

# **Financial Results**

## **Fiscal Year 2015**

**November 13, 2015**

# Financial Results: Total Revenue

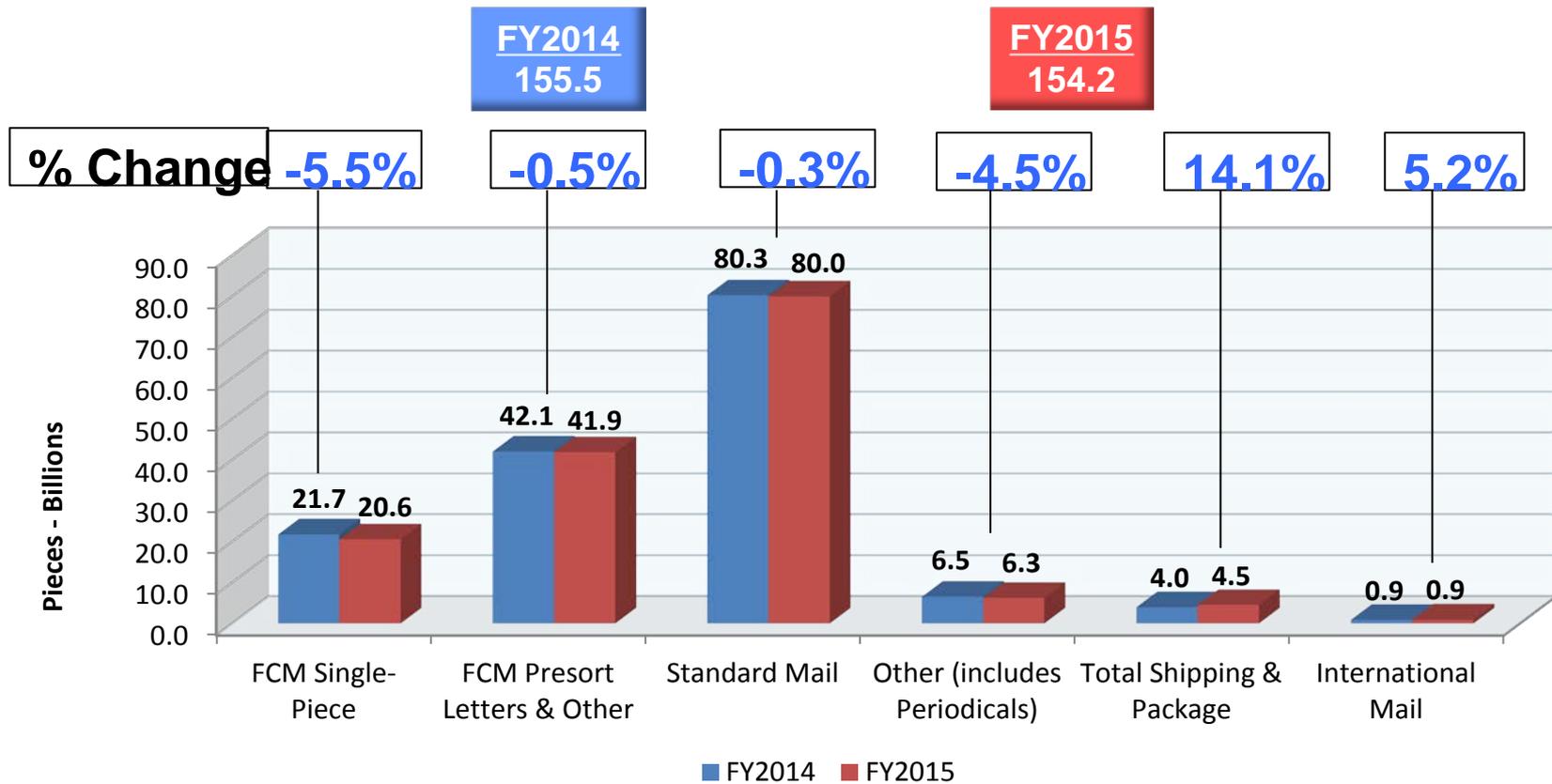
September YTD (12 Months) (Billions)	FY 2015	FY 2014
Revenue (Excluding Temporary Exigent Surcharge)	\$ 66.8	\$ 66.4
Temporary Exigent Surcharge <sup>1</sup>	2.1	1.4
<b>Total Revenue</b>	<b>68.9</b>	<b>67.8</b>
Expenses <sup>2</sup>	67.7	66.4
<b>Controllable Income (Loss) <sup>2</sup></b>	<b>1.2</b>	<b>1.4</b>
Retiree Health Benefits Pre-Funding	(5.7)	(5.7)
FERS Unfunded Liability Amortization	(0.2)	-
Workers' Comp. Fair Value Adj.	(0.8)	(0.5)
Workers' Comp. Other Non-Cash Adj.	0.4	(0.7)
<b>Net Income (Loss)</b>	<b>\$ (5.1)</b>	<b>\$ (5.5)</b>

1 - Estimated.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.



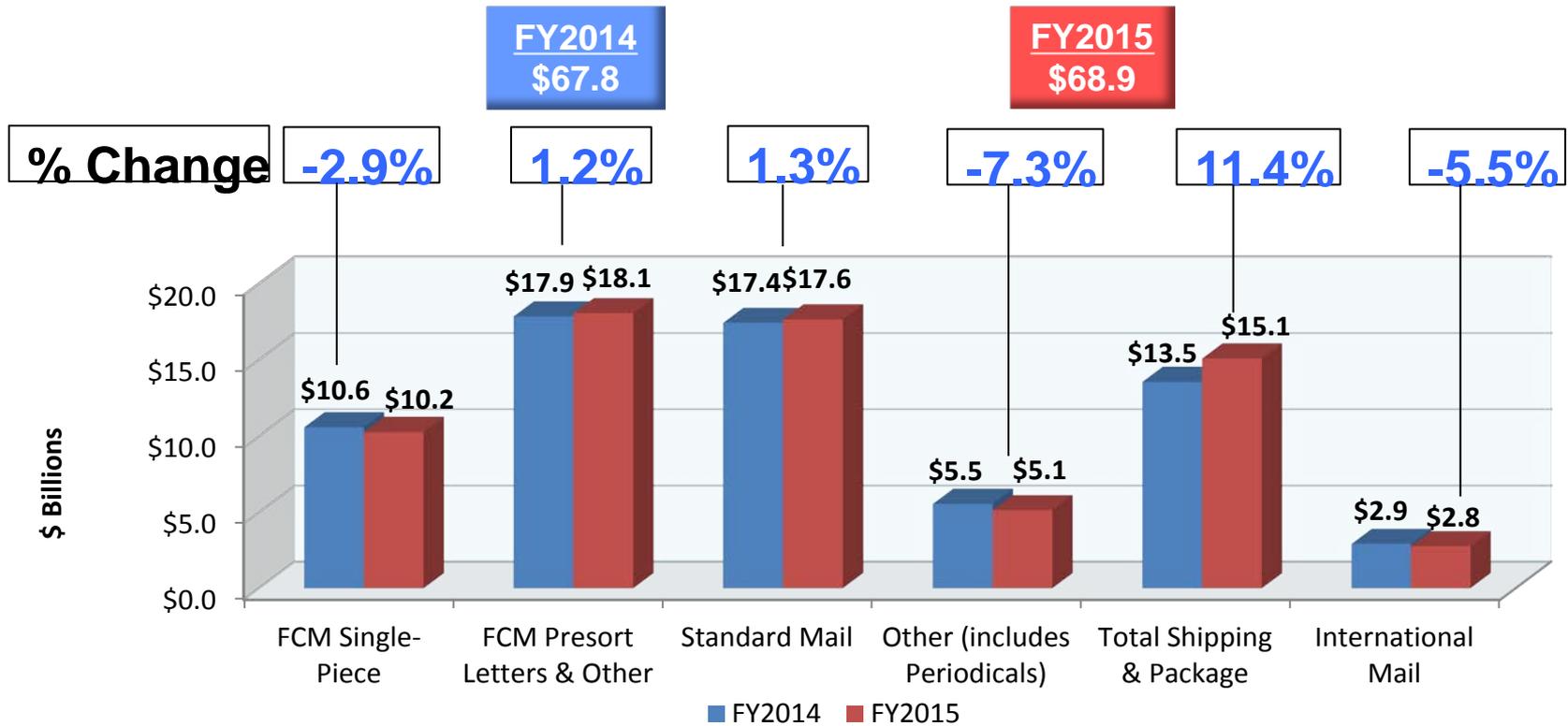
# Volume: September YTD FY2015 vs. SPLY



➤ YTD FY2015 has the same number of weekdays, Saturdays, & Sundays as compared to YTD FY2014.



# Revenue including Exigent Surcharge: September YTD FY2015 vs. SPLY



- YTD FY2015 has the same number of weekdays, Saturdays, & Sundays as compared to YTD FY2014.
- Includes Exigent Surcharge



# Financial Results: Expenses

September YTD (12 Months) (Billions)	FY 2015	FY 2014
Revenue (Excluding Temporary Exigent Surcharge)	\$ 66.8	\$ 66.4
Temporary Exigent Surcharge <sup>1</sup>	2.1	1.4
<b>Total Revenue</b>	<b>68.9</b>	<b>67.8</b>
<b>Expenses <sup>2</sup></b>	<b>67.7</b>	<b>66.4</b>
<b>Controllable Income (Loss) <sup>2</sup></b>	<b>1.2</b>	<b>1.4</b>
Retiree Health Benefits Pre-Funding	(5.7)	(5.7)
FERS Unfunded Liability Amortization	(0.2)	-
Workers' Comp. Fair Value Adj.	(0.8)	(0.5)
Workers' Comp. Other Non-Cash Adj.	0.4	(0.7)
<b>Net Income (Loss)</b>	<b>\$ (5.1)</b>	<b>\$ (5.5)</b>

1 - Estimated.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.



## Controllable Expenses

<b>September YTD (12 Months) (Billions)</b>	<b>FY 2015</b>	<b>FY 2014</b>
<b>Compensation &amp; Benefits<sup>1, 2</sup></b>	<b>\$51.8</b>	<b>\$50.4</b>
<b>Transportation</b>	<b>6.6</b>	<b>6.6</b>
<b>Depreciation</b>	<b>1.8</b>	<b>1.8</b>
<b>Supplies &amp; Services</b>	<b>2.7</b>	<b>2.6</b>
<b>Rent, Utilities &amp; Other</b>	<b><u>4.8</u></b>	<b><u>5.0</u></b>
<b>Controllable Expenses<sup>1, 2</sup></b>	<b>\$67.7</b>	<b>\$66.4</b>
<b>Workhours (Millions)</b>	<b>1,128</b>	<b>1,107</b>

1 - Delivery days were even compared to SPLY.

2 - Excludes RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.



# Financial Results: Net Loss

September YTD (12 Months) (Billions)	FY 2015	FY 2014
Revenue (Excluding Temporary Exigent Surcharge)	\$ 66.8	\$ 66.4
Temporary Exigent Surcharge <sup>1</sup>	2.1	1.4
<b>Total Revenue</b>	<b>68.9</b>	<b>67.8</b>
Expenses <sup>2</sup>	67.7	66.4
<b>Controllable Income (Loss) <sup>2</sup></b>	<b>1.2</b>	<b>1.4</b>
Retiree Health Benefits Pre-Funding	(5.7)	(5.7)
FERS Unfunded Liability Amortization	(0.2)	-
Workers' Comp. Fair Value Adj.	(0.8)	(0.5)
Workers' Comp. Other Non-Cash Adj.	0.4	(0.7)
<b>Net Income (Loss)</b>	<b>\$ (5.1)</b>	<b>\$ (5.5)</b>

1 - Estimated.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.



# A Deep Financial Hole – September 2015

## Assets & Liabilities (including retirement accounts)

As of September 30, 2015

- Total liabilities, including retirement obligations exceed assets by \$101 billion.
- It would take RHB legislative change and decades of annual profits to remedy this level of excess liabilities and unfunded retirement obligations.

CSRS Fund Balance	\$179.2B	CSRS Actuarial Liability	\$199.6B
FERS Fund Balance	\$107.6B	FERS Actuarial Liability	\$111.3B
RHB Fund Balance	<u>\$50.3B</u>	Retiree Health Benefits Obligation	<u>\$105.2B</u>
<b>Total Retirement-Fund Assets</b>	<b>\$337.1B</b>	<b>Total Retirement-Related Liabilities</b>	<b>\$416.1B</b>
Unrestricted Cash	\$6.6B	Workers' Compensation	\$18.8B
Land, Buildings & Equipment, net	\$15.7B	Debt	\$15.0B
Other Assets	<u>\$1.7B</u>	Accrued Compensation, benefits, and leave	\$3.9B
<b>Total Assets</b>	<b>\$361.1B</b>	Deferred Revenue	\$3.3B
		Other	<u>\$5.3B</u>
		<b>Total Liabilities</b>	<b>\$462.4B</b>

- This slide includes all assets and liabilities of pension and post-retirement health benefits obligations.
- Items highlighted in yellow are not shown on our balance sheet under GAAP multi-employer rules and are the OPM's projected valuation as of September 30, 2015.



# Questions ?

**Please Press \*1 On Your  
Telephone Keypad**



Complete Financial results are in the Form 10-K:  
<http://about.usps.com/who-we-are/financials/welcome.htm>

Additional questions can be emailed to:  
[Sarah.A.Ninivaggi@usps.gov](mailto:Sarah.A.Ninivaggi@usps.gov)

