

# November FY2014 Preliminary Financial Results

As of January 14, 2014

- **Liabilities exceed assets by approx. \$40 billion**
- **The USPS has only 35 cents of assets to cover each dollar of its liabilities**

ASSETS		LIABILITIES	
Unrestricted Cash	\$ 2.6B	Retiree Health Benefits	\$17.7B
Buildings & Equipment, net of depreciation	\$17.3B	Workers' Compensation	\$16.1B
Other Assets	\$ 1.9B	Debt	\$15.0B
		Accrued Compensation, benefits, and leave	\$ 4.4B
		Deferred Revenue	\$ 3.8B
		Other	\$ 5.2B
<b>Total Assets</b>	<b>\$21.8B</b>	<b>Total Liabilities</b>	<b>\$62.2B</b>

- Under multi-employer accounting rules, there are approximately \$50B in obligations not shown on the balance sheet.
  - Significant profits over years and legislation are needed to recover.

<b>Month of November</b> <b>(Billions)</b>	<b>Prelim</b> <b>2014</b>	<b>FY</b> <b>2013</b>
<b>Revenue</b>	<b>\$5.6</b>	<b>\$5.5</b>
<b>Expenses*</b>	<b><u>5.5</u></b>	<b><u>5.6</u></b>
<b>Operating Income (Loss)*</b>	<b>0.1</b>	<b>(0.1)</b>
<b>Retiree Health Benefits Pre-Funding</b>	<b>(0.5)</b>	<b>(0.5)</b>
<b>Workers' Comp. Fair Value Adj.</b>	<b>0.3</b>	<b>(0.1)</b>
<b>Workers' Comp. Other Non-Cash Adj.</b>	<b><u>(0.1)</u></b>	<b><u>(0.1)</u></b>
<b>Net Income (Loss)</b>	<b><u>(\$0.2)</u></b>	<b><u>(\$0.8)</u></b>

\*Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities.

• Retail had one less weekday and one more Saturday vs. FY2013. Delivery days were equal to FY2013.

<b>November YTD - 2 months (Billions)</b>	<b>Prelim 2014</b>	<b>FY 2013</b>
<b>Revenue</b>	<b>\$11.5</b>	<b>\$11.6</b>
<b>Expenses*</b>	<b><u>11.1</u></b>	<b><u>11.4</u></b>
<b>Operating Income (Loss)*</b>	<b>0.4</b>	<b>0.2</b>
<b>Retiree Health Benefits Pre-Funding</b>	<b>(0.9)</b>	<b>(0.9)</b>
<b>Workers' Comp. Fair Value Adj.</b>	<b>0.1</b>	<b>0.1</b>
<b>Workers' Comp. Other Non-Cash Adj.</b>	<b><u>(0.2)</u></b>	<b><u>(0.1)</u></b>
<b>Net Income (Loss)</b>	<b><u>(\$0.6)</u></b>	<b><u>(\$0.7)</u></b>
<b>Liquidity Days (of oper. cash)</b>	<b>10</b>	<b>8</b>

\* Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities.

- Retail had one less weekday and one more Saturday vs. FY2013. Delivery days were equal to FY2013.

<b>November YTD - 2 months (Billions)</b>	<b>Prelim 2014</b>	<b>FY 2013</b>
<b>Compensation</b>	<b>\$ 6.0</b>	<b>\$ 6.2</b>
<b>Benefits</b>	<b>2.5</b>	<b>2.6</b>
<b>Transportation</b>	<b>1.1</b>	<b>1.1</b>
<b>Depreciation</b>	<b>0.3</b>	<b>0.3</b>
<b>Supplies &amp; Services</b>	<b>0.4</b>	<b>0.4</b>
<b>Rent, Utilities &amp; Other</b>	<b>0.8</b>	<b>0.8</b>
<b>Operating Expenses *</b>	<b>\$11.1</b>	<b>\$11.4</b>
<b>Workhours (millions)</b>	<b>185.7</b>	<b>189.0</b>

\* Excludes RHB pre-funding, non-cash adjustments to workers' compensation liabilities, and separation incentive costs.

- Delivery days were equal to FY2013.