

UNITED STATES
POSTAL SERVICE

FINANCIAL & OPERATING STATEMENTS

Accounting Period 11, PFY 2002

June 15 - July 12, 2002

Prepared by: Financial Reporting and Analysis

Highlights
Accounting Period 11, FY 2002
(Millions)

Accounting Period 11					
Actual	Budget	Var. to Budget	% Budget	SPLY *	% SPLY
\$ 4,862.9	\$ 4,898.0	[\$ - 35.1]	[- 0.7]	\$ 4,752.9	2.3
<u>4,964.0</u>	<u>5,207.7</u>	<u>- 243.7</u>	<u>- 4.7</u>	<u>5,030.0</u>	<u>- 1.3</u>
\$ (- 101.1)	\$ (- 309.7)	\$ 208.6	-	\$ (- 277.1)	-
\$ 266.6	\$ 56.0	[\$ 210.6]	[376.1]	\$ 149.6	78.2
109.6	113.4	- 3.9	- 3.4	115.1	- 4.8

Year-to-Date					
Actual	Budget	Var. to Budget	% Budget	SPLY *	% SPLY
\$ 55,805.7	\$ 58,435.4	[\$ - 2,629.7]	[- 4.5]	\$ 56,222.8	- 0.7
<u>56,630.9</u>	<u>58,951.2</u>	<u>- 2,320.3</u>	<u>- 3.9</u>	<u>56,980.2</u>	<u>- 0.6</u>
\$ (- 825.2)	\$ (- 515.8)	[\$ - 309.4]	-	\$ - 757.5	-
\$ 953.1	\$ 1,050.8	\$ - 97.7	- 9.3	\$ 836.6	13.9
1,302.6	1,328.9	- 26.3	- 2.0	1,368.2	- 4.8

[] = Unfavorable variance to budget

Note: Totals may not sum due to rounding.

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

Actual Number Of:	Current Period	Last Period	SPLY
Post Offices	27,863	27,862	27,873
Active Postal Owned Vehicles			
Administrative	5,496	5,533	5,726
Operations	202,410	202,845	202,493
Possible City Deliveries (000)	84,138	84,053	83,673
City Delivery Routes	166,735	167,444	168,609
Rural Routes	69,472	69,515	68,818
Career Employees (Excludes Inspector General)	757,171	759,560	779,110
Casual Employees	21,878	20,984	32,599
Transitional Employees	12,590	12,330	13,877

Statement of Income & Expense
Accounting Period 11, FY 2002
(\$ Millions)

Current Period							Year-to-Date						
Actual	Budget	Var. to Budget	% Budget	SPLY *	% SPLY		Actual	Budget	Var. to Budget	% Budget	SPLY *	% SPLY	
\$ 4,859.5	\$ 4,895.9	[\$ -36.4]	[-0.7]	\$ 4,750.6	2.3	Operating Revenue	\$ 55,772.9	\$ 58,410.5	[\$ -2,637.6]	[-4.5]	\$ 56,193.0	-0.7	
<u>4,810.9</u>	<u>5,055.2</u>	<u>-244.3</u>	<u>-4.8</u>	<u>4,884.6</u>	<u>-1.5</u>	Operating Expense	<u>54,946.7</u>	<u>57,234.3</u>	<u>-2,287.6</u>	<u>-4.0</u>	<u>55,306.4</u>	<u>-0.7</u>	
\$ 48.6	\$ (-159.3)	\$ 207.9	-	\$ -134.0	-	Income (Loss) From Operations	\$ 826.2	\$ 1,176.2	[\$ -350.0]	-	\$ 886.6	-	
3.4	2.1	1.3	61.1	2.3	49.6	Investment Income	32.8	24.9	7.9	31.9	29.8	10.1	
-27.0	-26.4	-0.6	2.3	-21.5	25.8	Interest Expense	-297.0	-329.7	-32.7	-9.9	-310.8	-4.4	
<u>-126.1</u>	<u>-126.1</u>	<u>0.0</u>	<u>0.0</u>	<u>-123.9</u>	<u>1.8</u>	Interest on Deferred Ret. Liabilities	<u>-1,387.2</u>	<u>-1,387.2</u>	<u>0.0</u>	<u>0.0</u>	<u>-1,363.1</u>	<u>1.8</u>	
\$ (-101.1)	\$ (-309.7)	\$ 208.6	-	\$ (-277.1)	-	Income/(Loss)	\$ (-825.2)	\$ (-515.8)	[\$ -309.4]	-	\$ -757.5	-	

[]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

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

MAIL VOLUME - MAIL REVENUE

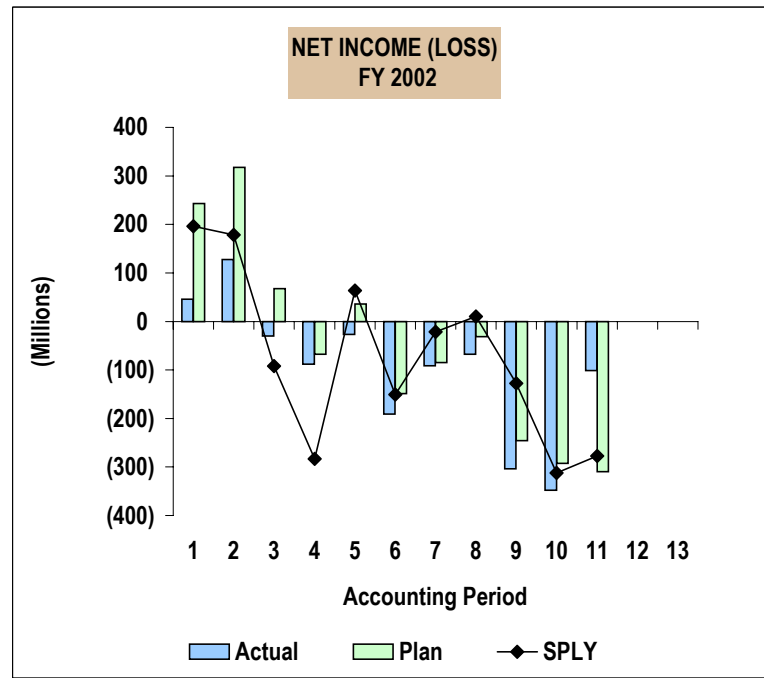
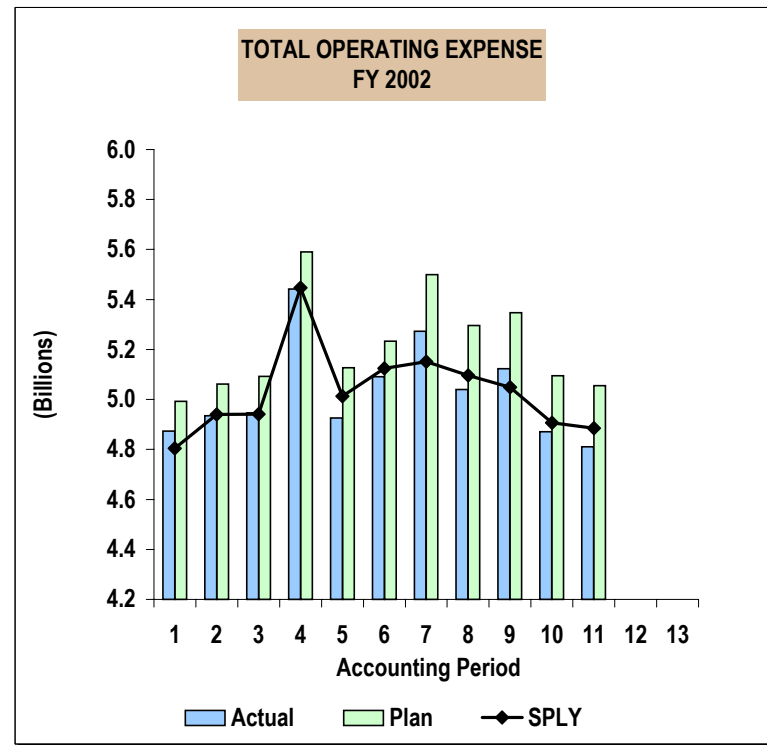
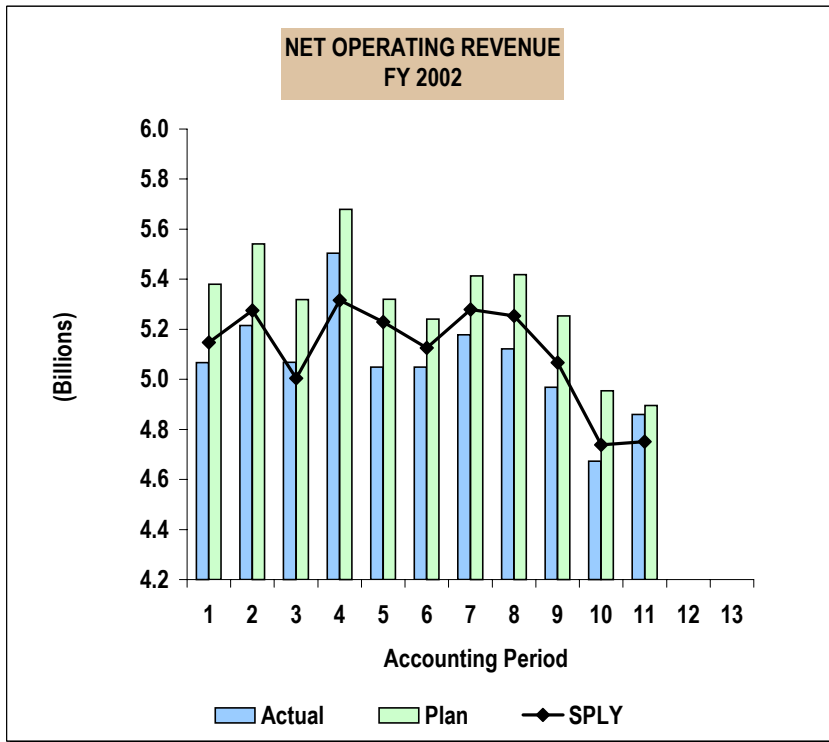
(Data in Thousands)

CATEGORY	CURRENT PERIOD (See Footnote Below)			YEAR-TO-DATE		
	AP 11, FY 2002	AP 11, FY 2001	% SPLY	AP 11, FY 2002	AP 11, FY 2001	% SPLY
FIRST-CLASS						
VOLUME	7,672,964	7,782,421	- 1.4	87,003,696	88,698,842	- 1.9
REVENUE	\$ 2,764,079	\$ 2,685,746	2.9	\$ 30,570,694	\$ 30,596,656	- 0.1
REV/PC.	0.3602	0.3451	4.4	0.3514	0.3449	1.9
PRIORITY-MAIL						
VOLUME	67,976	71,109	- 4.4	873,068	985,590	- 11.4
REVENUE	\$ 323,519	\$ 321,005	0.8	\$ 4,057,563	\$ 4,271,746	- 5.0
REV/PC.	4.7593	4.5143	5.4	4.6475	4.3342	7.2
EXPRESS MAIL						
VOLUME	4,383	5,008	- 12.5	52,762	59,546	- 11.4
REVENUE	\$ 66,041	\$ 71,811	- 8.0	\$ 771,850	\$ 851,140	- 9.3
REV/PC.	15.0675	14.3393	5.1	14.6289	14.2938	2.3
PERIODICALS						
VOLUME	651,755	743,932	- 12.4	8,227,048	8,638,877	- 4.8
REVENUE	\$ 146,889	\$ 159,993	- 8.2	\$ 1,821,746	\$ 1,877,336	- 3.0
REV/PC.	0.2254	0.2151	4.8	0.2214	0.2173	1.9
STANDARD MAIL						
VOLUME	6,068,784	6,065,896	0.0	73,496,352	77,356,379	- 5.0
REVENUE	\$ 1,095,767	\$ 1,072,810	2.1	\$ 13,179,366	\$ 13,377,691	- 1.5
REV/PC.	0.1806	0.1769	2.1	0.1793	0.1729	3.7
PACKAGE SERVICES						
VOLUME	71,398	84,159	- 15.2	879,094	915,486	- 4.0
REVENUE	\$ 136,064	\$ 139,913	- 2.8	\$ 1,729,695	\$ 1,677,677	3.1
REV/PC.	1.9057	1.6625	14.6	1.9676	1.8326	7.4
INTERNATIONAL						
VOLUME	54,445	66,213	- 17.8	763,739	968,470	- 21.1
REVENUE	\$ 99,610	\$ 111,695	- 10.8	\$ 1,361,035	\$ 1,511,262	- 9.9
REV/PC.	1.8296	1.6869	8.5	1.7821	1.5605	14.2
ALL OTHER						
VOLUME	35,892	31,408	14.3	420,402	366,271	14.8
REVENUE	\$ 70	\$ 105	- 33.2	\$ 1,167	\$ 1,158	0.8
ALL MAIL _1/						
VOLUME	14,627,597	14,850,146	- 1.5	171,716,162	177,989,461	- 3.5
REVENUE	\$ 4,632,038	\$ 4,563,078	1.5	\$ 53,493,116	\$ 54,164,666	- 1.2
REV/PC.	0.3167	0.3073	3.1	0.3115	0.3043	2.4

_ 1/ Totals may not sum due to rounding.

_ 2/ Numbers are preliminary and are subject to change.

NOTE: "These estimates are PRELIMINARY estimates of revenue, pieces and weight by mail class. Limits on available data and statistical variations due to sampling warrant that AP estimates be used with caution. Because of their preliminary nature and potential for revision, decisions based on these AP data may be unwarranted and in error.



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

REVENUE BY SOURCE
Accounting Period 11, FY 2002
(\$ Millions)

Current Period				Year-to-Date		
Actual	SPLY	% SPLY		Actual	SPLY	% SPLY
\$ 1,848.3	\$ 1,881.7	- 1.7	Operating Revenue:	\$ 21,029.0	\$ 21,479.0	- 2.1
			Metered Postage			
922.3	792.6	16.4	Stamps and Stamped Paper	9,765.2	9,879.8	- 1.2
1,026.6	1,016.4	1.0	Permit Imprint	12,405.6	12,527.4	- 1.0
145.9	158.2	- 7.8	Periodicals & Standard	1,805.8	1,859.9	- 2.9
56.4	71.4	- 20.9	Official Mail	742.7	695.0	6.9
651.8	638.3	2.1	Presort First-Class & Package Svc./Permit Imprint	7,812.8	7,517.9	3.9
71.6	54.4	31.6	Box Rents *	625.6	586.4	6.6
14.7	14.7	0.0	Money Order Fees	171.8	157.4	9.1
<u>118.3</u>	<u>117.8</u>	0.4	Other	<u>1,373.2</u>	<u>1,433.9</u>	- 4.2
\$ 4,855.8	\$ 4,745.5	2.3	Subtotal	\$ 55,731.7	\$ 56,136.7	- 0.7
			Government Appropriation:			
<u>3.7</u>	<u>5.1</u>	- 27.0	Revenue Forgone	<u>41.2</u>	<u>56.3</u>	- 26.8
\$ 4,859.5	\$ 4,750.6	2.3	Total Operating Revenue	\$ 55,772.9	\$ 56,193.0	- 0.7
<u>3.4</u>	<u>2.3</u>	49.6	Investment Income	<u>32.8</u>	<u>29.8</u>	10.1
\$ 4,862.9	\$ 4,752.9	2.3	Total Revenue	\$ 55,805.7	\$ 56,222.8	- 0.7

Note: Totals may not sum due to rounding.

*Beginning FY 2002, box rent revenue reporting has been modified.

REVENUE BY CATEGORY
Accounting Period 11, FY 2002
(\$ Millions)

Current Period				Year-to-Date		
Actual	Budget	% Budget		Actual	Budget	% Budget
\$ 1,860.6	\$ 1,999.9	[7.0]	Commercial Revenue	\$ 22,510.1	\$ 23,824.1	[5.5]
			Permit Revenue			
<u>1,672.8</u>	<u>1,723.3</u>	[2.9]	Other Commercial Accounts Revenue	<u>18,723.0</u>	<u>20,016.0</u>	[6.5]
\$ 3,533.4	\$ 3,723.2	[5.1]	Total Commercial Revenue	\$ 41,233.1	\$ 43,840.1	[5.9]
			Retail Revenue			
1,043.7	931.1	12.1	Retail Postage Revenue	11,730.0	11,691.2	0.3
91.3	84.0	8.8	Retail Services Revenue	854.2	808.0	5.7
9.4	9.8	[4.9]	Retail Products Revenue	106.3	104.5	1.8
<u>145.6</u>	<u>119.5</u>	21.8	Other Retail Channels Revenue	<u>1,454.1</u>	<u>1,483.8</u>	[2.0]
\$ 1,290.0	\$ 1,144.4	12.7	Total Retail Revenue *	\$ 14,144.6	\$ 14,087.5	0.4
\$ 4,823.4	\$ 4,867.6	[0.9]	Total Commercial & Retail Revenue	\$ 55,377.7	\$ 57,927.6	[4.4]
32.4	24.6	31.7	Other Income	354.0	441.7	[19.9]
<u>3.7</u>	<u>3.7</u>	0.0	Revenue Forgone	<u>41.2</u>	<u>41.2</u>	0.0
\$ 4,859.5	\$ 4,895.9	[0.7]	Total Operating Revenue	\$ 55,772.9	\$ 58,410.5	[4.5]
<u>3.4</u>	<u>2.1</u>	61.1	Investment Income	<u>32.8</u>	<u>24.9</u>	31.9
\$ 4,862.9	\$ 4,898.0	[0.7]	Total Revenue	\$ 55,805.7	\$ 58,435.4	[4.5]

[]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

*Beginning FY 2002, box rent revenue reporting has been modified.

ANALYSIS OF OPERATING EXPENSES
Accounting Period 11, FY 2002
Personnel Compensation
(\$ Millions)

Current Period						Year-to-Date						
Actual	Budget	Var. to Budget	% Budget	SPLY *	% SPLY	Total Compensation **	Actual	Budget	Var. to Budget	% Budget	SPLY *	% SPLY
						Operations:						
\$ 24.9	\$ 26.6	\$ - 1.7	- 6.2	\$ 24.8	0.5	-Support	\$ 287.7	\$ 298.5	\$ - 10.8	- 3.6	\$ 291.6	- 1.3
792.2	802.7	- 10.5	- 1.3	805.6	- 1.7	-Mail Processing	9,376.5	9,417.2	- 40.8	- 0.4	9,709.6	- 3.4
318.0	323.6	- 5.6	- 1.7	309.4	2.8	-Rural Delivery	3,559.7	3,572.4	- 12.6	- 0.4	3,439.7	3.5
1,087.9	1,071.5	[16.4]	[1.5]	1,078.8	0.8	-Other Delivery	12,336.2	12,192.7	[143.5]	[1.2]	12,310.1	0.2
78.4	80.2	- 1.8	- 2.3	76.6	2.3	-Vehicles Services	894.8	909.2	- 14.4	- 1.6	875.9	2.2
191.8	200.2	- 8.4	- 4.2	186.6	2.8	-Plant & Equip Maint	2,194.8	2,266.0	- 71.2	- 3.1	2,144.3	2.4
536.4	534.2	[2.3]	[0.4]	539.9	- 0.6	-Customer Services	6,194.7	6,172.4	[22.3]	[0.4]	6,363.6	- 2.7
17.8	22.5	- 4.7	- 20.8	20.7	- 14.2	Finance	210.2	250.8	- 40.6	- 16.2	248.7	- 15.5
23.4	25.8	- 2.5	- 9.6	23.3	0.1	Human Resources	267.0	285.7	- 18.7	- 6.5	273.0	- 2.2
36.8	41.1	- 4.3	- 10.5	30.3	21.5	Customer Service & Sales	390.7	419.5	- 28.8	- 6.9	353.2	10.6
163.6	163.4	[0.2]	[0.1]	157.9	3.6	Administration	1,813.2	1,797.6	[15.7]	[0.9]	1,768.8	2.5
119.9	223.7	- 103.8	- 46.4	160.4	- 25.3	Other Salaries & Benefits	1,772.9	2,435.1	- 662.2	- 27.2	1,789.9	- 0.9
\$ 3,391.1	\$ 3,515.5	\$- 124.3	- 3.5	\$ 3,414.4	- 0.7	Total Salaries & Benefits	\$ 39,298.4	\$ 40,017.0	\$ - 718.6	- 1.8	\$ 39,568.2	- 0.7
162.4	78.5	[83.9]	[106.9]	76.7	111.8	Workers' Compensation	1,216.8	863.5	[353.3]	[40.9]	815.6	49.2
21.9	4.8	[17.1]	[355.8]	4.7	367.7	Unemployment Compensation	80.6	54.8	[25.9]	[47.3]	51.5	56.7
107.9	107.9	0.0	0.0	107.4	0.5	Deferred Retirement Cost	1,187.1	1,187.1	0.0	0.0	1,180.9	0.5
65.3	65.3	0.0	0.0	61.3	6.5	CSRS Annuitant COLA	738.0	738.0	0.0	0.0	673.8	9.5
74.5	80.5	- 6.0	- 7.5	66.3	12.4	Annuitant Health Benefits	848.9	885.9	- 37.0	- 4.2	729.4	16.4
- 28.6	73.8	- 102.4	- 138.8	68.9	- 141.6	Other Compensation	200.1	968.1	- 768.0	- 79.3	527.9	- 62.1
\$ 3,794.6	\$ 3,926.3	\$- 131.7	- 3.4	\$ 3,799.7	- 0.1	Total Personnel Compensation	\$ 43,570.0	\$ 44,714.3	\$ - 1,144.3	- 2.6	\$ 43,547.3	0.1

Note: Totals may not sum due to rounding.

[]=Unfavorable variance to budget

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

**Total Compensation - Field operating budgets have been adjusted to reflect lower workload. Accordingly, functional budgets have been adjusted.

Corresponding offsets to these adjustments are reflected in Other Salaries & Benefits line. Also included in the Other Salaries & Benefits line are budget funds for some Headquarters units which will be re-allocated based on the new organization structure.

ANALYSIS OF NON-PERSONNEL EXPENSES
Accounting Period 11, FY 2002
(\$ Millions)

Current Period							Year-to-Date					
Actual	Budget	Var. to Budget	% Budget	SPLY *	% SPLY	Description	Actual	Budget	Var. to Budget	% Budget	SPLY *	% SPLY
\$ 346.3	\$ 389.9	\$ - 43.6	- 11.2	\$ 364.4	- 5.0	Transportation	\$ 4,384.4	\$ 4,518.4	\$ - 134.0	- 3.0	\$ 4,287.3	2.3
178.4	239.1	- 60.7	- 25.4	238.9	- 25.3	Supplies & Services	2,072.2	2,774.2	- 702.0	- 25.3	2,478.8	- 16.4
186.3	185.4	[0.9]	[0.5]	199.3	- 6.5	Depreciation	1,957.6	1,962.1	- 4.5	- 0.2	1,879.3	4.2
73.8	78.2	- 4.4	- 5.6	71.8	2.8	Rent	759.5	788.5	- 29.0	- 3.7	720.6	5.4
37.1	38.9	- 1.8	- 4.7	35.6	4.2	Fuel & Utilities	408.2	424.5	- 16.3	- 3.8	422.5	- 3.4
29.3	30.7	- 1.4	- 4.5	30.4	- 3.4	Rural Carrier Equip Maint Allowance	329.7	338.4	- 8.7	- 2.6	329.9	- 0.1
29.6	30.3	- 0.6	- 2.1	31.1	- 4.7	Vehicle Maintenance	337.9	356.1	- 18.2	- 5.1	365.3	- 7.5
47.5	43.6	[3.9]	[9.0]	24.7	92.5	Information Technology	312.9	389.9	- 76.9	- 19.7	257.5	21.5
14.5	13.3	[1.2]	[8.9]	8.9	62.4	Building Projects Expensed	124.7	146.2	- 21.5	- 14.7	124.0	0.5
5.5	5.2	[0.2]	[4.3]	5.2	6.3	Contract Job Cleaners	61.5	59.5	[2.1]	[3.5]	58.8	4.7
13.1	11.3	[1.8]	[16.0]	12.7	3.2	Travel & Relocation	114.0	118.2	- 4.1	- 3.5	118.3	- 3.6
18.0	16.7	[1.4]	[8.1]	12.8	40.7	Communications	174.4	178.9	- 4.5	- 2.5	168.7	3.3
5.7	6.1	- 0.4	- 7.1	5.9	- 3.1	Contract Stations	59.6	62.4	- 2.8	- 4.5	59.8	- 0.4
2.5	3.9	- 1.4	- 35.6	1.2	101.4	Printing	24.2	29.3	- 5.1	- 17.5	28.6	- 15.2
3.7	6.9	- 3.1	- 45.5	5.2	- 27.4	Training	43.4	61.3	- 17.8	- 29.1	56.2	- 22.7
4.1	4.2	- 0.2	- 4.3	4.6	- 11.4	Carfare & Tolls	48.9	52.5	- 3.6	- 6.8	51.6	- 5.2
1.7	2.5	- 0.8	- 30.9	2.7	- 36.3	Vehicle Hire	26.4	32.6	- 6.3	- 19.2	38.4	- 31.3
4.1	4.8	- 0.6	- 13.1	3.3	26.0	Accident Cost	44.1	41.7	[2.4]	[5.6]	42.7	3.3
- 1.0	- 3.4	[2.4]	[69.4]	- 3.4	- 69.4	Capitalized Interest	- 25.2	- 37.6	[12.4]	[32.9]	- 45.7	- 44.8
16.0	21.4	- 5.4	- 25.2	29.7	- 46.2	Miscellaneous	118.4	223.1	- 104.7	- 46.9	316.5	- 62.6
\$ 1,016.3	\$ 1,128.9	\$ - 112.6	- 10.0	\$ 1,084.9	- 6.3	Total Other Operating Expenses	\$ 11,376.7	\$ 12,520.0	\$ - 1,143.3	- 9.1	\$ 11,759.0	- 3.3

[]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

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

STATEMENT OF FINANCIAL POSITION
Accounting Period 11, FY 2002
(\$ Millions)

Assets	July 12, 2002	June 14, 2002	September 30, 2001 *
Current Assets:			
Cash and cash equivalents _1/	\$ 745	\$ 278	\$ 999
U.S. Government securities, at amortized cost which approximates market	6	5	6
Receivables:			
Foreign countries	511	518	379
U.S. Government	110	114	133
Other	212	210	206
	<u>833</u>	<u>842</u>	<u>718</u>
Less allowances	<u>123</u>	<u>122</u>	<u>110</u>
	710	720	608
Supplies, advances and prepayments	<u>308</u>	<u>299</u>	<u>320</u>
Total Current Assets	1,769	1,302	1,933
Other assets _2/	371	372	372
Property and equipment, at cost:			
Buildings	19,490	19,458	18,808
Equipment	16,484	16,293	15,456
Land	2,776	2,756	2,684
	<u>38,750</u>	<u>38,507</u>	<u>36,948</u>
Less allowances for depreciation	<u>16,053</u>	<u>15,970</u>	<u>14,792</u>
	22,697	22,537	22,156
Construction in progress	1,149	1,405	1,969
Leasehold improvements, net	630	639	638
	<u>24,476</u>	<u>24,581</u>	<u>24,763</u>
Deferred Retirement Costs _3/	<u>32,958</u>	<u>33,132</u>	<u>32,023</u>
Total Assets	<u>\$ 59,574</u>	<u>\$ 59,387</u>	<u>\$ 59,091</u>

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

_2/ Includes \$370 million as of September 30, 2001, June 14, 2002 and July 12, 2002 for appropriation receivable for revenue forgone.

_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

STATEMENT OF FINANCIAL POSITION
Accounting Period 11, FY 2002
(\$ Millions)

Liabilities and Equities	July 12, 2002	June 14, 2002	September 30, 2001 *
Current Liabilities:			
Compensation and employees' benefits	\$ 6,172	\$ 6,232	\$ 5,810
Estimated prepaid postage	1,568	1,398	1,623
Payables and accrued expenses:			
Foreign countries	677	688	499
U.S. Government	199	153	151
Other	<u>2,564</u>	<u>2,631</u>	<u>956</u>
	3,440	3,472	1,606
Appropriation for free & reduced rate mail	11	14	0
Prepaid permit mail and box rentals	1,994	1,960	1,866
Outstanding postal money orders	855	840	988
Current portion of debt	<u>1</u>	<u>1</u>	<u>5,564</u>
Total Current Liabilities	14,041	13,917	17,457
Long-term debt, less current portion	6,951	6,951	5,751
Other Liabilities:			
Amounts payable for retirement benefits _3/	32,436	32,436	29,932
Workers' compensation claims	6,300	6,138	5,167
Employees' accumulated leave	1,932	2,042	2,124
Other	<u>1,352</u>	<u>1,266</u>	<u>986</u>
Total Other Liabilities	42,020	41,882	38,209
Capital Contributions of the US Government	3,034	3,034	3,034
Deficit Since Reorganization	<u>- 6,472</u>	<u>- 6,397</u>	<u>- 5,360</u>
Net Capital Deficiency	<u>- 3,438</u>	<u>- 3,363</u>	<u>- 2,326</u>
Total Liabilities and Equity	<u>\$ 59,574</u>	<u>\$ 59,387</u>	<u>\$ 59,091</u>

_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
FY 2002
(\$ Millions)

MAJOR CATEGORIES	COMMITMENTS			CASH OUTLAYS		
	A/P 11 Year-to-Date			A/P 11 Year-to-Date		
	ACTUAL	PLAN	SPLY	ACTUAL	PLAN	SPLY
CONSTRUCTION AND BUILDING PURCHASE	\$ 28.7	\$ 36.3	\$ 146.5	\$ 159.7	\$ 374.5	\$ 524.2
BUILDING IMPROVEMENTS	81.4	92.3	165.7	151.4	274.1	411.9
MAIL PROCESSING EQUIPMENT	685.7	729.5	256.3	810.9	674.4	691.8
VEHICLES	- 3.3	16.6	41.2	109.4	125.8	259.7
RETAIL EQUIPMENT	6.7	8.0	60.2	36.0	61.8	194.6
POSTAL SUPPORT EQUIPMENT	153.9	168.2	166.7	182.8	234.7	308.3
TOTAL COMMITMENTS/CASH OUTLAYS *	\$ 953.1	\$ 1,050.8	\$ 836.6	\$ 1,450.1	\$ 1,745.3	\$ 2,390.4

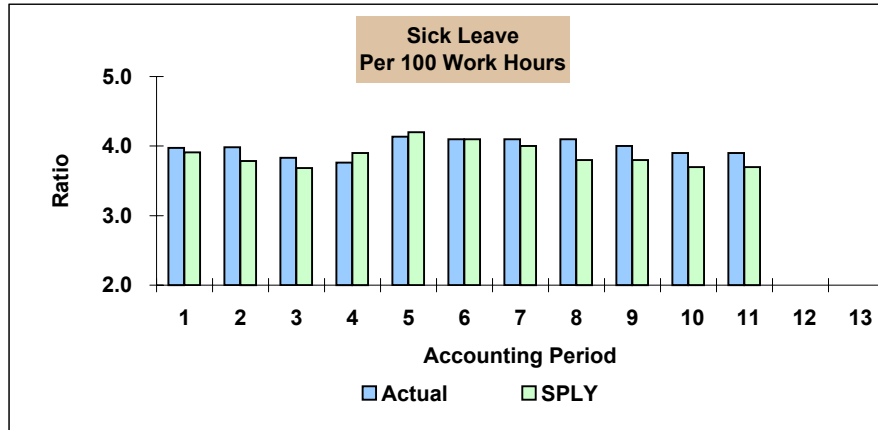
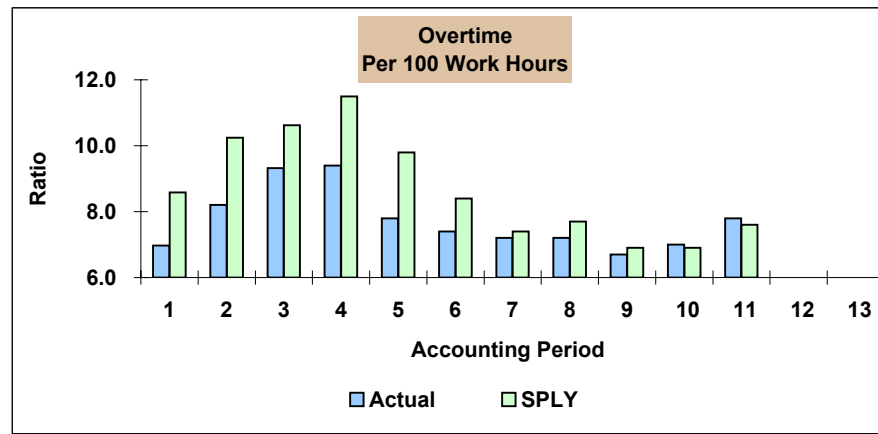
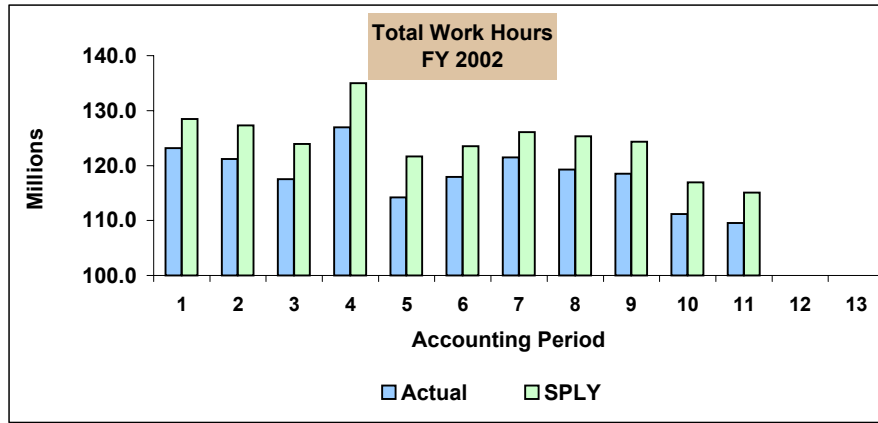
Note: Totals may not sum due to rounding.

RESOURCES ON ORDER

MAJOR CATEGORIES	July 12, 2002	September 30, 2001
CONSTRUCTION AND BUILDING PURCHASE	\$ 90.4	\$ 245.8
BUILDING IMPROVEMENTS	110.1	194.1
MAIL PROCESSING EQUIPMENT	973.0	1,115.2
VEHICLES	16.9	137.5
RETAIL EQUIPMENT	42.5	71.8
POSTAL SUPPORT EQUIPMENT	89.6	120.5
INVENTORIES	289.9	308.4
RESEARCH AND DEVELOPMENT	32.2	36.2
MISCELLANEOUS EXPENSE COMMITMENTS	4,219.3	3,359.1
TOTAL RESOURCES ON ORDER	\$ 5,863.9	\$ 5,588.7

Note: Totals may not sum due to rounding.

STATEMENT OF CASH FLOWS	
(\$ Millions)	
Fiscal Year 2002	
For the Fiscal Year through July 12, 2002	
Cash flows from operating activities:	
Net income/(loss) (Government Fiscal Year Basis)	\$ (1,112)
Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:	
Depreciation and amortization	1,806
Increase/(decrease) in other liabilities	366
Increase/(decrease) in employees' accumulated leave	(192)
Increase/(decrease) in non-current workers' compensation claims	1,133
Increase/(decrease) in retirement, net	1,569
Changes in current assets and liabilities:	
Increase/(decrease) in accrued compensation and benefits	362
Increase/(decrease) in deferred revenue	84
Increase/(decrease) in payables and accrued expenses	1,834
(Increase)/decrease in receivables	(101)
(Increase)/decrease in supplies, advances and prepayments	12
Increase/(decrease) in outstanding postal money orders	(133)
Net cash provided by operating activities	5,628
Cash flows from investing activities:	
Sale/(purchase) of U.S. Government securities, net	0
Purchase and sale of property and equipment, net	(1,519)
Net cash used in investing activities	(1,519)
Cash flows from financing activities:	
Increase/(decrease) in debt	(4,363)
(Increase)/decrease in other non-current assets	0
Net cash used in financing activities	(4,363)
Net (decrease)/increase in cash and cash equivalents	(254)
Cash and cash equivalents at beginning of period	999
Cash and cash equivalents at end of period	\$ 745



WORK HOURS & OVERTIME/SICK LEAVE RATIOS

Accounting Period 11, FY 2002

(Data in Thousands)

Current Period					Total Work Hours	Year-to-Date				
Actual	Var. to Budget*	% Budget	SPLY **	% SPLY		Actual	Var. to Budget	% Budget	SPLY *	% SPLY
652	- 43	- 6.2	677	- 3.7	Operations:	7,743	- 313	- 3.9	8,183	- 5.4
25,836	- 556	- 2.1	28,183	- 8.3	-Support	322,575	- 2,030	- 0.6	351,006	- 8.1
12,397	- 418	- 3.3	13,056	- 5.0	-Mail Processing	144,618	- 960	- 0.7	145,823	- 0.8
34,587	[218]	[0.6]	35,514	- 2.6	-Rural Delivery	399,154	[2,311]	[0.6]	414,296	- 3.7
2,377	- 74	- 3.0	2,434	- 2.3	-Other Delivery	27,971	- 532	- 1.9	28,483	- 1.8
5,921	- 303	- 4.9	6,033	- 1.9	-Vehicles Services	69,705	- 2,564	- 3.5	70,662	- 1.4
17,283	- 60	- 0.3	18,322	- 5.7	-Plant & Equip Maint	205,682	- 314	- 0.2	220,976	- 6.9
504	- 136	- 21.2	620	- 18.8	-Customer Services	6,156	- 1,199	- 16.3	7,648	- 19.5
629	- 67	- 9.6	654	- 3.8	Finance	7,409	- 526	- 6.6	7,937	- 6.6
1,080	- 100	- 8.4	957	12.9	Human Resources	11,942	- 789	- 6.2	11,446	4.3
4,980	- 4	- 0.1	4,985	- 0.1	Customer Service & Sales	56,432	[427]	[0.8]	56,805	- 0.7
106,246	- 1,543	- 1.4	111,435	- 4.7	Administration	1,259,387	- 6,489	- 0.5	1,323,265	- 4.8
3,309	- 2,319	- 41.2	3,662	- 9.6	Sub-Total	43,244	- 19,811	- 31.4	44,965	- 3.8
109,555	- 3,862	- 3.4	115,097	- 4.8	Other	1,302,631	- 26,300	- 2.0	1,368,230	- 4.8
					Total Work Hours					

Overtime						
Actual	Budget	SPLY				SPLY
7.8%	7.2%	7.6%	Overtime Ratio			8.7%
			Per 100 Work Hours			

Sick Leave						
Actual	Budget	SPLY				SPLY
3.9%	--	3.7%	Sick Leave Ratio			3.9%
			Per 100 Work Hours			

[]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

*Budget - Field operating budgets have been adjusted to reflect lower workload. Accordingly, functional work hour budgets have been adjusted. Corresponding offsets to these adjustments are reflected in the other line.

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