

Fiscal Year 2011 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version)

I. PREFACE

A. Purpose and Content

The Fiscal Year 2011 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version) is an Excel workbook that adjusts amounts reflected in the September 2011 general ledger for year-end audit adjustments. This results in amounts that underlie the September 30 year-end financial statements. This workbook also reallocates year-end labor contract and performance award accruals back to the appropriate labor sub-account and breaks out cost component expenses not available directly from a general ledger account but obtained from another source such as a unique finance number or a subsidiary reporting system. Because this workbook is intended for public distribution, certain account information that pertains to competitive products has been redacted.

B. Predecessor Document

This material was provided as USPS-FY10-5 for the FY 2010 Annual Compliance Report filing (Docket No. ACR2010, December 29, 2010).

C. Corresponding Non-Public or Public Document

A non-public version of this document is provided as USPS-FY11-NP29, Fiscal Year 2011 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version).

D. Methodology

A lump sum of \$21million for early-out incentive payments made to personnel from all areas of the Postal Service was moved from Cost Segment 2 (Supervisors & Technical Personnel) to Cost Segment 18 (HQ & Area Administration & Corporatewide Personnel Costs), component 1430 (Miscellaneous Personnel Compensation). Also, a worksheet was added to separate out the costs from the finance numbers associated with Address Management, in order to facilitate the calculation of Address Management costs in FY11-31 and FY11-NP13, in accordance with the methodology applied by the Commission in the FY 2010 Annual Compliance Determination. Otherwise, no substantive changes were made to cost segments or components or to the structure of the workbook in FY 2011.

E. Inputs/Outputs

The Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version) is generated from general ledger data that are downloaded from the Postal Service's mainframe Accounting systems. General ledger accounts are sorted and grouped so that they correspond to the Cost and Revenue Analysis (CRA) Model's cost segments and components.

Revenue and cost data from USPS-FY11-5 are input to the CRA Model, which is documented in USPS-FY11-31 (public) and USPS-FY11-NP13 (non-public).

II. ORGANIZATION

USPS-FY11-5, the Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version), is provided as an Excel workbook on CD-ROM. Within the workbook are the following worksheets:

1. Title – Title page
2. Rev – Revenue general ledger accounts
3. Seg 1 – Cost Segment 1 (Postmasters)
4. Seg 2 – Cost Segment 2 (Supervisors & Technical Personnel)
5. Seg 3 – Cost Segment 3 (Clerks & Mailhandlers – CAG A-J Offices)
6. Seg 4 – Cost Segment 4 (Clerks – CAG K Offices)
7. Seg 6&7 – Cost Segments 6 & 7 (City Delivery Carriers)
8. Seg 8 – Cost Segment 8 (Vehicle Service Drivers)
9. Seg 10 – Cost Segment 10 (Rural Carriers)
10. Seg 11 – Cost Segment 11 (Custodial & Maintenance Services)
11. Seg 12 – Cost Segment 12 (Motor Vehicle Service)
12. Seg 13 – Cost Segment 13 (Miscellaneous Local Operations)
13. Seg 14 – Cost Segment 14 (Purchased Transportation of Mail)
14. Seg 15 – Cost Segment 15 (Building Occupancy)
15. Seg 16 – Cost Segment 16 (Supplies and Services)
16. Seg 17 – Cost Segment 17 (Research & Development)
17. Seg 18 – Cost Segment 18 (HQ & Area Administration & Corporatewide Personnel Costs)
18. Seg 19 – Cost Segment 19 (Equipment Maintenance & Management Training Support)
19. Seg 20 – Cost Segment 20 (Depreciation, Write-offs, Losses, and Interest)
20. Summary – Cost segment totals and net income calculations
21. Personnel Costs – Summary of personnel costs by cost segment
22. International – Development of International product-specific costs
23. Address Management – Development of Address Management product-specific costs
24. CS 11 Realloc – Reallocation of maintenance personnel expenses
25. MOB Realloc – Reallocation of money order personnel expenses
26. 51111 Realloc – PCES performance award reallocations to subaccount
27. 51112 Realloc – EAS performance awards reallocations to subaccount
28. Reallocation Summary – Summary of reallocations
29. Outputs to CRA – Worksheet used to organize selected outputs to CRA