



***UNITED STATES  
POSTAL SERVICE***

# **FINANCIAL & OPERATING STATEMENTS**

**April, FY 2005**

**April 1 – April 30, 2005**

Prepared by: Financial Reporting and Analysis

**HIGHLIGHTS**  
April 2005 - FY 2005  
(Millions)

Current Period					
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY

Year-to-Date (October 1, 2004 - April 30, 2005)					
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY

\$ 5,764.3	\$ 5,674.9	\$ 89.4	1.6	\$ 5,851.9	- 1.5	Total Revenue	\$ 41,886.3	\$ 40,807.2	\$ 1,079.1	2.6	\$ 41,371.6	1.2
<u>5,704.0</u>	<u>5,690.8</u>	[ 13.2 ]	[ 0.2 ]	<u>5,485.2</u>	4.0	Total Expense	<u>39,861.0</u>	<u>40,105.6</u>	- 244.6	- 0.6	<u>38,438.4</u>	3.7
\$ 60.3	\$ ( 15.9 )	\$ 76.2	NM	\$ 366.7	NM	Net Income/(Loss)	\$ 2,025.3	\$ 701.6	\$ 1,323.7	NM	\$ 2,933.2	NM
\$ 158.8	\$ 57.6	\$ 101.2	175.7	\$ 82.3	93.0	Capital Commitments	\$ 916.1	\$ 944.5	[\$ - 28.4 ]	[ - 3.0 ]	\$ 903.3	1.4
123.7	120.6	[ 3.1 ]	[ 2.6 ]	121.7	1.6	Total Workhours	861.0	847.0	[ 13.9 ]	[ 1.6 ]	858.5	0.3

[ ] = Unfavorable variance to budget

Note: Totals may not sum due to rounding.

Actual Number Of:	Current Period	Last Period	SPLY
Post Offices	27,452	27,452	27,591
Postal Owned Vehicles In Use			
Administrative	5,837	5,761	5,974
Operations	206,776	206,661	206,555
Total Deliveries (000) *	143,335	143,212	141,552
City Delivery Routes	164,656	164,611	164,480
Rural Routes	71,381	71,322	69,997
Career Employees (Excludes Inspector General) **	701,819	701,175	710,692
Casual Employees **	20,970	21,216	19,060
Transitional Employees **	9,446	9,611	9,938

\* At the end of 2004, we adjusted our reporting of rural and highway contract deliveries to customers who have their mail forwarded to a Post Office Box as an alternative to a physical address. Prior to 2004, we included both addresses in our count of "possible" delivery points. We also no longer count a vacant delivery point on rural and highway routes as "possible" delivery points. The real growth of deliveries did not change, however, these adjustments reduced our total delivery points. Monthly SPLY deliveries are estimated based on this new methodology. For further information, please see the 2004 Annual Report on USPS.com.

\*\* The reporting of SPLY complement during FY 2005 will be slightly different than was reported during FY 2004 due to leap year occurring last year.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

**STATEMENT OF INCOME & EXPENSE**  
 April 2005 - FY 2005  
 (\$ Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY		Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY
\$ 5,756.1	\$ 5,669.5	\$ 86.6	1.5	\$ 5,849.6	- 1.6	Operating Revenue	\$ 41,847.8	\$ 40,781.9	\$ 1,065.9	2.6	\$ 41,353.7	1.2
<u>5,685.9</u>	<u>5,672.4</u>	[ <u>13.5</u> ]	[ 0.2 ]	<u>5,485.6</u>	3.7	Operating Expense	<u>39,732.8</u>	<u>39,975.3</u>	<u>- 242.5</u>	- 0.6	<u>38,428.2</u>	3.4
\$ 70.2	\$ ( 2.9 )	\$ 73.1	-	\$ 364.0	-	Income/(Loss) From Operations	\$ 2,115.0	\$ 806.6	\$ 1,308.4	-	\$ 2,925.5	-
8.2	5.4	2.8	51.9	2.3	NM	Investment Income	38.5	25.3	13.2	52.2	17.9	115.1
-	0.3	- 0.3	- 100.0	- 0.4	100.0	Interest Expense	1.5	3.6	- 2.1	- 58.3	10.2	- 85.3
<u>18.1</u>	<u>18.1</u>	<u>-</u>	-	<u>-</u>	-	Interest on Deferred Retirement Obligations	<u>126.7</u>	<u>126.7</u>	<u>-</u>	-	<u>-</u>	-
\$ 60.3	\$ ( 15.9 )	\$ 76.2	-	\$ 366.7	-	Net Income/(Loss)	\$ 2,025.3	\$ 701.6	\$ 1,323.7	-	\$ 2,933.2	-

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

**MAIL VOLUME - MAIL REVENUE**  
(Data in Thousands)

CATEGORY	CURRENT PERIOD			YEAR-TO-DATE		
	April FY 2005	April FY 2004	% SPLY	April FY 2005	April FY 2004	% SPLY
<b>FIRST-CLASS</b>						
VOLUME	7,964,279	8,239,384	- 3.3	59,049,110	59,098,821	- 0.1
REVENUE	\$ 2,944,815	\$ 3,069,000	- 4.0	\$ 21,751,898	\$ 22,012,632	- 1.2
REV/PC.	\$ 0.3698	\$ 0.3725	- 0.7	\$ 0.3684	\$ 0.3725	- 1.1
<b>PRIORITY-MAIL</b>						
VOLUME	76,755	73,691	4.2	535,191	520,646	2.8
REVENUE	\$ 393,417	\$ 375,754	4.7	\$ 2,817,227	\$ 2,742,399	2.7
REV/PC.	\$ 5.1256	\$ 5.0990	0.5	\$ 5.2640	\$ 5.2673	- 0.1
<b>EXPRESS MAIL</b>						
VOLUME	4,774	4,776	- 0.0	32,050	31,787	0.8
REVENUE	\$ 74,202	\$ 74,655	- 0.6	\$ 506,940	\$ 504,154	0.6
REV/PC.	\$ 15.5429	\$ 15.6313	- 0.6	\$ 15.8172	\$ 15.8604	- 0.3
<b>PERIODICALS</b>						
VOLUME	727,755	816,537	- 10.9	5,358,408	5,442,013	- 1.5
REVENUE	\$ 171,880	\$ 196,695	- 12.6	\$ 1,275,837	\$ 1,303,642	- 2.1
REV/PC.	\$ 0.2362	\$ 0.2409	- 2.0	\$ 0.2381	\$ 0.2396	- 0.6
<b>STANDARD MAIL</b>						
VOLUME	8,382,130	8,217,696	2.0	59,663,954	56,256,395	6.1
REVENUE	\$ 1,590,005	\$ 1,576,059	0.9	\$ 11,241,647	\$ 10,713,672	4.9
REV/PC.	\$ 0.1897	\$ 0.1918	- 1.1	\$ 0.1884	\$ 0.1904	- 1.1
<b>PACKAGE SERVICES</b>						
VOLUME	86,142	82,930	3.9	689,080	681,043	1.2
REVENUE	\$ 164,168	\$ 166,336	- 1.3	\$ 1,360,999	\$ 1,373,856	- 0.9
REV/PC.	\$ 1.9058	\$ 2.0057	- 5.0	\$ 1.9751	\$ 2.0173	- 2.1
<b>INTERNATIONAL</b>						
VOLUME	67,628	67,898	- 0.4	517,759	518,452	- 0.1
REVENUE	\$ 150,216	\$ 141,647	6.0	\$ 1,081,023	\$ 1,034,818	4.5
REV/PC.	\$ 2.2212	\$ 2.0862	6.5	\$ 2.0879	\$ 1.9960	4.6
<b>ALL OTHER</b>						
VOLUME	53,944	55,972	- 3.6	419,555	346,335	21.1
REVENUE	\$ 46	\$ 86	- 46.5	\$ 479	\$ 418	14.7
<b>ALL MAIL</b>						
VOLUME	17,363,408	17,558,883	- 1.1	126,265,107	122,895,492	2.7
REVENUE	\$ 5,488,748	\$ 5,600,230	- 2.0	\$ 40,036,050	\$ 39,685,590	0.9
REV/PC.	\$ 0.3161	\$ 0.3189	- 0.9	\$ 0.3171	\$ 0.3229	- 1.8

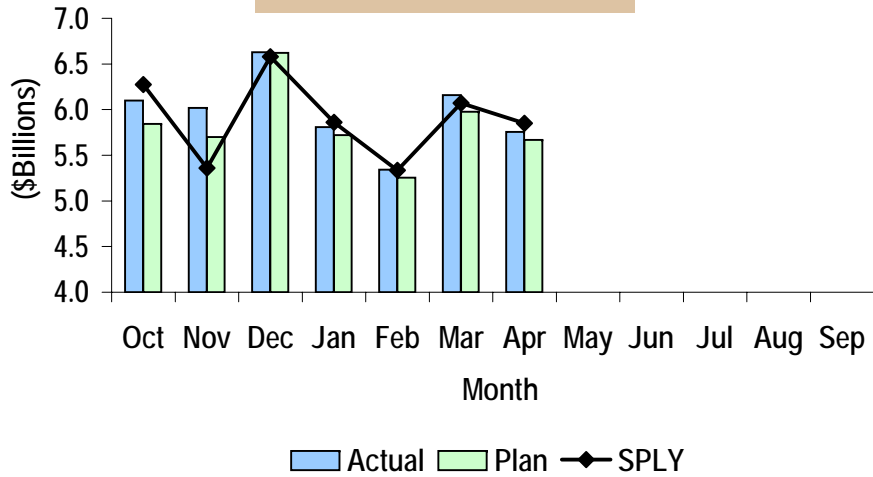
NOTE: Totals may not sum due to rounding.

NOTE: RPW data are reported on a new Fiscal Year basis (October 1-September 30). In addition, RPW data are reported on a calendar month basis.

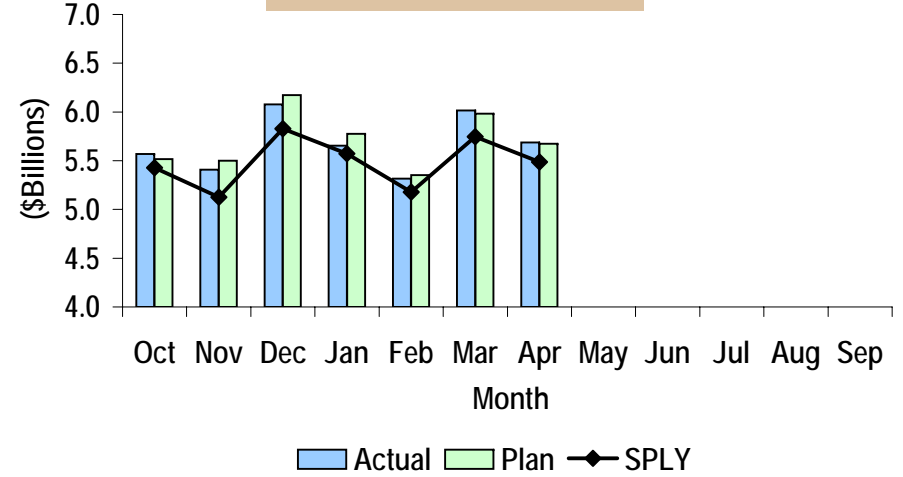
Quarterly RPW reports are now defined as the sum of three calendar months (e.g., quarter one corresponds to the time period of October 1-December 31). In order to provide a basis for comparison, FY 2004 data have been recast to reflect these reporting changes. The recast of FY 2004 data uses representative data from Accounting, PERMIT, the RPW sample and other input systems and can only provide an approximate basis for calculating changes to same period last year (SPLY) data. Therefore, the changes indicated in this report should be viewed as preliminary and subject to uncertainty. Analysts should use the FY 2005 quarterly reports for SPLY analysis when they are available. When interpreting RPW SPLY changes under monthly reporting, users must factor in the number and composition of business days in the relevant time periods.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

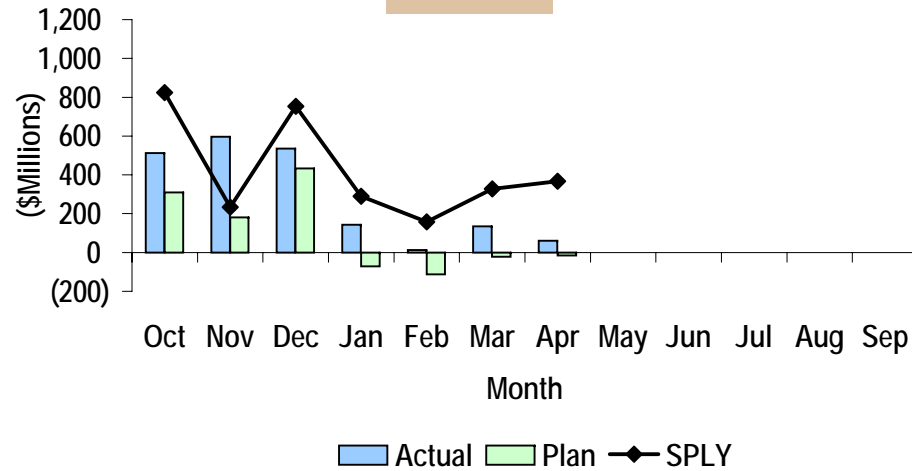
**TOTAL OPERATING REVENUE  
FY 2005**



**TOTAL OPERATING EXPENSE  
FY 2005**



**NET INCOME  
FY 2005**



See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

**REVENUE BY SOURCE**  
**April 2005 - FY 2005**  
**(\$ Millions)**

Current Period				Year-to-Date		
Actual	SPLY	% SPLY		Actual	SPLY	% SPLY
\$ 2,040.5	\$ 2,152.4	- 5.2	<b>Operating Revenue:</b>	\$ 14,707.0	\$ 15,062.8	- 2.4
878.9	925.4	- 5.0	Metered Postage	6,834.7	7,028.9	- 2.8
1,496.8	1,475.5	1.4	Stamps and Stamped Paper	10,556.0	10,009.5	5.5
170.8	195.0	- 12.4	Permit Imprint	1,265.5	1,291.8	- 2.0
62.9	67.8	- 7.2	Periodicals & Standard	486.0	525.8	- 7.6
839.2	792.0	6.0	Official Mail	6,187.0	5,700.5	8.5
61.4	61.7	- 0.5	Presort First-Class & Package Svc./Permit Imprint	453.9	450.6	0.7
18.5	15.2	21.7	Box Rents	125.5	105.5	19.0
<u>179.5</u>	<u>161.6</u>	11.1	Money Order Fees	<u>1,178.7</u>	<u>1,148.6</u>	2.6
<b>\$ 5,748.5</b>	<b>\$ 5,846.6</b>	<b>- 1.7</b>	Other	<b>\$ 41,794.3</b>	<b>\$ 41,324.0</b>	<b>1.1</b>
<u>7.6</u>	<u>3.0</u>	153.3	<b>Subtotal</b>	<u>53.5</u>	<u>29.7</u>	80.1
<b>\$ 5,756.1</b>	<b>\$ 5,849.6</b>	<b>- 1.6</b>	Government Appropriation	<b>\$ 41,847.8</b>	<b>\$ 41,353.7</b>	<b>1.2</b>
<u>8.2</u>	<u>2.3</u>	NM	<b>Total Operating Revenue</b>	<u>38.5</u>	<u>17.9</u>	115.1
<b>\$ 5,764.3</b>	<b>\$ 5,851.9</b>	<b>- 1.5</b>	Investment Income	<b>\$ 41,886.3</b>	<b>\$ 41,371.6</b>	<b>1.2</b>
			<b>Total Revenue</b>			

Note: Totals may not sum due to rounding.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

**REVENUE BY CATEGORY**  
**April 2005 - FY 2005**  
(\$ Millions)

Current Period				Year-to-Date		
Actual	Budget	% Budget		Actual	Budget	% Budget
			<b>Commercial Revenue</b>			
\$ 2,562.1	\$ 2,444.4	4.8	Permit Revenue	\$ 18,433.1	\$ 17,295.3	6.6
<u>1,735.2</u>	<u>1,841.7</u>	[ - 5.8 ]	Other Commercial Accounts Revenue	<u>12,408.8</u>	<u>12,894.2</u>	[ - 3.8 ]
<b>\$ 4,297.3</b>	<b>\$ 4,286.1</b>	<b>0.3</b>	<b>Total Commercial Revenue</b>	<b>\$ 30,841.9</b>	<b>\$ 30,189.5</b>	<b>2.2</b>
			<b>Retail Revenue</b>			
1,078.0	1,084.0	[ - 0.6 ]	Retail Postage Revenue	8,390.1	8,257.2	1.6
98.6	92.5	6.6	Retail Services Revenue	677.3	679.2	[ - 0.3 ]
14.8	12.2	21.3	Retail Products Revenue	126.9	103.2	23.0
<u>207.3</u>	<u>170.0</u>	21.9	Other Retail Channels Revenue	<u>1,466.4</u>	<u>1,258.7</u>	16.5
<b>\$ 1,398.7</b>	<b>\$ 1,358.7</b>	<b>2.9</b>	<b>Total Retail Revenue</b>	<b>\$ 10,660.7</b>	<b>\$ 10,298.3</b>	<b>3.5</b>
<b>\$ 5,696.0</b>	<b>\$ 5,644.8</b>	<b>0.9</b>	<b>Total Commercial &amp; Retail Revenue</b>	<b>\$ 41,502.6</b>	<b>\$ 40,487.8</b>	<b>2.5</b>
52.5	19.6	167.9	Other Income	291.7	258.1	13.0
<u>7.6</u>	<u>5.1</u>	49.0	Government Appropriation	<u>53.5</u>	<u>36.0</u>	48.6
<b>\$ 5,756.1</b>	<b>\$ 5,669.5</b>	<b>1.5</b>	<b>Total Operating Revenue</b>	<b>\$ 41,847.8</b>	<b>\$ 40,781.9</b>	<b>2.6</b>
<u>8.2</u>	<u>5.4</u>	51.9	Investment Income	<u>38.5</u>	<u>25.3</u>	52.2
<b>\$ 5,764.3</b>	<b>\$ 5,674.9</b>	<b>1.6</b>	<b>Total Revenue</b>	<b>\$ 41,886.3</b>	<b>\$ 40,087.2</b>	<b>2.6</b>

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

**EXPENSE ANALYSIS**  
 April 2005 - FY 2005  
 (\$ Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY		Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY
\$ 4,544.3	\$ 4,479.9	[\$ 64.4]	[ 1.4]	\$ 4,390.0	3.5	Personnel Compensation	\$ 31,649.7	\$ 31,455.9	[\$ 193.8]	[ 0.6]	\$ 30,603.9	3.4
Non-Personnel Expense:												
437.5	404.6	[ 32.9]	[ 8.1]	420.4	4.1	Transportation	3,141.2	3,047.6	[ 93.6]	[ 3.1]	2,858.2	9.9
182.3	210.7	- 28.4	- 13.5	165.1	10.4	Supplies & Services	1,303.6	1,540.2	- 236.6	- 15.4	1,290.4	1.0
<u>521.8</u>	<u>577.2</u>	<u>- 55.4</u>	<u>- 9.6</u>	<u>510.1</u>	<u>2.3</u>	Other	<u>3,638.3</u>	<u>3,931.6</u>	<u>- 293.3</u>	<u>- 7.5</u>	<u>3,675.7</u>	<u>- 1.0</u>
<b>\$ 1,141.6</b>	<b>\$ 1,192.5</b>	<b>\$ - 50.9</b>	<b>- 4.3</b>	<b>\$ 1,095.6</b>	<b>4.2</b>	Subtotal	<b>\$ 8,083.1</b>	<b>\$ 8,519.4</b>	<b>\$ - 436.3</b>	<b>- 5.1</b>	<b>\$ 7,824.3</b>	<b>3.3</b>
<b>\$ 5,685.9</b>	<b>\$ 5,672.4</b>	<b>[\$ 13.5]</b>	<b>[ 0.2]</b>	<b>\$ 5,485.6</b>	<b>3.7</b>	Total Operating Expense	<b>\$ 39,732.8</b>	<b>\$ 39,975.3</b>	<b>\$ - 242.5</b>	<b>- 0.6</b>	<b>\$ 38,428.2</b>	<b>3.4</b>
-	0.3	- 0.3	- 100.0	- 0.4	100.0	Interest Expense	1.5	3.6	- 2.1	- 58.3	10.2	- 85.3
<u>18.1</u>	<u>18.1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>NM</u>	Interest on Deferred Retirement Obligations	<u>126.7</u>	<u>126.7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>NM</u>
<b><u>\$ 5,704.0</u></b>	<b><u>\$ 5,690.8</u></b>	<b><u>[\$ 13.2]</u></b>	<b><u>[ 0.2]</u></b>	<b><u>\$ 5,485.2</u></b>	<b><u>4.0</u></b>	Total Expense	<b><u>\$ 39,861.0</u></b>	<b><u>\$ 40,105.6</u></b>	<b><u>\$ - 244.6</u></b>	<b><u>- 0.6</u></b>	<b><u>\$ 38,438.4</u></b>	<b><u>3.7</u></b>

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.



**ANALYSIS OF OPERATING EXPENSES**

**Personnel Compensation**

**April 2005 - FY 2005**

(\$ Millions)

Current Period							Year-to-Date						
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY		Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY	
						<b>Total Compensation</b>							
						Operations:							
\$ 37.2	\$ 33.4	[\$ 3.9]	[ 11.6]	\$ 33.5	11.0	-Support	\$ 241.9	\$ 228.8	[\$ 13.1]	[ 5.7]	\$ 222.4	8.8	
972.7	931.2	[ 41.5]	[ 4.5]	936.5	3.9	-Mail Processing	6,840.7	6,752.6	[ 88.1]	[ 1.3]	6,692.4	2.2	
445.3	434.2	[ 11.1]	[ 2.5]	400.8	11.1	-Rural Delivery	2,947.4	2,928.5	[ 18.9]	[ 0.6]	2,727.9	8.0	
1,432.9	1,386.6	[ 46.2]	[ 3.3]	1,357.1	5.6	-City Delivery	9,817.2	9,604.6	[ 212.6]	[ 2.2]	9,355.4	4.9	
101.5	99.2	[ 2.3]	[ 2.3]	98.3	3.3	-Vehicles Services	700.6	697.2	[ 3.3]	[ 0.5]	676.9	3.5	
256.9	255.2	[ 1.7]	[ 0.7]	245.9	4.5	-Plant & Equip Maint	1,759.0	1,786.7	-27.7	-1.6	1,697.7	3.6	
680.7	660.1	[ 20.6]	[ 3.1]	656.3	3.7	-Customer Services	4,740.8	4,654.8	[ 85.9]	[ 1.8]	4,584.8	3.4	
18.3	19.2	-0.9	-4.7	17.0	7.6	Finance	121.4	136.6	-15.2	-11.1	116.3	4.4	
32.8	31.3	[ 1.5]	[ 4.7]	30.4	7.8	Human Resources	219.3	213.0	[ 6.3]	[ 2.9]	207.9	5.5	
43.8	44.5	-0.7	-1.6	48.2	-9.2	Customer Service & Sales	299.7	305.6	-5.8	-1.9	325.6	-7.9	
212.7	213.6	-0.9	-0.4	203.6	4.4	Administration - Field	1,463.6	1,440.6	[ 22.9]	[ 1.6]	1,423.7	2.8	
64.5	118.1	-53.7	-45.4	112.7	-42.8	Other Salaries & Benefits	777.5	921.3	-143.8	-15.6	803.8	-3.3	
<b>\$ 4,299.3</b>	<b>\$ 4,226.7</b>	<b>[\$ 72.6]</b>	<b>[ 1.7]</b>	<b>\$ 4,140.4</b>	<b>3.8</b>	<b>Total Salaries &amp; Benefits</b>	<b>\$ 29,929.0</b>	<b>\$ 29,670.4</b>	<b>[\$ 258.6]</b>	<b>[ 0.9]</b>	<b>\$ 28,834.9</b>	<b>3.8</b>	
95.9	104.9	-9.0	-8.6	124.1	-22.7	Workers' Compensation	695.6	743.3	-47.6	-6.4	867.9	-19.9	
5.4	4.8	[ 0.6]	[ 12.9]	6.3	-14.3	Unemployment Compensation	26.2	34.6	-8.4	-24.2	48.1	-45.5	
1.9	1.9	-	-	-	-	Deferred Retirement Cost	13.3	13.3	-	-	-	-	
130.0	129.7	[ 0.3]	[ 0.2]	110.2	18.0	Annuitant Health Benefits	864.5	865.7	-1.2	-0.1	771.2	12.1	
11.9	11.9	-0.0	-0.3	8.9	32.8	Other Compensation	121.1	128.6	-7.6	-5.9	81.8	48.1	
<b>\$ 4,544.3</b>	<b>\$ 4,479.9</b>	<b>[\$ 64.4]</b>	<b>[ 1.4]</b>	<b>\$ 4,390.0</b>	<b>3.5</b>	<b>Total Personnel Compensation</b>	<b>\$ 31,649.7</b>	<b>\$ 31,455.9</b>	<b>[\$ 193.9]</b>	<b>[ 0.6]</b>	<b>\$ 30,603.9</b>	<b>3.4</b>	

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

**ANALYSIS OF NON-PERSONNEL EXPENSES**  
**April 2005 - FY 2005**  
(\$ Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY	Description	Actual	Budget	Var. to Budget	% Budget	SPLY	% SPLY
\$ 437.5	\$ 404.6	[\$ 32.9]	[ 8.1]	\$ 420.4	4.1	Transportation	\$ 3,141.2	\$ 3,047.6	[\$ 93.6]	[ 3.1]	\$ 2,858.2	9.9
182.3	210.7	- 28.4	- 13.5	165.1	10.4	Supplies & Services	1,303.6	1,540.2	- 236.6	- 15.4	1,290.4	1.0
177.4	183.3	- 5.9	- 3.2	185.9	- 4.6	Depreciation	1,194.9	1,244.9	- 50.0	- 4.0	1,312.0	- 8.9
83.3	86.6	- 3.4	- 3.9	80.3	3.7	Rent	604.3	609.4	- 5.1	- 0.8	580.1	4.2
42.1	42.3	- 0.2	- 0.4	38.4	9.7	Utilities & Heating Fuel	330.3	330.5	- 0.2	- 0.1	317.9	3.9
53.4	54.3	- 0.9	- 1.7	45.6	17.0	Rural Carrier Equip Maint Allowance	253.4	281.8	- 28.4	- 10.1	237.6	6.7
41.5	38.1	[ 3.4]	[ 8.9]	36.7	13.0	Vehicle Maintenance Services	324.6	311.8	[ 12.8]	[ 4.1]	285.9	13.5
28.4	34.1	- 5.7	- 16.6	29.4	- 3.1	Information Technology	175.6	271.0	- 95.4	- 35.2	247.7	- 29.1
17.3	18.4	- 1.1	- 6.1	23.8	- 27.4	Building Projects Expensed	142.7	122.3	[ 20.4]	[ 16.7]	142.8	0.0
6.7	7.1	- 0.4	- 5.8	6.4	5.7	Contract Job Cleaners	50.8	50.6	[ 0.2]	[ 0.4]	49.4	2.8
18.4	18.1	[ 0.3]	[ 1.7]	18.1	1.5	Travel & Relocation	127.4	118.1	[ 9.3]	[ 7.9]	116.9	9.0
17.9	18.9	- 1.0	- 5.1	14.6	22.4	Communications	127.3	129.9	- 2.7	- 2.0	120.0	6.1
6.2	6.5	- 0.3	- 4.7	6.0	4.7	Contract Stations	43.7	45.6	- 1.9	- 4.2	41.6	5.2
2.4	2.5	- 0.1	- 2.1	1.2	96.5	Printing	17.8	17.7	[ 0.1]	[ 0.5]	9.9	79.4
5.3	6.0	- 0.7	- 12.3	4.0	32.5	Training	30.9	39.8	- 8.9	- 22.3	24.7	25.0
2.7	2.8	- 0.1	- 4.0	1.9	39.6	Carfare & Tolls	17.6	21.4	- 3.8	- 17.7	18.6	- 5.3
0.9	1.4	- 0.5	- 36.4	1.3	- 32.1	Vehicle Hire	8.5	11.2	- 2.8	- 24.6	11.6	- 26.8
3.4	3.4	[ 0.0]	[ 0.3]	4.3	- 21.6	Accident Costs	28.4	27.5	[ 0.8]	[ 3.1]	30.0	- 5.2
14.5	53.4	- 38.9	- 72.9	12.4	17.0	Miscellaneous	160.0	298.0	- 138.0	- 46.3	129.1	24.0
<b>\$ 1,141.6</b>	<b>\$ 1,192.5</b>	<b>- 50.9</b>	<b>- 4.3</b>	<b>\$ 1,095.6</b>	<b>4.2</b>	<b>Total Non-Personnel Expenses</b>	<b>\$ 8,083.1</b>	<b>\$ 8,519.4</b>	<b>\$ - 436.3</b>	<b>- 5.1</b>	<b>\$ 7,824.3</b>	<b>3.3</b>

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

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

**STATEMENT OF FINANCIAL POSITION**  
**April 2005 - FY 2005**  
(\$ Millions)

Assets	April 30, 2005	April 30, 2004	September 30, 2004*
<b>Current Assets:</b>			
Cash and cash equivalents _1/	\$ 2,301	\$ 550	\$ 877
<b>Receivables:</b>			
Foreign countries	678	638	621
U.S. Government	372	462	327
Other	190	202	187
<b>Receivables before allowances</b>	<u>1,240</u>	<u>1,302</u>	<u>1,135</u>
Less allowances	112	109	111
<b>Total receivables, net</b>	<u>1,128</u>	<u>1,193</u>	<u>1,024</u>
Supplies, advances and prepayments	<u>162</u>	<u>342</u>	<u>220</u>
<b>Total Current Assets</b>	<b>3,591</b>	<b>2,085</b>	<b>2,121</b>
Other Assets, principally revenue forgone appropriations receivable	361	365	361
<b>Property and Equipment, at Cost:</b>			
Buildings	20,306	19,851	20,171
Equipment	17,984	17,340	17,277
Land	2,805	2,818	2,810
Leasehold improvements	1,131	1,110	1,103
	<u>42,226</u>	<u>41,119</u>	<u>41,361</u>
Less allowances for depreciation and amortization	21,712	19,908	20,656
	<u>20,514</u>	<u>21,211</u>	<u>20,705</u>
Construction in progress	<u>1,980</u>	<u>1,362</u>	<u>1,792</u>
<b>Total property and equipment, net</b>	<u>22,494</u>	<u>22,573</u>	<u>22,497</u>
<b>Total Assets</b>	<b><u>\$ 26,446</u></b>	<b><u>\$ 25,023</u></b>	<b><u>\$ 24,979</u></b>

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

\* Audited year-end data.

Certain reclassifications have been made to previously reported Balance Sheet amounts.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

**STATEMENT OF FINANCIAL POSITION**

April 2005 - FY 2005

(\$ Millions)

Liabilities and Net Capital	April 30, 2005	April 30, 2004	September 30, 2004*
<b>Current Liabilities:</b>			
Compensation and benefits	\$ 3,127	\$ 3,066	\$ 2,640
Estimated prepaid postage	1,261	1,349	1,256
<b>Payables and accrued expenses:</b>			
Commercial vendors & accrued expenses	1,144	1,651	1,739
Foreign countries	795	945	778
U.S. government	<u>68</u>	<u>113</u>	<u>87</u>
<b>Total payables and accrued expenses</b>	2,007	2,709	2,604
Customer deposit accounts	1,634	1,513	1,606
Outstanding postal money orders	889	834	767
Prepaid box rent & other deferred revenue	392	386	397
Debt	<u>-</u>	<u>620</u>	<u>1,800</u>
<b>Total Current Liabilities</b>	<b>9,310</b>	<b>10,477</b>	<b>11,070</b>
<b>Non-Current Liabilities:</b>			
Workers' compensation	7,347	7,193	6,651
Employees' accumulated leave	2,094	2,076	2,006
Other	<u>1,739</u>	<u>1,478</u>	<u>1,321</u>
<b>Total Other Non-Current Liabilities</b>	<b>11,180</b>	<b>10,747</b>	<b>9,978</b>
<b>Total Liabilities</b>	<b>20,490</b>	<b>21,224</b>	<b>21,048</b>
<b>Net Capital:</b>			
Capital contributions of the U.S. government	3,034	3,034	3,034
Retained earnings since reorganization	<u>2,922</u>	<u>765</u>	<u>897</u>
<b>Total Net Capital</b>	<b>5,956</b>	<b>3,799</b>	<b>3,931</b>
<b>Total Liabilities and Net Capital</b>	<b><u>\$ 26,446</u></b>	<b><u>\$ 25,023</u></b>	<b><u>\$ 24,979</u></b>

Certain reclassifications have been made to previously reported Balance Sheet amounts.

\* Audited year-end data.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

**STATEMENT OF CASH FLOWS**  
**Fiscal Year 2005 through April 30, 2005**  
(\$ Millions)

	April 30, 2005	April 30, 2004	September 30, 2004*
<b>Cash flows from operating activities:</b>			
Net Income	\$ 2,025	\$ 2,933	\$ 3,065
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,180	1,288	2,145
Loss on disposals of property and equipment, net	7	16	71
Decrease in revenue forgone appropriations			4
Increase in USPS workers' compensation liability	696	869	343
Increase in employees' accumulated leave	88	144	74
Increase (decrease) in other liabilities	418	327	170
Changes in current assets and liabilities:			
(Increase) decrease in receivables, net	(104)	(2)	167
Decrease in supplies, advances and prepayments	58	24	146
Increase in compensation and benefits	487	548	106
Increase (decrease) in estimated prepaid postage	5	-	(93)
(Decrease) in payables and accrued expenses	(597)	(399)	(412)
Increase (decrease) in customers deposit accounts	28	(53)	40
Increase (decrease) in outstanding postal money orders	122	66	(1)
(Decrease) increase in prepaid box rent & other deferred revenue	(5)	(1)	10
<b>Net cash provided by operating activities</b>	<b>4,408</b>	<b>5,760</b>	<b>5,835</b>
<b>Cash flows from investing activities:</b>			
Purchase of property and equipment	(1,206)	(840)	(1,685)
Proceeds from sale of property and equipment	22	17	26
<b>Net cash used in investing activities</b>	<b>(1,184)</b>	<b>(823)</b>	<b>(1,659)</b>
<b>Cash flows from financing activities:</b>			
U.S. government appropriation - expended	-	-	(92)
Issuance of debt	-	-	-
Payments on debt	(1,800)	(6,653)	(5,473)
<b>Net cash (used in) provided by financing activities</b>	<b>(1,800)</b>	<b>(6,653)</b>	<b>(5,565)</b>
<b>Net Increase (decrease) in cash and cash equivalents</b>	<b>1,424</b>	<b>(1,716)</b>	<b>(1,389)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>877</b>	<b>2,266</b>	<b>2,266</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 2,301</b>	<b>\$ 550</b>	<b>\$ 877</b>

\* Audited year-end data.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

**CAPITAL INVESTMENTS**  
**April 2005 - FY 2005**  
(\$ Millions)

MAJOR CATEGORIES	COMMITMENTS			CASH OUTLAYS		
	Year-to-Date			Year-to-Date		
	ACTUAL	PLAN	SPLY	ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	\$ 106.7	\$ 158.3	\$ 45.8	\$ 125.3	\$ 129.1	\$ 83.2
BUILDING IMPROVEMENTS	116.3	195.2	104.3	224.1	138.9	134.7
MAIL PROCESSING EQUIPMENT	195.8	117.5	490.5	418.0	513.7	342.6
VEHICLES	27.7	16.5	173.2	115.5	83.6	78.4
RETAIL EQUIPMENT	3.2	13.9	29.2	52.5	36.8	46.3
POSTAL SUPPORT EQUIPMENT	466.5	443.2	60.2	270.3	230.4	155.5
<b>TOTAL COMMITMENTS/CASH OUTLAYS</b>	<b>\$ 916.1</b>	<b>\$ 944.5</b>	<b>\$ 903.3</b>	<b>\$ 1,205.7</b>	<b>\$ 1,132.5</b>	<b>\$ 840.9</b>

**RESOURCES ON ORDER**  
(\$ Millions)

MAJOR CATEGORIES	April 30, 2005	September 30, 2004
CONSTRUCTION AND BUILDING PURCHASE	\$ 170.3	\$ 192.0
BUILDING IMPROVEMENTS	268.3	380.5
MAIL PROCESSING EQUIPMENT	1,336.1	1,601.1
VEHICLES	32.3	126.0
RETAIL EQUIPMENT	45.2	94.9
POSTAL SUPPORT EQUIPMENT	632.5	413.9
<b>TOTAL RESOURCES ON ORDER</b>	<b>\$ 2,484.7</b>	<b>\$ 2,808.4</b>

Note: Totals may not sum due to rounding.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.

**WORKHOURS & OVERTIME/SICK LEAVE RATIOS**

April 2005 - FY 2005

(Data in Thousands)

Current Period					Total Workhours	Year-to-Date				
Actual	Var. to Budget	% Budget	SPLY *	% SPLY		Actual	Var. to Budget	% Budget	SPLY *	% SPLY
839	[ 72 ]	[ 9.3 ]	794	5.7	Operations:	5,505	[ 231 ]	[ 4.4 ]	5,300	3.9
27,965	[ 1,228 ]	[ 4.6 ]	27,717	0.9	-Support	201,540	[ 5,293 ]	[ 2.7 ]	203,083	- 0.8
15,599	[ 499 ]	[ 3.3 ]	14,616	6.7	-Mail Processing	103,428	[ 1,351 ]	[ 1.3 ]	99,249	4.2
39,962	[ 1,009 ]	[ 2.6 ]	39,247	1.8	-Rural Delivery	276,065	[ 5,589 ]	[ 2.1 ]	272,963	1.1
2,684	[ 21 ]	[ 0.8 ]	2,710	- 1.0	-City Delivery	18,735	- 3	- 0.0	18,893	- 0.8
6,832	- 113	- 1.6	6,862	- 0.4	-Vehicles Services	47,371	- 1,140	- 2.4	47,965	- 1.2
19,597	[ 541 ]	[ 2.8 ]	19,538	0.3	-Plant & Equip Maint	138,104	[ 3,136 ]	[ 2.3 ]	138,159	- 0.0
427	- 56	- 11.6	415	2.9	-Customer Services	2,874	- 435	- 13.1	2,871	0.1
781	[ 55 ]	[ 7.6 ]	753	3.7	Finance	5,174	[ 154 ]	[ 3.1 ]	5,125	0.9
1,145	- 30	- 2.5	1,279	- 10.5	Human Resources	7,902	- 215	- 2.7	8,721	- 9.4
5,684	- 20	- 0.3	5,522	2.9	Customer Service & Sales	39,407	[ 780 ]	[ 2.0 ]	39,656	- 0.6
2,157	- 85	- 3.8	2,220	- 2.8	Administration	14,845	- 823	- 5.3	16,526	- 10.2
123,672	[ 3,122 ]	[ 2.6 ]	121,673	1.6	Other	860,951	[ 13,916 ]	[ 1.6 ]	858,510	0.3
					Total Workhours					

Overtime						
Actual	Budget	SPLY		Actual	Budget	SPLY

10.4%	8.1%	8.9%	Overtime Ratio Per 100 Workhours	11.0%	8.4%	9.3%
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Sick Leave					
Actual	SPLY		Actual	SPLY	

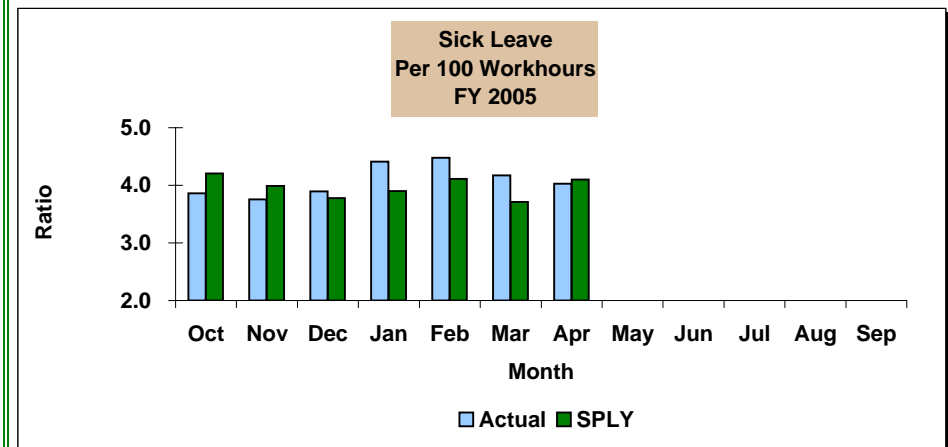
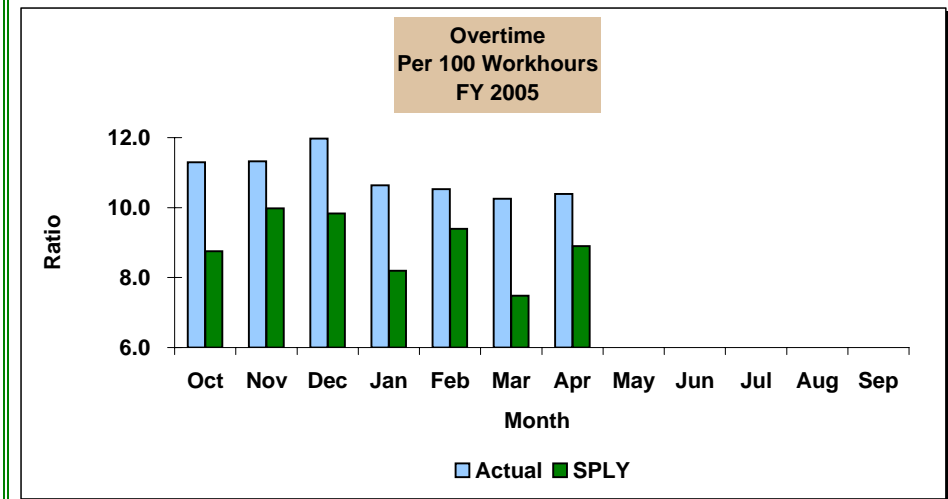
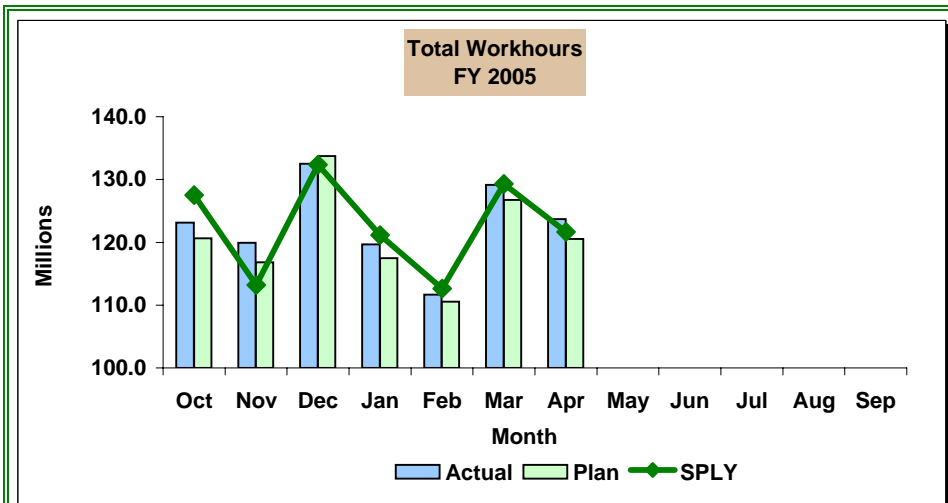
4.0%	4.1%	Sick Leave Ratio Per 100 Workhours	4.1%	4.2%
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[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

\*SPLY data may differ from previous reports due to subsequent adjustments.

See accompanying Analysis to the Financial and Operating Statements beginning on page 16.



See accompanying Analysis to the Financial and Operating Statements beginning on page 16.



## April 2005 - FY 2005

Information: April 2005 contained the same number of delivery days as April of last year. However, there was one less Monday through Friday business day with one additional Saturday than last year in April. Easter occurred on March 27th of this year versus April 11th of last year. Year-to-date (YTD), there was one less day than last year due to leap year. There was also one less business day this year compared to last year.

## Analysis of the Financial and Operating Statements

### Revenue - Pages 1, 2, 3, 4, 5 and 6

For April, Total Revenue was \$89 million or 1.6% over plan. Commercial Revenue was over plan by \$11 million or 0.3% and Retail Revenue was over plan \$40 million or 2.9%. In April, Total Revenue was \$88 million or 1.5% under same period last year (SPLY). Combined Commercial Revenue and Retail Revenue were \$111 million less than SPLY. Most of the decrease to SPLY for April was in Metered Postage, \$112 million less than SPLY, and Stamps and Stamped Paper Revenue, \$47 million less than SPLY.

Year-to-date (YTD), Total Revenue is \$1.1 billion or 2.6% over plan with the largest contributor being Permit Revenue at \$1.1 billion more than plan. Conversely, Other Commercial Accounts, \$485 million or 3.8% less than plan, is negatively impacting the Total Revenue performance to plan. YTD, Total Revenue is \$515 million over SPLY.

Beginning in FY 2005, money order escheatments are being reported on a monthly basis as opposed to reporting them on an annual basis at the end of year. This month's money order escheatments were \$4 million. YTD, they are \$25 million.

### Expenses - Pages 1, 2, 4, 7, 8 and 9

For April, Total Expenses were \$13 million or 0.2% above plan. Personnel costs were \$64 million or 1.4% above plan. Non-personnel costs were below plan by \$51 million or 4.3% absorbing overruns in transportation costs caused by increased fuel prices. Transportation costs were above plan by \$33 million. Total Expenses were \$219 million or 4.0% above SPLY during April.

Year-to-date, personnel costs are \$194 million or 0.6% over plan and non-personnel expenses are \$436 million below plan. The largest contributor to the non-personnel plan underrun is Supplies & Services at \$237 million below. Some of this underrun (YTD and in April) is due to deferral of some planned spending to future months and reprioritization of funds, which will result in some plan shifts in the upcoming months. Transformation Plan initiatives, Supply Chain Management, and other cost containment initiatives are continuing to drive most of our savings. Non-personnel expense cost containment activities have assisted in offsetting cost increases in personnel compensation, which has resulted in a \$245 million below plan YTD savings in Total Expense. YTD Total Expenses are \$1.4 billion or 3.7% above SPLY.

## April 2005 - FY 2005

### Analysis of the Financial and Operating Statements (Continued)

#### Mail Volume and Revenue - Page 3

Total Mail Volume for April, FY 2005 was 195 million pieces or 1.1% below SPLY. First-Class Mail, Express Mail, Periodicals, International and All Other mail categories were below their SPLY levels. First-Class Mail and Periodicals were 275 million pieces and 89 million pieces below SPLY, respectively. Standard Mail volumes were 164 million pieces above SPLY.

Year-to-date, Total Mail Volume is 2.7% or 3.4 billion pieces above SPLY. Over 2.4 billion of the 3.4 billion piece increase occurred in November. The most significant mail volume increase above SPLY for April FY 2005 YTD is in the lower revenue-per-piece Standard Mail category, which increased 3.4 billion pieces or 6.1%. YTD, First-Class Mail volume is 0.1% less than SPLY generating \$261 million or 1.2% less revenue than SPLY.

#### Capital Investments - Pages 1 and 13

The Fiscal Year 2005 Capital Commitments YTD through April 2005 are \$916 million compared to a plan of \$945 million. This represents a plan underrun of about \$28 million or 3.0%.

The Cash Outlays YTD are \$1,206 million versus a plan of \$1,133 million, representing a \$73 million overrun to plan.

#### Workhours - Pages 1, 14 and 15

Total Workhours for April 2005 were 3.1 million hours or 2.6% above plan and 2.0 million hours or 1.6% above April 2004. The Rural Delivery and City Delivery operations posted the most significant workhour growth to SPLY, 1.0 million hours and 0.7 million hours, respectively.

Total Workhours for April 2005 YTD are 13.9 million hours or 1.6% above plan and 2.4 million hours above SPLY. The most significant plan overruns lie in City Delivery, 5.6 million hours; Mail Processing, 5.3 million hours; and Customer Services, 3.1 million hours. These overruns in workhours are a reflection of growth in mail volume above plan and continued growth in delivery points. YTD, major contributors to the workhours growth to SPLY are City Delivery and Rural Delivery workhours. Combined, these operations are 7.3 million hours above SPLY.