---|---|---|---|---|
| CONSTRUCTION AND BUILDING PURCHASE | $ 170.6 | $ 275.0 | $ 193.2 | $ 411.2 | $ 421.7 | $ 362.2 |
| BUILDING IMPROVEMENTS | 183.5 | 176.6 | 145.6 | 301.1 | 315.8 | 271.3 |
| MAIL PROCESSING EQUIPMENT | 152.3 | 141.6 | 115.7 | 346.8 | 421.3 | 361.9 |
| VEHICLES | 36.3 | 35.2 | 43.0 | 25.8 | 104.5 | 89.8 |
| RETAIL EQUIPMENT | 51.2 | 30.2 | 34.2 | 94.3 | 39.6 | 34.0 |
| POSTAL SUPPORT EQUIPMENT | 95.3 | 185.9 | 101.3 | 378.4 | 176.3 | 151.5 |
| TOTAL COMMITMENTS/EXPENDITURES | $ 689.2 | $ 844.5 | $ 633.0 | $ 1,557.6 | $ 1,479.2 | $ 1,270.7 |

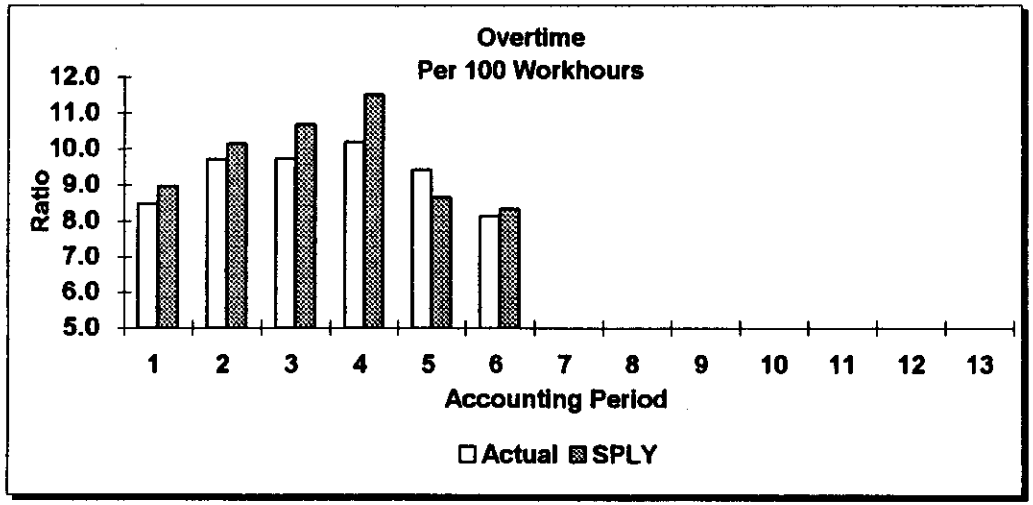
## RESOURCES ON ORDER
($ MILLIONS)

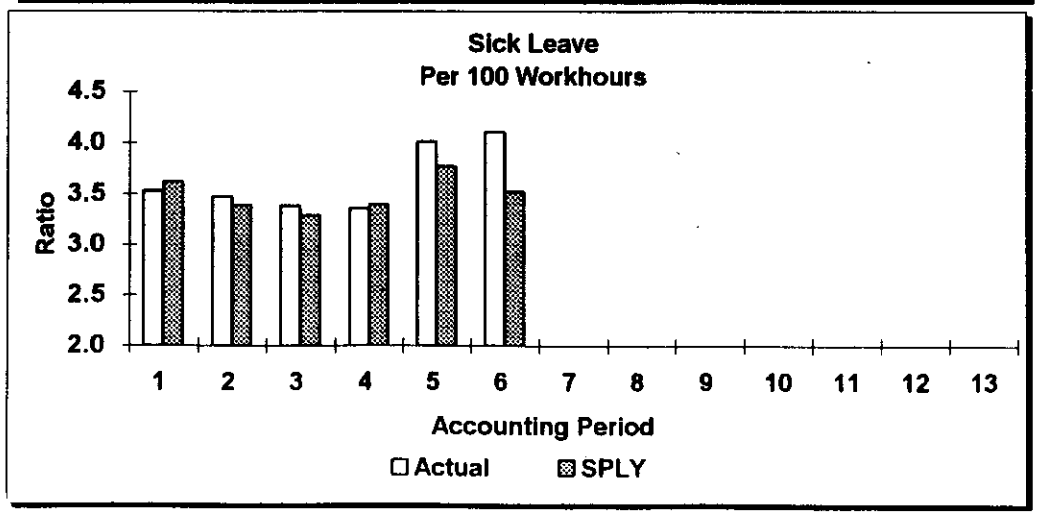
| MAJOR CATEGORIES | Feb. 26, 1999 | Sept. 30, 1998 |
|---|---|---|
| CONSTRUCTION AND BUILDING PURCHASE | $ 674.2 | $ 932.7 |
| BUILDING IMPROVEMENTS | 388.9 | 527.6 |
| MAIL PROCESSING EQUIPMENT | 1,084.7 | 1,279.7 |
| VEHICLES | 290.4 | 279.8 |
| RETAIL EQUIPMENT | 133.7 | 177.8 |
| POSTAL SUPPORT EQUIPMENT | 196.7 | 479.8 |
| INVENTORIES | 176.2 | 201.3 |
| RESEARCH AND DEVELOPMENT | 61.6 | 51.9 |
| MISCELLANEOUS EXPENSE COMMITMENTS | 4,553.7 | 3,352.3 |
| TOTAL RESOURCES ON ORDER | $ 7,560.1 | $ 7,282.9 |

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

| For the fiscal year through February 26, 1999 | FY 1999 |
|---|---|
| **Cash flows from operating activities:** | |
| Net income/(loss) (Government Fiscal Year Basis) | $ 554 |
| Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities: | |
| Depreciation and amortization | 794 |
| Increase/(decrease) in other liabilities | 200 |
| Increase/(decrease) in employees' accumulated leave | (176) |
| Increase/(decrease) in non-current workers' compensation claims | 231 |
| Increase/(decrease) in retirement, net | 464 |
| Changes in current assets and liabilities: | |
| Increase/(decrease) in accrued compensation and benefits | (295) |
| Increase/(decrease) in deferred revenue | (318) |
| Increase/(decrease) in payables and accrued expenses | 1,673 |
| (Increase)/decrease in receivables | (60) |
| (Increase)/decrease in supplies, advances and prepayments | 37 |
| Increase/(decrease) in outstanding postal money orders | 163 |
| **Net cash provided by operating activities** | **3,267** |
| **Cash flows from investing activities:** | |
| Sale/(purchase) of U.S. Government securities, net | 1 |
| Purchase of property and equipment, net | (1,726) |
| **Net cash used in investing activities** | **(1,725)** |
| **Cash flows from financing activities:** | |
| Increase/(decrease) in debt | (1,906) |
| (Increase)/decrease in other non-current assets | (3) |
| **Net cash used by financing activities** | **(1,909)** |
| **Net (decrease)/increase in cash and cash equivalents** | (367) |
| **Cash and cash equivalents at beginning of period** | **387** |
| **Cash and cash equivalents at end of period** | **$ 20** |


Workhours
FY 1999
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
SPLY


Sick Leave
Per 100 Workhours
4.5
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 8 | | | | | Total Workhours | Year to date | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual | Var. to Budget | % Var. | SPLY* | % Var to SPLY | | Actual | Var. to Budget | %Var. | SPLY* | % Var to SPLY |
| | | | | | Operations: | | | | | |
| 793 | [ 5 ] | [ 0.6 ] | 759 | 4.4 | -Support | 4,646 | - 16 | - 0.3 | 4,366 | 6.4 |
| 33,533 | - 542 | - 1.6 | 34,044 | - 1.5 | -Mail Processing | 215,408 | - 2,153 | - 1.0 | 218,322 | - 1.3 |
| 12,251 | [ 84 ] | [ 0.7 ] | 11,807 | 3.8 | -Rural Delivery | 73,358 | [ 693 ] | [ 1.0 ] | 70,464 | 4.1 |
| 37,416 | [ 281 ] | [ 0.8 ] | 37,022 | 1.1 | -Other Delivery | 229,600 | [ 3,371 ] | [ 1.5 ] | 225,748 | 1.7 |
| 2,578 | [ 54 ] | [ 2.1 ] | 2,505 | 2.9 | -Vehicles Services | 15,585 | [ 237 ] | [ 1.5 ] | 15,198 | 2.5 |
| 6,355 | - 69 | - 1.1 | 6,265 | 1.4 | -Plant & Equip Maint | 37,968 | - 61 | - 0.2 | 37,130 | 2.3 |
| 20,939 | [ 481 ] | [ 2.3 ] | 20,236 | 3.5 | -Customer Services | 127,486 | [ 3,074 ] | [ 2.5 ] | 122,873 | 3.8 |
| 771 | - 32 | - 4.0 | 765 | 0.8 | Controller | 4,536 | - 215 | - 4.5 | 4,413 | 2.8 |
| 768 | - 17 | - 2.2 | 759 | 1.2 | Human Resources | 4,570 | - 44 | - 0.9 | 4,406 | 3.7 |
| 1,281 | - 7 | - 0.5 | 1,240 | 3.3 | Customer Service & Sales | 7,484 | - 190 | - 2.5 | 7,181 | 4.2 |
| 5,266 | [ 114 ] | [ 2.2 ] | 5,218 | 0.9 | Administration | 31,245 | [ 560 ] | [ 1.8 ] | 30,928 | 1.0 |
| 3,733 | [ 268 ] | [ 7.7 ] | 3,378 | 10.5 | Other | 21,788 | [ 1,562 ] | [ 7.7 ] | 19,732 | 10.4 |
| 125,684 | [ 620 ] | [ 0.5 ] | 123,998 | 1.4 | Total Workhours | 773,674 | [ 6,818 ] | [ 0.9 ] | 760,761 | 1.7 |

**Overtime**

| | Actual | Budget | SPLY | | Actual | Budget | SPLY |
|---|---|---|---|---|---|---|---|
| | 8.1 | 7.0 | 8.3 | Overtime Ratio Per 100 Workhours | 9.3 | 8.1 | 9.7 |

**Sick Leave**

| | Actual | | SPLY | | Actual | | SPLY |
|---|---|---|---|---|---|---|---|
| | 4.1 | -- | 3.6 | Sick Leave Ratio Per 100 Workhours | 3.7 | -- | 3.6 |

[ ]=Unfavorable variance to budget

* Recasted Data

Note: Totals may not sum due to rounding.