



December 8, 2004

FAYE McCREARY
FINANCIAL MANAGEMENT SERVICE, U.S. DEPARTMENT OF THE TREASURY

LYNDA DOWNING
U.S. GOVERNMENT ACCOUNTABILITY OFFICE

KIM GEIER
OFFICE OF MANAGEMENT AND BUDGET
OFFICE OF FEDERAL FINANCIAL MANAGEMENT

SUBJECT: Audit Opinion on the Postal Service's Special-Purpose
Financial Statements

Attached is a copy of the report on our audit of the Postal Service's special-purpose closing package. The objective of the audit was to express an opinion on the reclassified balance sheet as of September 30, 2004, and the related reclassified statements of net cost and changes in net position for the year then ended (referred to as special-purpose financial statements).

The special-purpose financial statements and notes were prepared by the Postal Service for the purpose of providing financial information to the U.S. Department of the Treasury and U.S. Government Accountability Office to use in preparing and auditing the Financial Report of the U.S. Government, and are not intended to be a complete presentation of the Postal Service's financial statements. In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Postal Service as of September 30, 2004, and its net costs and changes in net position for the year then ended in conformity with accounting principles generally accepted in the United States of America and the presentation pursuant to the requirements prescribed in Treasury Financial Manual, Chapter 4700.

If you have any questions, please contact John E. Cihota, Director, Financial Statements, or me at (703) 248-2300.

/s/ John M. Seeba

John M. Seeba
Assistant Inspector General
for Audit

Attachments

cc: Richard J. Strasser, Jr.
Lynn Malcolm
Stephen J. Nickerson
Margaret A. Weir
Steven R. Phelps



December 8, 2004

RICHARD J. STRASSER, JR.
CHIEF FINANCIAL OFFICER AND EXECUTIVE VICE PRESIDENT

SUBJECT: Audit Report – Opinion on the Postal Service’s Special-Purpose
Financial Statements (Report Number FT-AR-05-002)

We have audited the accompanying reclassified balance sheet as of September 30, 2004, and the reclassified related statements of net cost and changes in net position for the year then ended (hereinafter referred to as the special-purpose financial statements) contained in the special-purpose closing package of the Postal Service (Project Number 04XD012FT002). These special-purpose financial statements are the responsibility of Postal Service management. Our responsibility is to express an opinion on these financial statements based on our audit. (See the appendix for the special-purpose financial statements, notes, and other data.)

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin 01-02, Audit Requirements for Federal Financial Statements, related to special-purpose financial statements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements and accompanying notes contained in the special-purpose closing package have been prepared for the purpose of complying with the requirements of the Treasury Financial Manual (TFM), Volume I, Part 2, Chapter 4700, solely for the purpose of providing financial information to the U.S. Department of the Treasury and U.S. Government Accountability Office to use in preparing and auditing the Financial Report of the U.S. Government, and are not intended to be a complete presentation of the Postal Service’s financial statements.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Postal Service as of September 30, 2004, and its net costs and changes in net position for the year then ended in conformity with accounting principles generally accepted in the United States of America and the presentation pursuant to the requirements prescribed of the TFM, Chapter 4700.

The information included in the Other Data is presented for the purpose of additional analysis and is not a required part of the special-purpose financial statements, but is supplementary information required by TFM, Chapter 4700. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methodology and presentation of this information. We also reviewed such information for consistency with the related information presented in the Postal Service's financial statements. However, we did not audit this information, and accordingly, we express no opinion on it.

In accordance with Government Auditing Standards, a report was issued dated November 10, 2004, by another auditor on its consideration of the Postal Service's internal control over financial reporting and its compliance with certain provisions of laws and regulations. The report is an integral part of an audit of general purpose financial statement reporting performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

In planning and performing our audit of the special-purpose financial statements, we also considered the Postal Service's internal control over the special-purpose financial statements and compliance with the TFM, Chapter 4700. Management is responsible for establishing and maintaining internal control over financial reporting, including Other Data, and for complying with laws and regulations, including compliance with the TFM, Chapter 4700, requirements.

Our consideration of internal control over the financial reporting process for the special-purpose financial statements would not necessarily disclose all matters in the internal control over the financial reporting process that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Postal Service's ability to record, process, summarize, and report financial data consistent with the assertions by management in the special-purpose financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the special-purpose financial statements

being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We found no material weaknesses in internal control over the financial reporting process for the special-purpose financial statements, and our tests of compliance with the TFM, Chapter 4700, requirements disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards and OMB Bulletin 01-02. However, providing opinions on internal controls over the financial reporting process for the special-purpose financial statements or on compliance with the TFM, Chapter 4700, requirements were not objectives of our audit of the special-purpose financial statements, and accordingly we do not express such opinions.

The report is intended solely for the information and use of the Postal Service, the U.S. Department of the Treasury, the Office of Management and Budget and the U.S. Government Accountability Office in connection with the preparation and audit of the Financial Report of the U.S. Government and is not intended to be and should not be used by anyone other than these specified parties.

/s/ John M. Seeba

John M. Seeba
Assistant Inspector General
for Audit

Attachment

cc: Lynn Malcolm
Stephen J. Nickerson
Margaret A. Weir
Steven R. Phelps

APPENDIX. SPECIAL-PURPOSE FINANCIAL STATEMENTS, NOTES, AND OTHER DATA

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SPECIAL-PURPOSE FINANCIAL STATEMENTS.

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U.S Department of the Treasury
Financial Management Service
Governmentwide Financial Report System

GF003-Closing Package Financial Statement Reports

Statement: BALANCE SHEET

Fiscal Year: 2004

Period: QTR 4 - YTD

Type: Single

Reported In: WHOLE DOLLARS Decimal: ZERO

Entity: 1800 - United States Postal Service

Amounts presented as debits and credits(-)

FY 2004-QTR 4

Assets:

Non-Federal

Cash and Other Monetary Assets	5,000,000
Accounts Receivable	697,000,000
Loans Receivable	0
Taxes Receivable	0
Inventory and Related Property	0
Property, Plant and Equipment	22,497,000,000
Other Assets	168,000,000
Total Non-Federal Assets	23,367,000,000

Federal

Fund Balance with Treasury	(411,000,000)
Investments	1,283,000,000
Accounts Receivable	327,000,000
Interest Receivable	0
Loans Receivable	0
Transfers Receivable	0
Benefit Program Contributions Receivable	0
Advances to Others and Prepayments	52,000,000
Other Assets (without reciprocals)	361,000,000
Total Federal Assets	1,612,000,000
Total Assets	24,979,000,000

Liabilities

Non-Federal

Accounts Payable	(2,517,000,000)
Federal Debt Securities Held by the Public	0
Federal Employee and Veteran Benefits Payable	(7,062,000,000)
Environmental and Disposal Liabilities	0
Benefits Due and Payable	0
Loan Guarantee Liabilities	0
Other Liabilities	(9,082,000,000)
Total Non-Federal Liabilities	(18,661,000,000)

Federal

Accounts Payable	(30,000,000)
Debt	0

12/06/2004

U.S Department of the Treasury
Financial Management Service
Governmentwide Financial Report System

GF003-Closing Package Financial Statement Reports

Statement: BALANCE SHEET

Fiscal Year: 2004

Period: QTR 4 - YTD

Type: Single

Reported In: WHOLE DOLLARS Decimal: ZERO

Entity: 1800 - United States Postal Service

Amounts presented as debits and credits(-)

	FY 2004-QTR 4
Interest Payable	0
Loans Payable	(1,800,000,000)
Transfers Payable	0
Benefit Program Contributions Payable	(557,000,000)
Advances from Others and Deferred Credits	0
Other Liabilities (without reciprocals)	0
Total Federal Liabilities	(2,387,000,000)
Total Liabilities	(21,048,000,000)
Net Position	(3,931,000,000)
Total Liabilities and Net Position	(24,979,000,000)

12/06/2004

**U.S Department of the Treasury
Financial Management Service
Governmentwide Financial Report System**

GF003-Closing Package Financial Statement Reports

Statement: STATEMENT OF NET COST	Fiscal Year: 2004	Period: QTR 4 - YTD
Type: Single	Reported In: WHOLE DOLLARS	Decimal: ZERO
Entity: 1800 - United States Postal Service		

Amounts presented as debits and credits(-)

	FY 2004-QTR 4
Gross Cost:	
Non-Federal Gross Cost	54,781,000,000
Interest on Debt Held by the Public	0
Total Non-Federal Gross Cost	54,781,000,000
Federal Gross Cost	
Benefit Program Costs Related to Exchange Transactions	11,030,000,000
Imputed Costs	0
Benefit Program Costs Related to Nonexchange Transactions	0
Buy/Sell Costs	139,000,000
Federal Securities Interest Expense Related to Exchange Transactions	14,000,000
Federal Securities Interest Expense Related to Nonexchange Transactions	0
Borrowing Interest and Other Expenses Related to Exchange Transactions	0
Borrowing Interest Expense Related to Nonexchange Transactions	0
Borrowing Losses	0
Other Costs (without reciprocals)	0
Total Federal Gross Cost	11,183,000,000
Department Total Gross Cost	65,964,000,000
Earned Revenue	
Non-Federal Earned Revenue	(67,991,000,000)
Federal Earned Revenue	
Buy/Sell Revenue	(915,000,000)
Federal Securities Interest Revenue (exchange)	(5,000,000)
Benefit Program Revenue (exchange)	0
Borrowings Gains	0
Borrowing Interest and Other Revenue (Exchange)	0
Other Revenue (without reciprocals)	(118,000,000)
Total Federal Earned Revenue	(1,038,000,000)
Department Total Earned Revenue	(69,029,000,000)
Net Cost	(3,065,000,000)

12/06/2004

U.S Department of the Treasury
Financial Management Service
Governmentwide Financial Report System

GF003-Closing Package Financial Statement Reports

Statement: STATEMENT OF CHANGES IN NET POSITION **Fiscal Year:** 2004 **Period:** QTR 4 - YTD
Type: Single **Reported In:** WHOLE DOLLARS **Decimal:** ZERO
Entity: 1800 - United States Postal Service

Amounts presented as debits and credits(-)

	FY 2004-QTR 4
Beginning Net Position	(866,000,000)
Non-Federal Prior Period Adjustments (Not Restated)	0
Federal Prior Period Adjustments (Not Restated)	0
Adjusted Beginning Net Position Balance	(866,000,000)
Non-Federal Nonexchange Revenue	
Individual Income Tax and Tax Withholdings	0
Corporation Income Taxes	0
Unemployment Taxes	0
Excise Taxes	0
Estate and Gift Taxes	0
Custom Duties	0
Other Taxes and Receipts	0
Miscellaneous Earned Revenue	0
Total Non-Federal Nonexchange Revenue	0
Federal Nonexchange Revenue	
Federal Securities Interest Revenues	0
Federal Borrowings-Interest Revenue	0
Other taxes and receipts	0
Benefit Program Revenue (nonexchange)	0
Total Federal Nonexchange Revenue	0
Budgetary Financing Sources:	
Appropriations Received	0
Unexpended Appropriations transferred in	0
Unexpended Appropriations transferred out	0
Other Adjustments (recissions, etc.)	0
Appropriations Used	0
Appropriation transfers in	0
Appropriation transfers out	0
Other Financing Sources	0
Total Budgetary Financing Sources	0
Other Financing Sources:	
Transfers-in Without Reimbursement	0
Transfers-out Without Reimbursement	0

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U.S Department of the Treasury
Financial Management Service
Governmentwide Financial Report System

GF003-Closing Package Financial Statement Reports

Statement: STATEMENT OF CHANGES IN NET POSITION **Fiscal Year:** 2004 **Period:** QTR 4 - YTD
Type: Single **Reported In:** WHOLE DOLLARS **Decimal:** ZERO
Entity: 1800 - United States Postal Service

Amounts presented as debits and credits(-)

	FY 2004-QTR 4
Imputed Financing Source	0
Total Other Financing Sources	0
Net Cost of Operations	(3,065,000,000)
Ending Net Position Balance	(3,931,000,000)

NOTES.

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 01 Summary of Significant Accounting Policies Entity: 1800 United States Postal Service Status: Complete		Fiscal Year: 2004 Period: Q4YTD
Tab: Line Item Notes		
Closing Package Line Description NONE	NB 0	Rounding Method: Millions Decimal: Zero
Line No Line Description	Variance	
Tab: Other Notes Info.		
Tab: Text Data No Data Flag: YES		
Line No 1	Question Describe any significant events that occurred after the agency audited financial statements were issued.	Answer

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 02 Cash and Other Monetary Assets: Fiscal Year: 2004 Period: Q4YTD
 Entity: 1800 United States Postal Service
 Status: Complete

Tab: Line Item Notes

Closing Package Line Description		Acct NB		2004 - Q4YTD		2003 - Q4YTD		Rounding Method: Millions	
Cash and Other Monetary Assets		D	A	5	0	1	0	Decimal: Zero	
Variance									
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes				
2	Other Cash	5	1	1	0				
3	International monetary assets								
5	Domestic monetary assets								
	Total	5	1	1	0				

Threshold

Line Description
 Line Item Notes - Other Cash (2004 - Q4YTD)
Question
 Please provide explanations for any amounts that have changed by 10% or more between the current fiscal year and prior fiscal year.
Answer
 Small balances produce large percentage fluctuations.

Tab: Other Notes Info.

Tab: Text Data
 No Data Flag: YES

Line No **Question** **Answer**
 1 Describe the nature of the amount in the line item "other cash".

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 03 Accounts Receivable Fiscal Year: 2004 Period: Q4YTD
Entity: 1800 United States Postal Service
Status: Complete

Tab: Line Item Notes

Closing Package Line Description		Acct	Rounding Method: Millions		
Line No	Line Description	NB Type	2003 - Q4YTD	2004 - Q4YTD	2003 - Q4YTD
Accounts Receivable		D A	697	832	832
		Variance	0	0	0
			Previously Rptd	Line Item Changes	
1	Accounts receivable, gross		808	938	106
2	Related interest receivable		0	0	0
3	Penalties, fines, and administrative fees receivable		0	0	0
4	Less: allowance for loss on accounts receivable		-111	-106	-106
5	Less: allowance for loss on interest receivable		0	0	0
6	Less: allowance for loss on penalties, fines, and admin. fees rec.		0	0	0
Total			697	832	0

Threshold
Line Description
Line Item Notes - Accounts receivable, gross (2004 - Q4YTD)

Question
Please provide explanations for any amounts that have changed by 10% or more between the current fiscal year and prior fiscal year.

Answer
Increase in settlements with foreign countries.

Tab: Other Notes Info.

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U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report

Note: 03	Accounts Receivable	Fiscal Year: 2004	Period: Q4YTD
Entity: 1800	United States Postal Service		
Status: Complete			
Tab: Text Data			
Line No	Question	Answer	
1	Describe the method(s) used to calculate the allowances.	We provide an allowance for doubtful accounts in our outstanding receivables based on our collection history and an estimate of uncollectible accounts.	

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 04A Direct Loans and Loan Guarantees: Fiscal Year: 2004 Period: Q4YTD
 Entity: 1800 United States Postal Service
 Status: Complete

Tab: Line Item Notes

Line No	Line Description	CY: Face Value of Loans Outstanding	CY: Long-Term Cost of Loans	CY: Net Loans Receivable	PY: Face Value of Loans Outstanding	PY: Long-Term Cost of Loans	PY: Net Loans	Closing Package Line Description		Rounding Method: Millions	
								Loans Receivable	Variance	2003 - Q4YTD	2004 - Q4YTD
10	Agricultural Credit Insurance Fund										
13											
14											
15											
16											
17	Other Direct Loans Total										

Tab: Other Notes Info.

Line No	Line Description	CY Loans Disbursed	PY Loans Disbursed	CY Subsidy Expense	PY Subsidy Expense	No Data Flag: YES	Rounding Method: User-Defined	Decimal: User-Defined	Line NB Attributes
13									Dollars Debit
14									Dollars Debit
15									Dollars Debit
16									Dollars Debit
17	Other Direct Loans								Dollars Debit

12/06/2004 14:39:18

**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 04A Direct Loans and Loan Guarantees: Period: Q4YTD
 Entity: 1800 United States Postal Service Fiscal Year: 2004
 Status: Complete

Tab: Other Notes Info.

Section: B	Section Name: Reconciliation Schedule for Subsidy Cost Allowance Balance - Direct Loans	No Data Flag: YES	Rounding Method: User-Defined	Decimal: User-Defined			
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB
1	Beginning balance of the subsidy cost allowance					Dollars	Debit
2	Interest rate differential cost					Dollars	Debit
3	Default costs (net of operations)					Dollars	Debit
4	Fees and other collections					Dollars	Debit
5	Other subsidy costs					Dollars	Debit
6	Total of the above subsidy expense components					Dollars	Debit
7	Loan modifications					Dollars	Debit
8	Fees received					Dollars	Debit
9	Foreclosed property acquired					Dollars	Debit
10	Loans written off					Dollars	Debit
11	Subsidy allowance amortization					Dollars	Debit
12	Other					Dollars	Debit
13	Ending balance of the subsidy cost allowance before reestimates					Dollars	Debit
14	Interest rate reestimate					Dollars	Debit
15	Technical/default reestimate					Dollars	Debit
16	Total of the above reestimate components					Dollars	Debit
17	Ending balance of the subsidy cost allowance					Dollars	Debit

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 04A Direct Loans and Loan Guarantees: Fiscal Year: 2004 Period: Q4YTD
 Entity: 1800 United States Postal Service
 Status: Complete

Tab: Other Notes Info.

Section: C		Section Name: Subsidy Rates for Direct Loans		No Data Flag: YES					
Line No	Line Description	CY Interest	PY Interest	CY Defaults	PY Defaults	CY Fees and other collections	PY Fees and other collections	Line Attributes	NB
13								Percent	N/A
14								Percent	N/A
15								Percent	N/A
16								Percent	N/A
17	Other Subsidy Rates for Direct Loans							Percent	N/A
Line No	Line Description	CY Other	PY Other	CY Total	PY Total	CY Loan Modification	PY Loan Modification	Line Attributes	NB
13								Percent	N/A
14								Percent	N/A
15								Percent	N/A
16								Percent	N/A
17	Other Subsidy Rates for Direct Loans							Percent	N/A

Section: D		Section Name: Foreclosed assets- Number of units (SFFAS No. 3, par. 91)		No Data Flag: YES			
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB
1	Number of properties in the foreclosure process					Units	N/A
2	Number of properties held					Units	N/A
3	Average holding period for properties held					Units	N/A

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 04A Direct Loans and Loan Guarantees: Period: Q4YTD
Entity: 1800 United States Postal Service Fiscal Year: 2004
Status: Complete

Tab: Other Notes Info.

Section: E	Section Name: Foreclosed Assets- Balances (SFFAS No. 3, par. 91)	No Data Flag: YES	Rounding Method: User-Defined	Decimal: User-Defined		
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line NB Attributes
1	Balances for property held Pre 1992					Debit Dollars
2	Balances for property held Post 1991					Debit Dollars

Tab: Text Data

Line No	Question	Answer
1	Basis for recognizing a gain or loss	
2	Nature of modifications	
3	Restrictions on the use/disposal of foreclosed property	
4	Valuation basis for foreclosed property	
5	Changes from prior year's accounting method, if any	
6	For significant fluctuations in subsidy rates, provide analysis that explains the underlying causes for the fluctuations (SFFAS No. 18, par. 11)	
7	For significant and measurable effect on subsidy rates, subsidy expenses and subsidy reestimates provide explanation of events and changes in economic conditions, other risk factors, legislation, credit policies and subsidy estimation methodologies a	
8	For changes in legislation or credit policies include changes in borrowers' eligibility, the levels of fees or interest rates charges to borrowers, the maturity of loan terms, and the percentage of a private loan (SFFAS No. 18, par.11).	
9	For changes whose effects are not measurable at the reporting date provide a disclosure that includes events and changes at the reporting date that have occurred and are more likely than not to have a significant impact (SFFAS No. 18, par.11)	

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 04B Loan Guarantees Fiscal Year: 2004 Period: Q4YTD
Entity: 1800 United States Postal Service
Status: Complete

Tab: Line Item Notes

Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes
13	Closing Package Line Description				
14	Loan Guarantee Liabilities				
15					
16					
17	Other Loan Guarantees				
	Total				

Tab: Other Notes Info.

Section: A	Section Name: Other Related Information	No Data Flag: YES	Rounding Method: Millions	Decimal: Zero			
Line No	Line Description	CY Face Value of Loans Outstanding	PY Face Value of Loans Outstanding	PY Amount Guaranteed by the Government	CY Loans Disbursed	PY Loans Disbursed	Line NB Attributes
13							Dollars Credit
14							Dollars Credit
15							Dollars Credit
16							Dollars Credit
17	Other Loan Guarantees						Dollars Credit

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 04B Loan Guarantees
Entity: 1800 United States Postal Service
Status: Complete
Fiscal Year: 2004
Period: Q4YTD

Tab: Other Notes Info.

Section: B	Section Name: Reconciliation of Loan Guarantee Liability Balances	No Data Flag: YES	Rounding Method: User-Defined	Decimal: User-Defined			
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB
1	Beginning balance of the loan guarantee liability					Dollars	Credit
2	Interest supplement costs					Dollars	Debit
3	Default costs (net of recoveries)					Dollars	Debit
4	Fees and other collections					Dollars	Credit
5	Other subsidy costs					Dollars	Debit
6	Total of the above subsidy expense components					Dollars	Debit
7	Loan guarantee modifications					Dollars	Credit
8	Fees received					Dollars	Credit
9	Interest supplements paid					Dollars	Debit
10	Foreclosed property and loans acquired					Dollars	Debit
11	Claim payments to lenders					Dollars	Debit
12	Interest accumulation on the liability balance					Dollars	Debit
13	Other Loan Guarantees					Dollars	Debit
14	Ending balance of the loan guarantee before reestimates					Dollars	Credit
15	Interest rate reestimate					Dollars	Debit
16	Technical/default reestimate					Dollars	Debit
17	Total of the above reestimate					Dollars	Debit

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 04B	Loan Guarantees	Fiscal Year: 2004	Period: Q4YTD
Entity: 1800	United States Postal Service		
Status: Complete			

Tab: Other Notes Info.

Section: B	Section Name: Reconciliation of Loan Guarantee Liability Balances	No Data Flag: YES	Rounding Method: User-Defined	Decimal: User-Defined
components				Dollars
18	Ending balance of loan guarantee liability			Debit

Section: C		Section Name: Subsidy Rates for Loan Guarantees						No Data Flag: YES	
Line No	Line Description	CY Interest Supplements	PY Interest Supplements	CY Defaults	PY Defaults	CY Fees and other collections	PY Fees and other collections	Line Attributes	NB
13								Percent	N/A
14								Percent	N/A
15								Percent	N/A
16								Percent	N/A
17								Percent	N/A
								Line Attributes	NB
13								Percent	N/A
14								Percent	N/A
15								Percent	N/A
16								Percent	N/A
17								Percent	N/A

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 04B Loan Guarantees Fiscal Year: 2004 Period: Q4YTD
Entity: 1800 United States Postal Service
Status: Complete

Tab: Other Notes Info.

Section: D	Section Name: Foreclosed Assets - Units		No Data Flag: YES
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD
1	Number of properties in the foreclosure process		
2	Number of properties held		
3	Average holding period for properties held		

Section: E	Section Name: Foreclosed Assets - Balances		No Data Flag: YES	Rounding Method: User-Defined	Decimal: User-Defined
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Line Item Changes	Line Attributes
1	Balances for property held Pre 1992				Dollars Debit
2	Balances for property held Post 1991				Dollars Debit

Tab: Text Data

Line No	Question	Answer
1	Describe the restrictions on the use/disposal of foreclosed property.	
2	Describe the valuation basis for foreclosed property.	
3	Disclose any changes from prior year's accounting method for foreclosed assets.	
4	Provide an analysis that explains the underlying causes for the significant fluctuations in subsidy rates.	
5	Provide an explanation of events and changes in economic conditions, other risk factors, legislation, credit policies and subsidy estimation methodologies and assumptions for significant and measurable effect on subsidy rates, subsidy expenses and su	
6	Provide the changes in borrowers' eligibility, the levels of fees or interest rate charges to borrowers, the maturity of loan terms, and the percentage of a private loan for changes in legislation or credit policies (SFFAS No. 18, par. 11)	

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Note: 04B	Loan Guarantees	Fiscal Year: 2004	Period: Q4YTD
Entity: 1800	United States Postal Service		
Status: Complete			
Tab: Text Data			
Line No	Question	Answer	
7	Provide a disclosure that includes events and changes at the reporting date that have occurred and are more likely than not to have a significant impact for changes whose effects are not measurable at the reporting date. (SFFAS No. 18, par. 1J)		

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Note: 06 Inventories and Related Property
Entity: 1800 United States Postal Service
Status: Complete
Fiscal Year: 2004 Period: Q4YTD

Closing Package		Line Description		Acct	2003 - Q4YTD	2004 - Q4YTD	2003 - Q4YTD	2004 - Q4YTD	2003 - Q4YTD	Line Item Changes
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	NB	2003 - Q4YTD	2004 - Q4YTD	2003 - Q4YTD	2004 - Q4YTD	Previously Rptd	Line Item Changes
Inventory and Related Property		Inventory and Related Property		Type	Millions	Millions	Millions	Millions	Millions	Millions
				D	0	0	0	0	0	0
				A	0	0	0	0	0	0
				Variance	0	0	0	0	0	0
1	Inventory purchased for sale									
2	Inventory held in reserve for future sale to the public									
3	Inventory held for repair									
4	Inventory - excess, obsolete, and unserviceable									
5	Operating materials and supplies held for use									0
6	Operating materials and supplies held in reserve for future use									
7	Operating materials and supplies excess, obsolete, and unserviceable									
8	Stockpile materials									
9	Stockpile materials held for sale									
10	Forfeited property									
11	Other related property									
12	Total allowance for inventories and related property									
Total										0

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Note: 05		Inventories and Related Property		Fiscal Year: 2004		Period: Q4YTD	
Entity: 1800		United States Postal Service					
Status: Complete							
Tab: Other Notes Info.							
Section: A	Section Name:	Inventory - Other Information	No Data Flag: YES	Previously Rptd	Line Item Changes	Decimal: User-Defined	Line NB
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD				Attributes Dollars Debit
1	Difference between stockpile material carrying amount and estimated selling price						Dollars Debit
2	Difference between excess, obsolete, or unserviceable material carrying amount and estimated selling price						Dollars Debit
3	Amount of inventory revalued by holding gains and losses						Dollars Debit
4	Seized property						Dollars Debit
Section: B	Section Name:	Seized Property: Analysis of change in dollar value	No Data Flag: YES	Previously Rptd	Line Item Changes	Decimal: User-Defined	Line NB
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD				Attributes Dollars Debit
1	Beginning of year						Dollars Debit
2	Seized during the year						Dollars Debit
3	Disposed of during the year						Dollars Debit

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Note: 06 Inventories and Related Property
Entity: 1800 United States Postal Service
Status: Complete
Fiscal Year: 2004 Period: Q4YTD

Tab: Other Notes Info.

Section: C		Section Name: Seized property: Number of seized property		No Data Flag: YES	
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes
1	Beginning of year				NB Units
2	Seized during the year				N/A Units
3	Disposed of during the year				N/A Units

Section: D		Section Name: Forfeited Property - Analysis of change in dollar value		No Data Flag: YES		Rounding Method: User-Defined		Decimal: User-Defined	
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB	Debit	Debit
1	Beginning of year					Dollars			
2	Additions during the year					Dollars			
3	Disposed of during the year					Dollars			

Section: E		Section Name: Forfeited Property : Number of forfeitures		No Data Flag: YES	
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes
1	Beginning of year				NB Units
2	Additions during the year				N/A Units
3	Disposed of during the year				N/A Units

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Note: 06 Inventories and Related Property
Entity: 1800 United States Postal Service
Status: Complete
Fiscal Year: 2004
Period: Q4YTD

Tab: Other Notes Info.

Section:	F	Section Name:	Goods held under price support and stabilization programs: Change in Dollar Value (SFFAS No. 3, par. 108-109)	No Data Flag:	YES	Rounding Method:	User-Defined	Decimal:	User-Defined
Line Line Description									
No		2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes			Line NB	Attributes
1	Beginning of year							Dollars	Debit
2	Acquired during the year							Dollars	Debit
3	Disposed of during the year							Dollars	Debit
Section: G		Section Name:	Goods held under price support and stabilization programs: Volume of goods	No Data Flag:	YES				
Line Line Description									
No		2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes			Line NB	Attributes
1	Beginning of year							Units	N/A
2	Acquired during the year							Units	N/A
3	Disposed of during the year							Units	N/A
Section: H		Section Name:	Goods held under price support and stabilization programs: Other information	No Data Flag:	YES				
Line Line Description									
No		2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes			Line NB	Attributes
1	Estimate to be donated or transferred, received as a result of surrender of collateral related to nonrecourse loans							Dollars	Debit
2	Goods received as a result of surrender of							Dollars	Debit

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Note: 06 Inventories and Related Property Entity: 1800 United States Postal Service Status: Complete		Fiscal Year: 2004	Period: Q4YTD
Tab: Other Notes Info.			
Section: H	Section Name: Goods held under price support and stabilization programs: Other information	No Data Flag: YES	Rounding Method: User-Defined Decimal: User-Defined
collateral related to nonrecourse loans outstanding			Dollars Debit
3 Dollar value of purchase commitments			Dollars Debit
4 Contingent loss if it is at least reasonably possible			
Section: I	Section Name: Forfeited property by type	No Data Flag: YES	Rounding Method: User-Defined Decimal: User-Defined
Line No	Line Description	2003 - Q4YTD	2004 - Q4YTD
1	Estimates of value to be distributed to other Federal agencies or State and local governments	Previously Rptd	Line Item Changes
			Line NB Attributes Dollars Debit
Section: J	Section Name: Goods held under price support and stabilization programs: Volume	No Data Flag: YES	
Line No	Line Description	2003 - Q4YTD	2004 - Q4YTD
1	Volume of purchase commitments	Previously Rptd	Line Item Changes
			Line NB Attributes Units N/A

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Note: 06		Inventories and Related Property	Fiscal Year: 2004	Period: Q4YTD
Entity: 1800		United States Postal Service		
Status: Complete				
Tab: Text Data				
Line No	Question	No Data Flag: YES		
1	Enter the following information as it relates to inventory by each category (SFFAS No. 3): Method used to calculate allowance			
2	Enter the following information as it relates to inventory by each category (SFFAS No. 3): Restrictions on inventory			
3	Enter the following information as it relates to inventory by each category (SFFAS No. 3): Changes from prior year's accounting method, if any			
4	Enter the following information as it relates to inventory by each category (SFFAS No. 3): Basis for valuation			
5	Enter the following information as it relates to inventory by each category (SFFAS No. 3): Decision criteria for categorizing inventory			
6	Enter the following information as it relates to inventory by each category (SFFAS No. 3): Any changes in criteria for categorizing inventory			
7	Enter the following information as it relates to seized property by type or method of disposal (SFFAS No. 3 par. 66): What constitutes a seizure?			
8	Enter the following information as it relates to seized property by type or method of disposal (SFFAS No. 3 par. 66): General description of seized property			
9	Enter the following information as it relates to seized property by type or method of disposal (SFFAS No. 3 par. 66): Method of disposal			
10	Enter the following information as it relates to seized property by type or method of disposal (SFFAS No. 3 par. 66): Liens or other claims against property			
11	Enter the following information as it relates to forfeited property by type (SFFAS No. 3, par. 71 and 78): Method of disposition			
12	Enter the following information as it relates to forfeited property by type (SFFAS No. 3, par. 71 and 78): Restrictions on use or distribution			
13	Enter the following information as it relates to goods held under price support and stabilization programs (SFFAS No. 3, par. 108-109): Basis for valuing commodities including method and cost flow assumption			
14	Enter the following information as it relates to goods held under price support and stabilization programs (SFFAS No. 3, par. 108-109): Changes from prior year's accounting method, if any			
15	Enter the following information as it relates to goods held under price support and stabilization programs (SFFAS No. 3, par. 108-109): Restrictions on the use, disposal or sale			

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Note: 07		Property, Plant, and Equipment		Fiscal Year: 2004		Period: Q4YTD	
Entity: 1800		United States Postal Service					
Status: Complete							
Tab: Line Item Notes							
Closing Package Line Description							
Property, Plant and Equipment							
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	2004 - Q4YTD	Previously Rptd	2003 - Q4YTD	Line Item Changes
		Acct		Rounding Method: Millions		Decimal: Zero	
		NB					
		D A					
		Variance					
1	Buildings, structures, and facilities	20,171	19,759	19,759	19,759	0	0
2	Furniture, fixtures, and equipment	17,277	17,166	17,166	17,166	0	0
3	Construction in progress	1,792	977	977	977	0	0
4	Land	2,810	2,809	2,809	2,809	0	0
5	Automated data processing software						
6	Assets under capital lease						
7	Leasehold improvements	1,103	1,060	1,060	1,060	0	0
8	Other property, plant, and equipment						
9	Less: Accumulated depreciation, depletion, and amortization	-20,656	-18,717	-18,717	-18,717	0	0
Total		22,497	23,054	23,054	23,054	0	0
Threshold							
Line Description		Question		Answer			
Line Item Notes - Construction in progress (2004 - Q4YTD)		Please provide explanations for any amounts that have changed by 10% or more between the current fiscal year and the prior fiscal year.		Postal Service committed more money to projects in FY 04.			

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**U.S. Department of the Treasury
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Note: 07 Property, Plant, and Equipment
Entity: 1800 United States Postal Service
Status: Complete
Period: Q4YTD
Fiscal Year: 2004

Tab: Other Notes Info.

Section: A		Section Name: Accumulated Depreciation/Amortization			Rounding Method: Millions		Decimal: Zero	
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB	
1	Buildings, structures, and facilities	7,895	7,084	7,084	0	Dollars	Credit	
2	Furniture, fixtures, and equipment	12,123	11,123	11,123	0	Dollars	Credit	
3	Automated data processing software					Dollars	Credit	
4	Assets under capital lease					Dollars	Credit	
5	Leasehold improvements	638	510	510	0	Dollars	Credit	
6	Other property, plant and equipment					Dollars	Credit	

Threshold
Line Description
Other Notes Info - Leasehold improvements (2004 - Q4YTD)
Question
Please provide explanations for any amounts that have changed by 10% or more between the current fiscal year and the prior fiscal year.
Answer
We have more leasehold improvements this year.

Section: B		Section Name: Depreciation Expense and Net Gains, Losses, Deletions, Revaluations and Stewardship Reclass			Rounding Method: Millions		Decimal: Zero	
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB	
1	Depreciation Expense	2,145	2,295	2,295	0	Dollars	Debit	
2	Net Gains and Losses	71	64		64	Dollars	Debit	
3	Deletions					Dollars	Debit	
4	Revaluations					Dollars	Debit	
5	Stewardship Reclassifications					Dollars	Debit	

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Note: 07 Property, Plant, and Equipment
Entity: 1800 United States Postal Service
Status: Complete
Fiscal Year: 2004
Period: Q4YTD

Tab: Other Notes Info.

Section: C		Section Name: Estimated Useful Life		No Data Flag: YES		Line Item Changes	
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB
1	Building, structures, and facilities					Units	N/A
2	Furniture, fixtures, and equipment					Units	N/A
3	Construction in progress					Units	N/A
4	Land					Units	N/A
5	Automated data processing software					Units	N/A
6	Assets under capital lease					Units	N/A
7	Leashold improvements					Units	N/A
8	Other property, plant, and equipment					Units	N/A
9	If useful life is a range, please enter info. on Text Data tab					Units	N/A

Section: D		Section Name: Capitalization Threshold		Rounding Method: Millions		Decimal: Zero	
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB
1	Buildings, structures, and facilities					Dollars	Debit
2	Furniture, fixtures, and equipment					Dollars	Debit
3	Construction in progress					Dollars	Debit
4	Land					Dollars	Debit
5	Automated data processing	5	5		5	Dollars	Debit

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Note: 07 Property, Plant, and Equipment Fiscal Year: 2004 Period: Q4YTD
Entity: 1800 United States Postal Service
Status: Complete

Tab: Other Notes Info.

Section: D	Section Name: Capitalization Threshold	Rounding Method: Millions	Decimal: Zero
software			
6 Assets under capital lease			Dollars Debit
7 Leashold improvements			Dollars Debit
8 Other property, plant, and equipment			Dollars Debit

Tab: Text Data

Line No	Question	Answer
1	Provide the method of amortization and depreciation for each category/class of property, plant, and equipment (SFFAS No. 6, par 45, 94-98, 107-111, and 118).	Straight line for all assets with a life range of 3 - 75 years.
2	Explain any changes from prior year's capitalization threshold, if any for each category/class of property, plant, and equipment (SFFAS No. 6, par 45, 94-98, 107-111, and 118).	n/a
3	Disclose any restrictions on the use or convertibility of general property, plant, and equipment, if any, for each category/class of property, plant and equipment (SFFAS No. 6, par 45, 94-98, 107-111, and 118).	n/a

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Note: 08 Other Assets
Entity: 1800 United States Postal Service
Status: Complete
Fiscal Year: 2004 Period: Q4YTD

Tab: Line Item Notes

Closing Package Line Description		Acct	2004 - Q4YTD	2003 - Q4YTD	2003 - Q4YTD	Line Item Changes
Line No	Line Description	NB Type	2004 - Q4YTD	2003 - Q4YTD	2003 - Q4YTD	Line Item Changes
Other Assets		D A	168	315	0	192
Variance			0	0	0	0
1	Advances and prepayments		50	192		192
2	Securities and investments		118	123	315	-192
3	Other Assets		168	315	315	0
	Total					

Threshold

Line Description

Line Item Notes - Advances and prepayments (2004 - Q4YTD)

Question

Please provide explanations for any amounts that have changed by 10% or more between the current fiscal year and the prior fiscal year.

Answer

Reclassifications--Certain comparative prior year amounts in the financial statements and accompanying notes have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported operating income and net income.

Tab: Other Notes Info.

Tab: Text Data No Data Flag: YES

Line No

Question

1 Provide a description and related amounts for balances that exceed \$1 billion in the line titled "other" on the tab labeled "Line Item Notes".

Answer

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Note: 09		Accounts Payable		Fiscal Year: 2004		Period: Q4YTD	
Entity: 1800		United States Postal Service					
Status: Complete							
Tab: Line Item Notes							
Closing Package Line Description	Acct Type	NB	2003 - Q4YTD	2004 - Q4YTD	2003 - Q4YTD	Rounding Method: Millions	Decimal: Zero
Accounts Payable			2,517	0	3,025		
			2,517	0	3,025		
Total			-2,517	-3,025	3,510	-485	-485
Threshold							
Line Description	Question		Answer				
Line Item Notes - End of year balance (2004 - Q4YTD)	Please provide explanations for any amounts that have changed by 10% or more between the current fiscal year and the prior fiscal year.		Reclassifications--Certain comparative prior year amounts in the financial statements and accompanying notes have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reporting operating income and net income.				
Tab: Other Notes Info.							

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Note: 10B Treasury securities held by the Government trust, revolving, and special funds
 Entity: 1800 United States Postal Service
 Status: Complete
 Fiscal Year: 2004 Period: Q4YTD

Tab: Line Item Notes

Closing Package Line Description	Acct NB Type	Variance	Rounding Method: Millions	Decimal: Zero
NONE	0		0	
Line No	Line Description			

Tab: Other Notes Info.

Section: A	Section Name: Investments in Federal Debt securities	Rounding Method: Millions	Decimal: Zero
Line No	Line Description	Investments in Federal debt securities-par	Unamortized discounts
16	All other programs and funds	1,283	Unamortized prem
			Line NB Attributes Dollars Debit

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Note: 11 Federal Employee and Veteran Benefits Payable Fiscal Year: 2004 Period: Q4YTD
 Entity: 1800 United States Postal Service
 Status: Complete

Tab: Line Item Notes

Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes
1	Pension				
2	Post-retirement health benefits				
3	Veteran's compensation and burial benefits	7,062	7,021	7,021	0
4	Liability for other benefits	-7,062	-7,021	-7,021	0
	Total				

Tab: Other Notes Info.

Section: A	Section Name: Pension Liability-To be completed for the amount entered for pension in the "Line Item Notes" tab	No Data Flag: YES	Rounding Method: Millions	Decimal: Zero		
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line NB Attributes
1	Actuarial accrued pension liability - beginning of period					Dollars Credit
2	Adjustments to beginning balance					Dollars Credit
3	Plan amendment liability					Dollars Credit
4	Assumption change liability					Dollars Credit
5	Normal costs					Dollars Credit
6	Interest on liability					Dollars Credit
7	Prior (or past) service cost					Dollars Credit
8	Actuarial (gains)/losses					Dollars Credit

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Note: 11 Federal Employee and Veteran Benefits Payable
Entity: 1800 United States Postal Service
Status: Complete
Tab: Other Notes Info.

Fiscal Year: 2004
Period: Q4YTD

Section: A **Section Name:** Pension Liability-To be completed for the amount entered for pension in the "Line Item Notes" tab **No Data Flag:** YES **Rounding Method:** Millions **Decimal:** Zero

9 Total pension expense	Dollars	Credit
10 Less: benefits paid	Dollars	Debit
11 Actuarial accrued pension liability - end of period	Dollars	Credit

Section: B **Section Name:** Pension Liability Significant Assumptions **No Data Flag:** YES

Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Line Attributes	NB
1	Rate of interest			Percent	N/A
2	Rate of inflation			Percent	N/A
3	Projected salary increases			Percent	N/A

Section: C **Section Name:** To be completed for the amount entered for Post Retirement Health Benefits: **No Data Flag:** YES **Rounding Method:** Millions **Decimal:** Zero

Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB
1	Actuarial accrued post-retirement health benefits liability - beginning of period					Dollars	Credit
2	Adjustments to beginning balance					Dollars	Credit
3	Normal costs					Dollars	Credit
4	Interest on liability					Dollars	Credit
5	Actuarial					Dollars	Credit

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Note: 11 Federal Employee and Veteran Benefits Payable
Entity: 1800 United States Postal Service
Status: Complete
Fiscal Year: 2004
Period: Q4YTD

Tab: Other Notes Info.

Section: C	Section Name:	To be completed for the amount entered for Post Retirement Health Benefits:	No Data Flag: YES	Rounding Method: Millions	Decimals: Zero
(gains)/losses					
6 Total post-retirement health benefits expense					Dollars Credit
7 Less: claims paid					Dollars Debit
8 Actuarial accrued post-retirement health benefits liability - end of period					Dollars Credit
Section: D	Section Name:	Post Retirement Health Significant Assumptions	No Data Flag: YES		
Line No	Description	2004 - Q4YTD	2003 - Q4YTD	Line Attributes	NB
1	Rate of interest			Percent	N/A
2	Rate of health care cost inflation			Percent	N/A
Section: F	Section Name:	Other Related Information	No Data Flag: YES	Rounding Method: Millions	Decimals: Zero
Line No	Description	2004 - Q4YTD	2003 - Q4YTD	Line Item Changes	NB
1	Non-marketable Treasury securities held by Thrift Savings Plan (TSP) Fund				Dollars Debit
2	Market value of pension of other retirement and benefits (ORB) investments and				Dollars Debit

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Note: 11 Federal Employee and Veteran Benefits Payable Fiscal Year: 2004 Period: Q4YTD
 Entity: 1800 United States Postal Service
 Status: Complete

Tab: Other Notes Info.

Section: F	Section Name: Other Related Information	No Data Flag: YES	Rounding Method: Millions	Decimal: Zero
	other market-based and market securities			

Tab: Text Data

Line No	Question	No Data Flag: YES	Answer
1	Provide the following information as it related to future policy benefits for Whole Life Insurance (SFFAS No. 5, par 117 and 121). Components of liability for future benefits, explanation of its projected use, and any other potential use.		
2	For pension plans that differ from the Civil Service Retirement System (CSRS), the Federal Employee Retirement System (FERS), and the Military Retirement System (MRS), describe assumptions used (SFFAS 5, par 67)		
3	Provide the long-term projection (25 years) of the significant assumptions used in determining pension liability and the related expense.		
4	Provide the long-term projection (25 years) of the significant assumptions used in determining the post-retirement health benefits liability and the related expense.		

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Note: 12 Environmental and Disposal Liabilities Fiscal Year: 2004 Period: Q4YTD
Entity: 1800 United States Postal Service
Status: Complete

Tab: Line Item Notes

Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	2003 - Q4YTD	2004 - Q4YTD	2003 - Q4YTD	2004 - Q4YTD	2003 - Q4YTD	Line Item Changes
1	Closing Package Line Description									
2	Environmental and Disposal Liabilities									
3										
4										
5										
6	Other Environmental and Disposal Liabilities									
	Total									

Tab: Other Notes Info.

Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line NB Attributes
1	Amount of operating and capital expenditures used to remediate legacy waste					Debit
2	Unrecognized portion of estimated total cleanup costs associated with general property, plant, and equipment					Debit
3	Estimated cleanup costs when general property, plant and					Debit

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Note: 12 Environmental and Disposal Liabilities
Entity: 1800 United States Postal Service
Status: Complete
Fiscal Year: 2004 Period: Q4YTD

Tab: Other Notes Info.

Section: A	Section Name: Other Related Information	No Data Flag: YES	Rounding Method: Millions	Decimal: Zero
4	equipment is placed into service Changes in total estimated cleanup costs due to changes in law and technology 5 Portion of the change in estimated costs due to changes in law and technology that is related to prior periods			Dollars Debit Dollars Debit

Tab: Text Data

Line No	Question	No Data Flag: YES	Answer
1	Describe the method for assigning estimated cleanup cost to operating periods		
2	Provide the formulation of estimates regarding possible changes to cleanup costs due to inflation, deflation, technology, or applicable laws and regulations		
3	List the applicable laws and regulations covering cleanup requirements		
4	Provide a description of type of environmental and disposal liabilities identified.		

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Note: 13		Benefits Due and Payable		Fiscal Year: 2004		Period: Q4YTD	
Entity: 1800		United States Postal Service					
Status: Complete							
Tab: Line Item Notes							
Closing Package Line Description		Acct		2003 - Q4YTD		2004 - Q4YTD	
Benefits Due and Payable		Type		Rounding Method: Millions		Decimal: Zero	
		NB		C		L	
		Variance		Previously Rptd		Line Item Changes	
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes		
9	Other Benefits Due and Payable						
10							
11							
12							
	Total						
Tab: Other Notes Info.							

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**U.S. Department of the Treasury
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Note: 14 Other Liabilities Fiscal Year: 2004 Period: Q4YTD
Entity: 1800 United States Postal Service
Status: Complete

Tab: Line Item Notes

Line No	Line Description	2004 - Q4YTD		2003 - Q4YTD		Previously Rptd	2003 - Q4YTD	2004 - Q4YTD	2003 - Q4YTD	Rounding Method: Millions	Decimal: Zero
		397	2,043	397	1,994						
1	Insurance programs										
2	Deferred revenue			397	387						387
3	Accrued wages and benefits		2,043		1,994						1,994
5	Other debt										
7	Deposited funds and undeposited collections										
8	Advances from foreign government										
9	Contractual services										
11	Advances from others										
12	Capital lease liability										
13	Accrued grant liability										
14	Carriers claim payable										
15	Federal aid highway grant accruals										
16	Nuclear waste fund										
17	Other Liabilities	1,321			1,151						1,151
18	Compensation and benefits	1,692			1,372			7,401			-6,029
19	Estimated prepaid postage	1,256			1,349						1,349
20	Customers deposit accounts	1,606			1,566						1,566
21	Outstanding postal money orders	767			768						768
	Total	-9,082			-8,587			-7,401			1,186

Threshold

Line Description	Question	Answer
Line Item Notes - Other Liabilities (2004 - Q4YTD)	Please enter a description for any amounts over \$50 million.	Reclassifications - Certain comparative prior year amounts in the financial statements and accompanying notes have been reclassified to conform to current year presentation. These reclassifications had no effect on previously reported operating income and net income.

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U.S. Department of the Treasury
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GF006 - FR Notes Detail Report

Note: 14 Other Liabilities Fiscal Year: 2004 Period: Q4YTD Entity: 1800 United States Postal Service Status: Complete	
Threshold	
Line Description	Question
Line Item Notes - Compensation and benefits (2004 - Q4YTD)	Please provide explanations for any amounts that have changed by 10 percent or more between the current fiscal year and prior fiscal year.
	Answer Reclassifications--Certain comparative prior year amounts in the financial statements and accompanying notes have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported operating income and net income.
Tab: Other Notes Info.	
Tab: Text Data No Data Flag: YES	
Line No	Question
1	Provide a description and related amounts for balances that exceed \$2 billion for line items where amounts were entered on lines 18 - 21 on the tab titled "Line Item Notes".
	Answer

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U.S. Department of the Treasury
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Note: 16 Prior-Period Adjustments Fiscal Year: 2004 Period: Q4YTD
Entity: 1800 United States Postal Service
Status: Complete

Tab: Other Notes Info.

Section: A	Section Name: Prior Period Adjustments	No Data Flag: YES	Rounding Method: Millions	Decimal: Zero	Line NB Attributes Dollars Credit
2004 - Q4YTD					
Line No	Line Description				
1	Amounts that adjusted CY beginning net position - for change in accounting principles				
2	Amounts that adjusted CY beginning net position - for correction of errors in PP not restated				Dollars Credit

Tab: Text Data No Data Flag: YES

Line No	Question	Answer
1	Describe the adjustments to beginning net position that resulted from changes in accounting principles and all corrections of errors that were not restated.	
2	List the line items that were restated and the amount they were restated by, for all corrections of errors restated.	
3	Describe the corrections of error that were restated.	

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**U.S. Department of the Treasury
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Note: 17 Contingencies
Entity: 1800 United States Postal Service
Status: Complete
Fiscal Year: 2004
Period: Q4YTD

Tab: Other Notes Info.

Section: A	Section Name: Insurance, civil litigation, and environmental litigation	No Data Flag: YES	Rounding Method: Millions	Decimal: Zero			
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB
1	Insurance contingencies					Dollars	Credit
2	Civil litigation, claims, and assessments					Dollars	Credit
3	Environmental litigation, claims, and assessments					Dollars	Credit

Section: B	Section Name: Insurance in force	No Data Flag: YES	Rounding Method: Millions	Decimal: Zero			
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB
1						Dollars	Credit
2						Dollars	Credit
3						Dollars	Credit
4						Dollars	Credit
5						Dollars	Credit

Section: C	Section Name: Other contingencies	No Data Flag: YES	Rounding Method: Millions	Decimal: Zero			
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD	Previously Rptd	Line Item Changes	Line Attributes	NB
1	Contractual Labor Cases & Other Contingencies	415	501		501	Dollars	Credit
2						Dollars	Credit
3						Dollars	Credit
4						Dollars	Credit
5						Dollars	Credit

Threshold Line Description	Question	Answer

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U.S. Department of the Treasury
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GF006 - FR Notes Detail Report

Note: 17 Contingencies Fiscal Year: 2004 Period: Q4YTD
Entity: 1800 United States Postal Service
Status: Complete

Tab: Other Notes Info.

Section: C	Section Name: Other contingencies	Rounding Method: Millions	Decimal: Zero
Threshold			
Line Description		Answer	
Other Notes Info - Contractual Labor Cases & Other Contingencies (2004 - Q4YTD)	<p>Please provide explanations for any amounts that have changed by 10 percent or more between current fiscal year and prior fiscal year.</p>	<p>As part of our continuing evaluation of estimates required in the preparation of management's financial statements, we recorded a decrease in the contingent liabilities balance in FY 04.</p>	

Tab: Text Data

Line No	Question	Answer
1	Provide the range of loss for probable liabilities (SFFAS No. 5, par. 39).	This was in the legal letter provided to OMB
2	Provide the range of loss for reasonably possible contingencies (SFFAS No. 5, par. 40 - 41).	N/A
3	Provide the nature for each contingency you entered in sections A, B and C.	This was in the legal letter provided to OMB
4	Provide a statement if the estimate of loss cannot be made.	n/a
5	Provide a description of the risk insurance programs that you have in force.	The Postal Service is self-insured

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**U.S. Department of the Treasury
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GF006 - FR Notes Detail Report**

Note: 18	Commitments	Fiscal Year: 2004	Period: Q4YTD
Entity: 1800	United States Postal Service		
Status: Complete			

Tab: Other Notes Info.

Section: A		Section Name: Capital leases			Rounding Method: Millions		Decimal: Zero	
Line No	Line Description	CY Federal	CY Non-Federal	PY Federal	PY Non-Federal	Line Attributes	NB	
1	Capital leases		847		963	Dollars	Credit	
2						Dollars	Credit	
3						Dollars	Credit	
4						Dollars	Credit	
5						Dollars	Credit	
6	Accumulated depreciation/amortization		259		259	Dollars	Credit	
7	Net assets under capital leases		588		704	Dollars	Debit	
Threshold								
Line Description								
Other Notes Info - Capital leases (CY Non-Federal)							Answer	
		Please provide explanations for any amounts that have changed by 10 percent or more between the current fiscal year and prior fiscal year.					Conversion of leases.	
Other Notes Info - Net assets under capital leases (CY Non-Federal)							Answer	
		Please provide explanations for any amounts that have changed by 10 percent or more between the current fiscal year and prior fiscal year.					Conversion of leases.	
Section: B		Section Name: Capital leases - other			Rounding Method: Millions		Decimal: Zero	
Line No	Line Description	CY Federal	CY Non-Federal	PY Federal	PY Non-Federal	Line Attributes	NB	
1	Future minimum lease programs					Dollars	Credit	
2	Imputed interest					Dollars	Credit	
3	Executory costs including any profit					Dollars	Credit	
4	Total capital lease liability		694		742	Dollars	Credit	

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**U.S. Department of the Treasury
Financial Management Service
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GF006 - FR Notes Detail Report**

Note: 18		Commitments		Fiscal Year: 2004		Period: Q4YTD	
Entity: 1800		United States Postal Service					
Status: Complete							
Tab: Other Notes Info.							
Section: C		Section Name: Commitments: Operating leases and undelivered orders		Rounding Method: Millions		Decimal: Zero	
Line No	Line Description	CY Federal	CY Non-Federal	PY Federal	PY Non-Federal	Line Attributes	NB
1	Operating leases		9,641		8,668	Dollars	Credit
2	Undelivered orders					Dollars	Credit
Section: D							
Section Name: Other Commitments		No Data Flag: YES		Rounding Method: User-Defined		Decimal: User-Defined	
Line No	Line Description	CY Federal	CY Non-Federal	PY Federal	PY Non-Federal	Line Attributes	NB
1						Dollars	Credit
2						Dollars	Credit
3						Dollars	Credit
4						Dollars	Credit
5						Dollars	Credit
Section: E							
Section Name: Risk assumed		No Data Flag: YES		Rounding Method: Millions		Decimal: Zero	
Line No	Line Description	2004 - Q4YTD	2003 - Q4YTD			Line Attributes	NB
1	Risk assumed from insurance and guarantee programs					Dollars	Credit

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 18	Commitments	Fiscal Year: 2004	Period: QAYTD
Entity: 1800	United States Postal Service		
Status: Complete			
Tab: Text Data			
	No Data Flag: YES		
Line No	Question	Answer	
1	Provide the indicators of the range of uncertainty around insurance related estimates and sensitivity of the estimates to changes in major assumptions.		
2	Provide a statement if the estimate of possible liability cannot be made.		
3	Provide a description of the lessee's leasing arrangements including the basis on which contingent rental payments are determined, the existence and terms of renewal or purchase options, escalation clauses and restrictions imposed by lease agreement.		

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 19	Dedicated Collections	Fiscal Year: 2004	Period: Q4YTD
Entity: 1800	United States Postal Service		
Status: Complete			

Tab: Other Notes Info.

Section: A		Section Name: Assets - Current Year		No Data Flag: YES		Rounding Method: User-Defined		Decimal: User-Defined	
Line No	Line Description	Inv. in Fed debt securities - net	Fund balance with Treasury	Other Fed assets	Non-Federal assets	Total assets	Line Attributes	NB	
14							Dollars	Debit	
15							Dollars	Debit	
16							Dollars	Debit	

Section: B		Section Name: Assets - Prior year		No Data Flag: YES		Rounding Method: User-Defined		Decimal: User-Defined	
Line No	Line Description	Inv. in Fed Debt Sec. - net	Fund balance with Treasury	Other Federal assets	Non-Federal assets	Total assets	Line Attributes	NB	
14							Dollars	Debit	
15							Dollars	Debit	
16							Dollars	Debit	

Section: C		Section Name: Liabilities - Current Year		No Data Flag: YES		Rounding Method: User-Defined		Decimal: User-Defined	
Line No	Line Description	Liability due and payable to beneficiaries	Other liabilities	Total liabilities			Line Attributes	NB	
14							Dollars	Credit	
15							Dollars	Credit	
16							Dollars	Credit	

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 19		Dedicated Collections		Fiscal Year: 2004		Period: Q4YTD	
Entity: 1800		United States Postal Service					
Status: Complete							
Tab: Other Notes Info.							
Section: D		Section Name: Liabilities - Prior Year		No Data Flag: YES		Rounding Method: User-Defined	
Line No	Line Description	Liability due and payable to beneficiaries	Other liabilities	Total liabilities		Line Attributes	NB
14						Dollars	Credit
15						Dollars	Credit
16						Dollars	Credit
Section: E							
Section Name: Current Year - Revenue, financing, expenses, and other		No Data Flag: YES		Rounding Method: User-Defined		Decimal: User-Defined	
Line No	Line Description	Beginning net position	Exchange revenue - Federal	Exchange revenue - the public	Nonexchange revenue - Federal	Nonexchange revenue - with the public	Other financing sources
14							Dollars Debit
15							Dollars Debit
16							Dollars Debit
Line No	Line Description	Other changes in fund balance	Program expenses	Other expenses	Ending Net Position		Line Attributes
14							Dollars Debit
15							Dollars Debit
16							Dollars Debit
Section: F							
Section Name: Prior Year - Revenue, financing, expenses, and other		No Data Flag: YES		Rounding Method: User-Defined		Decimal: User-Defined	
Line No	Line Description	Beginning net position	Exchange revenue - Federal	Exchange revenue - the public	Nonexchange revenue - Federal	Nonexchange revenue - with the public	Other financing sources
14							Dollars Debit
15							Dollars Debit
16							Dollars Debit
Line No	Line Description	Other changes in fund balance	Program expenses	Other expenses	Ending net position		Line Attributes
14							Dollars Debit
15							Dollars Debit
16							Dollars Debit

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**U.S. Department of the Treasury
Financial Management Service
Government Financial Report System
GF006 - FR Notes Detail Report**

Note: 19 Dedicated Collections Fiscal Year: 2004 Period: Q4YTD
 Entity: 1800 United States Postal Service
 Status: Complete

Tab: Other Notes Info.

Section: G	Section Name: Other	No Data Flag: YES	Rounding Method: User-Defined	Decimal: User-Defined				
Line No	Line Description	CY - Revenues	CY - Other financing sources	CY - Costs	PY - Revenues	PY - Other financing sources	PY - Costs	Line NB
14								Dollars Debit
15								Dollars Debit
16								Dollars Debit

Tab: Text Data

Line No	Question	Answer
1	Provide the legal authority for the administrative entity of each fund to use the collections based on SFFAS No. 7, par. 85.	

OTHER DATA.

12/01/2004

U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF004F - Trading Partner Summary Report

Statement: BALANCE SHEET Fiscal Year: 2004 Period: QTR 4 - YTD
Entity: 1800 - United States Postal Service Reported in: WHOLE DOLLARS Decimal Point: TWO

FY 2004-QTR 4
1,283,000,000.00

Variance: 0.00

FY 2004-QTR 4

TP ID	Trading Partner Name	FY 2004-QTR 4
2000	Department of the Treasury	1,283,000,000.00
	Total	1,283,000,000.00

FY 2004-QTR 4
327,000,000.00

Variance: 0.00

FY 2004-QTR 4

TP ID	Trading Partner Name	FY 2004-QTR 4
9500	Independent and Other Agencies	50,000,000.00
DE00	Department of Defense	277,000,000.00
	Total	327,000,000.00

12/01/2004

U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF004F - Trading Partner Summary Report

Statement: BALANCE SHEET Fiscal Year: 2004 Period: QTR 4 - YTD
Entity: 1800 - United States Postal Service Reported in: WHOLE DOLLARS Decimal Point: TWO

Agency FS CP Line Description FY 2004-QTR 4
BS Other Assets (without reciprocals) 361,000,000.00
Variance: 0.00

TP ID Trading Partner Name FY 2004-QTR 4

9500 Independent and Other Agencies 361,000,000.00
Total 361,000,000.00

Agency FS CP Line Description FY 2004-QTR 4
BS Advances to Others and Prepayments 52,000,000.00
Variance: 0.00

TP ID Trading Partner Name FY 2004-QTR 4

1601 Department of Labor 44,000,000.00
6900 Department of Transportation 2,000,000.00
9500 Independent and Other Agencies 6,000,000.00
9999 Unidentified 0.00
Total 52,000,000.00

12/01/2004

U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF004F - Trading Partner Summary Report

Statement: BALANCE SHEET Fiscal Year: 2004 Period: QTR 4 - YTD
Entity: 1800 - United States Postal Service Reported in: WHOLE DOLLARS Decimal Point: TWO

Agency FS CP Line Description	FY 2004-QTR 4
BS Accounts Payable	30,000,000.00
	Variance: 0.00

TP ID Trading Partner Name	FY 2004-QTR 4
1400 Department of the Interior	5,000,000.00
1601 Department of Labor	0.00
2000 Department of the Treasury	6,000,000.00
4700 General Services Administration	1,000,000.00
7000 Department of Homeland Security	1,000,000.00
7500 Department of Health and Human Services	3,000,000.00
9500 Independent and Other Agencies	13,000,000.00
DE00 Department of Defense	1,000,000.00
Total	30,000,000.00

12/01/2004

U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF004F - Trading Partner Summary Report

Statement: BALANCE SHEET Fiscal Year: 2004 Period: QTR 4 - YTD
Entity: 1800 - United States Postal Service Reported in: WHOLE DOLLARS Decimal Point: TWO

<u>Agency FS</u>	<u>CP Line Description</u>		<u>FY 2004-QTR 4</u>
BS	Interest Payable	Variance:	0.00
			0.00

TP ID Trading Partner Name **FY 2004-QTR 4**

2000	Department of the Treasury		0.00
	Total		0.00

<u>Agency FS</u>	<u>CP Line Description</u>		<u>FY 2004-QTR 4</u>
BS	Loans Payable	Variance:	1,800,000,000.00
			0.00

TP ID Trading Partner Name **FY 2004-QTR 4**

2000	Department of the Treasury		1,800,000,000.00
	Total		1,800,000,000.00

12/01/2004

U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF004F - Trading Partner Summary Report

Statement: BALANCE SHEET Fiscal Year: 2004 Period: QTR 4 - YTD
Entity: 1800 - United States Postal Service Reported in: WHOLE DOLLARS Decimal Point: TWO

Agency FS	CP Line Description	FY 2004-QTR 4
BS	Benefit Program Contributions Payable	557,000,000.00
	Variance:	0.00

TP ID	Trading Partner Name	FY 2004-QTR 4
1601	Department of Labor	255,000,000.00
2400	Office of Personnel Management	302,000,000.00
	Total	557,000,000.00

U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System

GF002A - Audited FS Report

Statement: BALANCE SHEET	Fiscal Year: 2004	Period: QTR 4 - YTD
Entity: 1800-United States Postal Service	Reported in: MILLIONS	Decimal: ZERO

Agency Line Description	FY 2004-QTR 4
ASSETS	
Current assets:	
Cash and cash equivalents	877
Receivables:	
Foreign countries	621
U.S. government	327
Consignment	48
Other	139
Receivables before allowances	1,135
Less Allowances	111
Total receivables, net	1,024
Supplies, advances, and prepayments	220
Total current assets	2,121
Revenue forgone appropriations receivable	361
Property and equipment, at cost:	
Buildings	20,171
Equipment	17,277
Land	2,810
Leasehold Improvements	1,103
..	41,361
Less allowances for depreciation and amortization	20,656
..	20,705
Construction in progress	1,792
Total property and equipment, net	22,497
Total Assets	24,979
Liabilities and Net Capital	
Current liabilities:	
Compensation and benefits	2,640
Estimated prepaid postage	1,256
Payables and accrued expenses:	
Commercial vendors and accrued expenses	1,739
Foreign countries	778
U.S. government	87
Total payables and accrued expenses	2,604
Customers deposit accounts	1,606
Outstanding postal money orders	767
Prepaid box rent & other deferred revenue	397
Debt	1,800

U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System

GF002A - Audited FS Report

Statement: BALANCE SHEET

Fiscal Year: 2004

Period: QTR 4 - YTD

Entity: 1800-United States Postal
Service

Reported in: MILLIONS

Decimal: ZERO

Agency Line Description	FY 2004-QTR 4
Total current liabilities	11,070
Non-Current liabilities	
Workers compensation costs	6,651
Employees accumulated leave	2,006
Other	1,321
Total other non-current liabilities	9,978
Total Liabilities	21,048
Net capital:	
Capital contributions of the U.S. government	3,034
Retained earnings (deficit) since reorganization	897
Total net capital	3,931
Total Liabilities and Net Capital	24,979

U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System

GF002A - Audited FS Report

Statement: INCOME STATEMENT

Fiscal Year: 2004

Period: QTR 4 - YTD

Entity: 1800-United States Postal
Service

Reported in: MILLIONS

Decimal: ZERO

Agency Line Description	FY 2004-QTR 4
Operating revenue	68,996
Operating expenses:	
Compensation and benefits	52,134
Transportation	4,969
Other	8,748
Total operating expenses	65,851
Income from operations	3,145
Interest income	33
Interest expense on deferred retirement liabilities	(103)
Debt Repurchase Expense	0
Other interest expense	(10)
Emergency preparedness appropriations	0
Emergency preparedness expenses	0
Net Income	3,065
Total Costs	(65,964)
Total Revenue	69,029
Net Costs	3,065
Total Net Capital, beginning of year	866
Total Net Capital, end of year	3,931