



AUDIT REPORT

Independent Auditor's Report on the U.S. Postal Service's Fiscal Year 2024 Reclassified Financial Statements

November 15, 2024



(Report Number 24-144-R25)



November 15, 2024

MEMORANDUM FOR: JOSEPH CORBETT
CHIEF FINANCIAL OFFICER AND EXECUTIVE
VICE PRESIDENT

A handwritten signature in blue ink, reading "Tammy L. Hull", is written over the printed name.

FROM: TAMMY L. HULL
INSPECTOR GENERAL

SUBJECT: Independent Auditor's Report on the U.S. Postal Service's
Fiscal Year 2024 Reclassified Financial Statements
(Report Number 24-144-R25)

Opinion on the Reclassified Financial Statements

We have audited the accompanying Reclassified Financial Statements of the U.S. Postal Service, which comprises the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) Reconciliation Report – Reclassified Balance Sheet as of September 30, 2024, and the related GTAS Reconciliation Reports – Reclassified Statement of Net Cost and Reclassified Statement of Operations and Changes in Net Position, for the year then ended (hereinafter referred to as the Reclassified Financial Statements) and accompanying Note 36. In our opinion, the Reclassified Financial Statements referred to above present fairly, in all material respects, the financial position of the Postal Service as of September 30, 2024, and its net costs and changes in net position for the year then ended in accordance with *U.S. generally accepted accounting principles (GAAP)*.

Basis for Opinion

We conducted our audit in accordance with the standards applicable to financial audits contained in the United States (U.S.) *Government Auditing Standards*, issued by the Comptroller General of the U.S., and Office of Management and Budget (OMB) Bulletin Number 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards are further described in the Auditor's Responsibility section. We are required to be independent of the Postal Service and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these Reclassified Financial Statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Reclassified Financial Statements that are free from material misstatement, whether due to fraud or error. In addition, management is responsible for complying with applicable provisions of laws, regulations, and contracts.

Auditor's Responsibility

Our objective was to obtain reasonable assurance about whether the Reclassified Financial Statements as a whole were free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit of the Reclassified Financial Statements conducted in accordance with *Government Auditing Standards* will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit of the Reclassified Financial Statements in accordance with *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Reclassified Financial Statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to our audit of the Reclassified Financial Statements in order to design audit procedures that are appropriate in the circumstances.
- Consider compliance with provisions of laws, regulations, or contracts that could have a material effect on the reclassified financial statement amounts.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the Reclassified Financial Statement audit.

Auditor's Consideration of Internal Control over Financial Reporting

In planning and performing our audit of the Reclassified Financial Statements as of and for the year ended September 30, 2024, we also considered the Postal Service's internal control over the financial reporting (internal control) to determine the audit procedures that were appropriate for the purpose of expressing our opinion on the Reclassified Financial Statements, but not for the purpose of expressing an opinion of the effectiveness of the Postal Service's internal control. Accordingly, we do not express an opinion on the effectiveness of the Postal Service's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit the attention by those charged with governance.

We found no material weaknesses in our limited review of internal control process that are required to be reported under *Government Auditing Standards* and OMB Bulletin Number 24-02. However, a significant deficiency in internal control over financial reporting was identified as described in Other Matters below.

Auditor's Tests for Compliance Specific to the Reclassified Financial Statements

As part of obtaining reasonable assurance about whether the Postal Service's Reclassified Financial Statements were free from material misstatement, we performed tests of its compliance with provisions of U.S. Department of the Treasury's (Treasury) *Treasury Financial Manual* (TFM) Chapter, Volume 1, Part 2, Chapter 4700 (TFM 2-4700), for instances of noncompliance that could have a material effect on the Reclassified Financial Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we

do not express such an opinion. Instances of non-compliance with laws and regulations were identified as described in Other Matters below.

Emphasis of Matter

The Budget and Accounting Procedures Act of 1950 allows the Secretary of the Treasury to stipulate the format and requirements of executive agencies to furnish financial and operational information to the President and the Congress to comply with the Government Management Reform Act of 1994 (GMRA) (Pub. L. Number 103-356), which requires the Secretary of the Treasury to prepare and submit annual audited financial statements of the executive branch. The Secretary of the Treasury developed guidance in TFM 2-4700 to provide agencies with instructions to meet the requirements of GMRA. The TFM 2-4700 requires agencies to submit a GTAS adjusted trial balance, which Treasury uses to populate a Reclassified Balance Sheet, Reclassified Statement of Net Cost, and Reclassified Statement of Operations and Changes in Net Position.

The Reclassified Financial Statements were prepared in accordance with the requirements of the TFM 2-4700 for the purpose of providing financial information to the Treasury and the U.S. Government Accountability Office (GAO) to use in preparing and auditing the *Financial Report of the U.S. Government*. They are not intended to be a complete presentation of the balance sheet of the Postal Service as of September 30, 2024, as required by the Postal Reorganization Act of 1970, as amended, and the related statements of operations, cash flows, and changes in net position (hereinafter referred to as general-purpose financial statements¹).

As allowed by the *Statements of Federal Financial Accounting Standards* (SFFAS) Number 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards issued by the Financial Accounting Standards Board*, the Postal Service prepared and reported its fiscal year (FY) 2024 Reclassified Financial Statements in accordance with accounting and reporting standards issued by the *Financial Accounting Standards Board* (FASB). Whereas other federal agencies prepare and report their financial statements in accordance with accounting and reporting standards issued by the Federal Accounting Standards Advisory Board (FASAB).

Intragovernmental Transactions Differences

Office of Personnel Management (OPM) – Imputed Cost

OPM, on behalf of federal entities, manages the governmentwide employee benefit programs that provide retirement, health benefits, and life insurance to federal employees. FASAB standards require federal entities to recognize an imputed cost/(benefit) from OPM, because the cost to the federal government to provide a future retirement benefit to most employees is higher than the combined employer and

¹ The Postal Service general-purpose financial statements are published on the Security and Exchange Commission Form 10-K, as prescribed by the Postal Accountability and Enforcement Act of 2006 (PAEA) (PL-109-435).

employee contributions.² Imputed costs reflect the amount by which the cost to the federal government of an employee benefit exceeds the amount contributed by employees and their employers. This requirement is applicable to all retirement, health, and life insurance benefit programs.

The Postal Service prepares its financial reports in accordance with U.S. GAAP promulgated by the FASB. U.S. GAAP requires the Postal Service to account for retirement, health, and life insurance benefit programs under multi-employer accounting rules, and expense is recognized for each period's legally required contribution.

Prior to FY 2019, the Postal Service converted its financial statements from FASB U.S. GAAP to FASAB U.S. GAAP and reported an imputed cost or benefit in its adjusted trial balance provided to the Bureau of Fiscal Service. Effective FY 2019, Treasury³ eliminated the need for conversion. Therefore, for FY 2024, the Postal Service will not report this imputed cost/(benefit) in its adjusted trial balance. The Postal Service and OPM agreed that the calculated imputed cost is about \$4.7 billion for FY 2024.

Office of Personnel Management – Retirement Benefits

The Postal Service is statutorily required to contribute certain additional amounts to U.S. government benefits programs for retirement benefits, including the Civil Service Retirement System (CSRS) and Federal Employee Retirement System (FERS), both administered by OPM. The Postal Service did not make some of these required payments.⁴

The OPM established an allowance for loss for the Postal Service's past due payments and continues to increase this allowance for loss and record bad debt expense each fiscal year. Since the Postal Service still has a legal obligation to make these payments, it has not made changes to its accounting policy and continues to report them as current liabilities. On September 16, 2024, OPM provided an invoice to the Postal Service for the accumulated amount of \$28.1 billion. The invoice reported \$5.5 billion representing the FY 2024 amounts that were invoiced but not paid. However, the Postal Service paid \$1 billion on September 30, 2024, reducing the amounts invoiced by OPM. A top-level journal entry for these differences is anticipated, but will be recorded against OPM, not the Postal Service.

Other Matters

Opinion on the General-Purpose Financial Statements

The Postal Service's independent public accounting (IPA) firm has audited, in accordance with the standards of the Public Company Accounting Oversight Board

² SFFAS Number 5, *Accounting for Liabilities of The Federal Government*.

³ TFM 4735.40, *Special Basis of Accounting*.

⁴ For CSRS, amortization payments from FY 2017 through FY 2024 were due. For FERS, amortization payments from FY 2014 through FY 2024 were due.

(PCAOB), the auditing standards generally accepted in the U.S., and the standards applicable to financial audits contained in U.S. *Government Auditing Standards* issued by the Comptroller General of the U.S. The IPA firm expressed an unqualified opinion on the general-purpose financial statements of the Postal Service as of and for the years ended September 30, 2024, and September 30, 2023, and the related notes, in a report dated November 14, 2024.

Additionally, in its unqualified opinion on the FY 2024 and FY 2023 general-purpose financial statements, dated November 14, 2024, the IPA firm emphasized liquidity matters discussed in the Postal Service's general-purpose financial statement disclosures. That view should be read in conjunction with this report.

Internal Control and Compliance Considerations Specific to the General-Purpose Financial Statements

In accordance with *Government Auditing Standards*, the Postal Service's IPA firm issued a report⁵ dated November 14, 2024, on its consideration of the Postal Service's internal control over financial reporting and the results of its tests of the Postal Service's compliance with certain provisions of laws, regulations, and contracts. The IPA firm's report is an integral part of an audit performed in accordance with PCAOB, auditing standards generally accepted in the U.S., and *Government Auditing Standards*, and should be read in conjunction with our report in considering the results of our audit of the Reclassified Financial Statements.

The IPA firm's report on its consideration of the Postal Service's internal control over financial reporting did not identify any deficiencies in internal control over financial reporting considered to be material weaknesses as of September 30, 2024. However, the IPA firm's report did include a significant deficiency in internal control over financial reporting, which was not remediated prior to September 30, 2024. In addition, the IPA firm reported instances of non-compliance with laws and regulations.

Significant Deficiency - Highway Transportation Contract Information

The Postal Service collects and processes information to make payments to highway contractors for transporting mail and packages between facilities and records such payments as highway transportation expense. During FY 2024, the Postal Service implemented a new highway transportation contract system that includes contract rates used in calculating highway transportation expense. The Postal Service did not consistently execute internal controls to validate the accuracy of the manual input of the relevant contract information into the new system as of September 30, 2024.

Given the lack of managements' review to consistently validate the accuracy of the manual input of contract rates, the IPA firm concluded that there is a significant

⁵ *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, dated November 14, 2024.

deficiency in internal control as of September 30, 2024. Postal Service management agreed with the description of the significant deficiency.

Instances of Non-compliance with Laws and Regulations

The IPA firm noted instances of non-compliance with laws and regulations. Specifically, the Postal Service failed to comply with various laws when it defaulted on retirement obligations from FY 2014 through FY 2024. [Table 1](#) provides CSRS and FERS payments due by fiscal year-end.

Table 1. CSRS and FERS Required Payments⁶

<i>Type of Payment</i>	<i>Fiscal Year-End Due Date</i>	<i>Amount (in Millions)</i>
CSRS Supplemental Liability ⁷	2017	\$1,700
	2018	1,400
	2019	1,600
	2020	1,800
	2021	1,900
	2022	2,300
	2023	3,000
	2024	3,200
FERS Supplemental Liability ⁸	2014 through 2017	1,400
	2018	1,000
	2019	1,100
	2020	1,300
	2021	1,400
	2022	1,600
	2023	2,100
	2024	2,300

Source: FY 2024 OPM Supplemental Invoice dated September 16, 2024.

⁶ All amounts are rounded to the nearest \$100 million which may differ from the FY 2023 report.

⁷ Title 5 of the U.S. Code, *Government Organization and Employees*, § 8348(h) *Civil Service Retirement and Disability Fund*.

⁸ Title 5 of the U.S. Code, *Government Organization and Employees*, § 8423(b) *Government Contributions*.

In contrast to FY 2014 through FY 2021, the Postal Service made partial payments towards its retirement obligations in FY 2024, FY2023 and FY 2022. The Postal Service paid \$1 billion, \$600 million, and \$500 million in FY 2024, FY2023 and FY2022 respectively towards its FERS obligation. These amounts included \$933 million for FY 2024, \$554 million for FY 2023 and \$39 million for FY2022 that are required for remittance for revenue the Postal Service generated under its retirement-based rate authority.

Postal Service management concurred with the reported instances of non-compliance related to the non-payments. As of November 14, 2024, the Postal Service has suffered no penalties or damages because of its inability to make these payments.

Restriction on Use of the Report on the Reclassified Financial Statements

This report is intended solely for the information and use of the management of the Postal Service, Treasury, OMB, and GAO 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.

Management's Comments

We provided a draft of this report to Postal Service management for their review and comment. Management reviewed the report and advised they did not have any comments.

cc: Secretary of the Board of Governors
Corporate Audit and Response Management

U.S. Department of the Treasury Bureau of the Fiscal Service
GTAS
Reclassified Financial Statements
Balance Sheet

Fiscal Period: 2024, 12 - September

ATB Status: Certified

Manual Adjustments: Included - No Manual Adjustments Submitted

FR Entity: 1800 - United States Postal Service

		September, 2024 Final Amount	September, 2023 Final Amount
1	Fund Balance with Treasury (Note 3) (RC 40)	-49,064,041.33	-661,893,887.02
2	Investments, net (Note 5)	19,196,800,939.01	21,851,913,000.42
2.1	Federal investments (Note 5) (RC 01)	19,196,800,939.01	21,850,960,290.55
2.2	Interest receivable - investments (Note 5) (RC 02)		952,709.87
3	Accounts receivable, net (Note 6)	33,658,918.28	42,707,450.40
3.4	Accounts receivable, net (RC 22)	33,658,918.28	42,707,450.40
6	Other Assets (Note 12)	548,296,761.00	546,383,245.00
6.1	Other assets (RC 30)	548,296,761.00	546,383,245.00
7	Total intra-governmental assets	19,729,692,576.96	21,779,109,808.80
8	Cash and other monetary assets* (Note 4)	392,765,165.47	444,889,104.33
9	Accounts receivable, net (Notes 6 and 7)	1,350,254,856.47	1,365,047,138.98
11	Inventory and related property, net (Note 9)	144,787,325.88	144,499,906.14
12	Property, plant, and equipment, net (Note 10)	23,694,485,155.35	21,325,153,944.16
13	Advances and prepayments	254,710,939.85	230,789,209.58
17	Total other than intra-governmental assets	25,837,003,443.02	23,510,379,303.19
18	Total assets	45,566,696,019.98	45,289,489,111.99
19	Stewardship PP&E (Note 11)		
21	Accounts payable (Note 17)	3,231,442.46	4,332,212.31
21.2	Accounts payable (RC 22)	3,231,442.46	4,332,212.31
23	Debt (Note 14B)	15,101,537,159.81	13,080,554,753.72
23.1	Interest payable - loans and other funds (RC 04)	101,537,159.81	80,554,753.72
23.2	Loans payable (RC 17)	15,000,000,000.00	13,000,000,000.00
24	Advances from others and deferred revenue (RC 23)	215,245,914.56	423,304,301.58
25	Other Liabilities (Note 17)	29,457,073,362.27	24,662,755,496.73
25.2	Other liabilities (Note 17) (RC 30)	26,306,202.53	
25.5	Other current liabilities - Benefit contributions payable (Note 15) (RC 21)	29,421,211,510.45	24,652,567,093.00
25.6	Other liabilities - Reimbursable activities (RC 22)	9,555,649.29	10,188,403.73
26	Total intra-governmental liabilities	44,777,087,879.10	38,170,946,764.34
27	Accounts payable	2,466,802,568.82	2,320,489,132.51
28	Federal debt and interest payable (Note 14)	1,755,915.30	1,496,179.70
29	Federal employee salary, leave, and benefits payable* (Note 15)	4,221,780,157.88	3,542,943,155.79
30	Pensions, other post-employment, and veterans benefits payable* (Note 15)	14,339,824,130.19	12,161,535,171.63
36	Advances from others and deferred revenue	5,243,089,067.87	4,708,295,707.31
37	Other liabilities (Notes 18, 19, and 20)	7,148,371,653.42	7,448,390,585.15
38	Total other than intra-governmental liabilities	33,421,623,493.48	30,183,149,932.09
39	Total liabilities	78,198,711,372.58	68,354,096,696.43

U.S. Department of the Treasury Bureau of the Fiscal Service
GTAS
Reclassified Financial Statements
Balance Sheet

Fiscal Period: 2024, 12 - September

ATB Status: Certified

Manual Adjustments: Included - No Manual Adjustments Submitted

FR Entity: 1800 - United States Postal Service

		September, 2024 Final Amount	September, 2023 Final Amount
40	Commitments and Contingencies (Note 20)		
41	Total Unexpended Appropriation (Consolidated)	11,317,102.20	14,229,071.85
41.2	Unexpended appropriations - Funds from other than Dedicated Collections	11,317,102.20	14,229,071.85
41.3	Total Unexpended Appropriations - Eliminations Between Dedicated and All Other		
42	Total Cumulative Results of Operations (Consolidated)	-32,643,332,454.80	-23,078,836,656.29
42.2	Cumulative results of operations - Funds from other than Dedicated Collections	-32,643,332,454.80	-23,078,836,656.29
42.3	Total Cumulative Results of Operations - Eliminations Between Dedicated and All Other		
43	Total net position	-32,632,015,352.60	-23,064,607,584.44
44	Total liabilities and net position	45,566,696,019.98	45,289,489,111.99

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U.S. Department of the Treasury Bureau of the Fiscal Service
GTAS
Reclassified Financial Statements
Reclassified Statement of Net Cost

Fiscal Period: 2024, 12 - September

ATB Status: Certified

Manual Adjustments: Included - No Manual Adjustments Submitted

FR Entity: 1800 - United States Postal Service

		September, 2024 Final Amount	September, 2023 Final Amount
1	Gross cost		
2	Non-federal gross cost	69,203,053,082.62	65,948,474,418.73
6	Total non-federal gross cost	69,203,053,082.62	65,948,474,418.73
7	Federal gross cost		
7.1	Benefit program costs (RC 26) /2	17,121,647,158.47	16,349,874,909.56
7.3	Buy/sell cost (RC24) /2	-25,057,351.78	-44,121,796.74
7.6	Borrowing and other interest expense (RC05) /2	588,567,369.02	403,393,641.21
7.8	Other expenses (without reciprocals) (RC 29)	3,148,818,969.22	3,144,426,572.91
8	Total federal gross cost	20,833,976,144.93	19,853,573,326.94
9	Department total gross cost	90,037,029,227.55	85,802,047,745.67
10	Earned revenue		
11	Non-federal earned revenue	77,849,383,941.72	76,974,285,773.63
12	Federal earned revenue		
12.2	Buy/sell revenue (exchange) (RC 24) /2	1,620,026,173.28	1,373,409,042.93
12.4	Federal securities interest revenue including associated gains and losses (exchange) (RC 03) /2	1,090,129,918.96	1,015,879,563.85
13	Total federal earned revenue	2,710,156,092.24	2,389,288,606.78
14	Department total earned revenue	80,559,540,033.96	79,363,574,380.41
15	Net cost of operations	9,477,489,193.59	6,438,473,365.26

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U.S. Department of the Treasury Bureau of the Fiscal Service
GTAS
Reclassified Financial Statements
Reclassified Stmt. of Operations and Changes in Net Position

Fiscal Period: 2024, 12 - September

ATB Status: Certified

Manual Adjustments: Included - No Manual Adjustments Submitted

FR Entity: 1800 - United States Postal Service

		September, 2024 Final Amount	September, 2023 Final Amount
1	Net position, beginning of period	-23,064,607,584.44	-16,618,620,762.35
2	Non-federal prior-period adjustments:		
3	Federal prior-period adjustments		
4	Net position, beginning of period - adjusted	-23,064,607,584.44	-16,618,620,762.35
5	Non-federal non-exchange revenue:		
6	Federal non-exchange revenue:		
6.8	Collections transferred into a TAS Other Than the General Fund of the U.S. Government - Nonexchange (RC 15)	9,911,512.92	2,939,628.99
6.11	Total federal non-exchange revenue	9,911,512.92	2,939,628.99
7	Financing sources:		
7.1	Appropriations received as adjusted (rescissions and other adjustments) (RC 41) /1	81,450,000.00	50,253,000.00
7.2	Appropriations used (RC 39)	84,361,969.65	51,023,928.15
7.3	Appropriations expended (RC 38) /1	84,361,969.65	51,023,928.15
7.7	Non-expenditure transfers-out of unexpended appropriations and financing sources (RC 08) /1	3,074,464.00	
7.10	Non-expenditure transfer-in of financing sources - capital transfers (RC 11)		0.00
7.11	Non-expenditure transfers-out of financing sources - capital transfers (RC 11)		0.00
7.20	Transfers-in without reimbursement (RC 18) /1	0.00	0.00
7.21	Transfers-out without reimbursement (RC 18) /1	0.00	0.00
7.23	Non-entity collections transferred to the General Fund of the U.S. Government (RC 44)	178,205,623.49	60,706,085.82
7.30	Total financing sources	-99,830,087.49	-10,453,085.82
8	Net cost of operations (+/-)	9,477,489,193.59	6,438,473,365.26
9	Net position, end of period	-32,632,015,352.60	-23,064,607,584.44

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Reclassification of Balance Sheet for FR Compilation Process

Assets			
USPS Financial Statement Line	Amount	Amount	Reclassified Statement Line
Cash and cash equivalents	4,617	393	8.0 Cash and other monetary assets* (Note 4)
Restricted cash	2,005	(49)	1.0 Fund Balance with Treasury (Note 3) (RC 40)
Restricted cash, noncurrent	66	19,198	2.1 Federal investments (Note 5) (RC 01)
Short-term investments	9,513	(4)	3.4 Accounts receivable, net (RC 22)
Restricted investments	682		
Restricted investments, noncurrent	2,655		
Total	19,538	19,538	
Receivables, net	1,387	1,350	9.0 Accounts receivable, net (Notes 6 and 7)
		34	3.4 Accounts receivable, net (RC 22)
		3	2.1 Federal investments (Note 5) (RC 01)
Total	1,387	1,387	
Supplies, advances and prepayments	309	255	13.0 Advances and prepayments
		(91)	6.0 Other Assets (Note 12)
		145	11.0 Inventory and related property, net (Note 9)
Total	309	309	
Property and equipment, net	18,525	18,525	12.0 Property, plant, and equipment, net (Note 10)
Total	18,525	18,525	
Operating lease right-of-use asset	5,169	5,169	12.0 Property, plant, and equipment, net (Note 10)
Total	5,169	5,169	
Other assets	639	548	6.1 Other assets (RC 30)
		91	6.0 Other Assets (Note 12)
Total	639	639	
Total assets	45,567	45,567	
Liabilities			
USPS Financial Statement Line	Amount	Amount	Reclassified Statement Line
Compensation and benefits	2,237	4,221	29.0 Federal employee salary, leave, and benefits payable* (Note 15)
		107	25.5 Other current liabilities - Benefit contributions payable (Note 15) (RC 21)
		(2,091)	37.0 Other liabilities (Notes 18, 19, and 20)
Total	2,237	2,237	
Retirement benefits	27,292	27,292	25.5 Other current liabilities - Benefit contributions payable (Note 15) (RC 21)
Total	27,292	27,292	
Workers' compensation	1,591	2,015	25.5 Other current liabilities - Benefit contributions payable (Note 15) (RC 21)
Workers' compensation, noncurrent	14,746	14,322	30.0 Pensions, other post-employment, and veterans benefits payable* (Note 15)
Total	16,337	16,337	
Payables and accrued expenses	2,904	300	37.0 Other liabilities (Notes 18, 19, and 20)
		2,467	27.0 Accounts payable
		8	21.2 Accounts payable (RC 22)
		102	23.1 Interest payable - loans and other funds (RC 04)
		2	28.0 Federal debt and interest payable (Note 14)
		17	30.0 Pensions, other post-employment, and veterans benefits payable* (Note 15)
		8	25.5 Other current liabilities - Benefit contributions payable (Note 15) (RC 21)
Total¹	2,904	2,904	
Deferred revenue-prepaid postage	2,884	2,884	37.0 Other liabilities (Notes 18, 19, and 20)
Total	2,884	2,884	
Operating lease liabilities	1,173	5,325	37.0 Other liabilities (Notes 18, 19, and 20)
Operating lease liabilities, noncurrent	4,152		
Total	5,325	5,325	
Customer deposit accounts	1,232	1,134	36.0 Advances from others and deferred revenue
		98	24.0 Advances from others and deferred revenue (RC 23)
Total	1,232	1,232	
Other current liabilities	1,647	4,107	36.0 Advances from others and deferred revenue
Other noncurrent liabilities	874	(1,735)	37.0 Other liabilities (Notes 18, 19, and 20)
		118	24.0 Advances from others and deferred revenue (RC 23)
		(5)	21.2 Accounts payable (RC 22)
		26	25.2 Other liabilities (Note 17) (RC 30)
		10	25.6 Other liabilities - Reimbursable activities (RC 22)
Total²	2,521	2,521	
Employees' accumulated leave, noncurrent	2,467	2,467	37.0 Other liabilities (Notes 18, 19, and 20)
Total	2,467	2,467	
Short-term debt	-	15,000	23.2 Loans payable (RC 17)
Long-term debt	15,000	-	
Total	15,000	15,000	
Total liabilities^{1,2}	78,199	78,199	
Net Deficiency			
USPS Financial Statement Line	Amount	Amount	Reclassified Statement Line
Capital contributions of the U.S. government	16,132	11	41.2 Unexpended appropriations - Funds from other than Dedicated Collections
Deficit since 1971 reorganization	(48,764)	(32,643)	42.2 Cumulative results of operations - Funds from other than Dedicated Collections
Total net deficiency^{1,2}	(32,632)	(32,632)	
Total liabilities and net deficiency	45,567	45,567	

Reclassification of Statement of Operations for FR Compilation Process

Revenue			
USPS Financial Statement Line	Amount	Amount	Reclassified Statement Line
Operating revenue	79,537	77,826	11.0 Non-federal earned revenue
		1,620	12.2 Buy/sell revenue (exchange) (RC 24) /2
Total¹	79,537	79,446	
Other revenue	10	10	11.0 Non-federal earned revenue
Total	10	10	
Total revenue¹	79,547	79,456	
Operating Expenses			
USPS Financial Statement Line	Amount	Amount	Reclassified Statement Line
Compensation and benefits	54,078	45,869	2.0 Non-federal gross cost
		3,149	7.8 Other expenses (without reciprocals) (RC 29)
		5,060	7.1 Benefit program costs (RC 26) /2
Total	54,078	54,078	
Retirement benefits	10,427	10,427	7.1 Benefit program costs (RC 26) /2
Total	10,427	10,427	
Workers' compensation	3,799	1,635	7.1 Benefit program costs (RC 26) /2
		2,164	2.0 Non-federal gross cost
Total	3,799	3,799	
Transportation	8,815	(122)	7.3 Buy/sell cost (RC24) /2
		8,937	2.0 Non-federal gross cost
Total	8,815	8,815	
Other operating expenses	12,346	12,261	2.0 Non-federal gross cost
		97	7.3 Buy/sell cost (RC24) /2
Total²	12,346	12,358	
Total operating expenses²	89,465	89,477	
Loss from operations^{1,2}	(9,918)	(10,021)	
Interest and Investment Income			
USPS Financial Statement Line	Amount	Amount	Reclassified Statement Line
Interest and investment income	958	1,090	12.4 Federal securities interest revenue including associated gains and losses (exchange)
		14	11.0 Non-federal earned revenue
Total³	958	1,104	
Interest expense	560	589	7.6 Borrowing and other interest expense (RC05) /2
		(29)	2.0 Non-federal gross cost
Total	560	560	
Net loss^{1,2,3}	(9,520)	(9,477)	

¹ Difference in *Operating revenue* is a result of divergences in accounting presentations between statements issued pursuant to generally accepted accounting principals promulgated by the Financial Accounting Standards Board and the Federal Accounting Standards Advisory Board for the following items:

Free and Reduced Rate Mail: The Postal Service received \$50 million under the *Consolidated Appropriations Act, 2024* (Public Law 118-122). This is recorded as operating revenue within the Postal Service's Statement of Operations for the year ended September 30, 2024. This is reported as an appropriation received and used within the Postal Service's reclassified statements. The amount is presented within the reclassified Statement of Changes in Operations and Net Position, but not in the reclassified Statement of Net Cost.

Compact of Free Association: The Postal Service received \$32 million for postal services provided to the Freely Associated States pursuant to the Compacts of Free Association. This is recorded as operating revenue within the Postal Service's Statement of Operations for the year ended September 30, 2024. This is reported as non-exchange revenue within the Postal Service's reclassified statements. The amount is presented within the Statement of Changes in Operations and Net Position, but not in its reclassified Statement of Net Cost.

Collections from the Department of Justice: The Postal Service received \$10 million from the U.S. Department of Justice for fines and forfeitures. This is recorded as operating revenue within the Postal Service's Statement of Operations for the year ended September 30, 2024. This is reported as non-exchange revenue within the Postal Service's reclassified statements. The amount is presented within the Statement of Changes in Operations and Net Position, but not in its reclassified Statement of Net Cost.

² Difference in Operating expenses represents the following:

STOP Act Payments: The Postal Service transferred \$3 million to Customs and Border Protection (CBP) pursuant to a requirement in the STOP Act which stipulates the Postal Service must remit \$0.50 per inbound EMS item to CBP quarterly. This is reported as a non-expenditure transfer within the Postal Service's reclassified statements. The amount is presented within the Statement of Changes in Operations and Net Position, but not in its reclassified Statement of Net Cost.

Inflation Reduction Act funding for the Office of Inspector General: The Inflation Reduction Act provided the OIG with \$15M to use in the conducting of oversight procedures over the Postal Service's efforts to upgrade its delivery fleet with zero-emission vehicles. This amount was reported as a capital contribution in the Postal Service's fiscal year 2022 reclassified statements. However, it was reported as a liability for prepayment in the Postal Service's Form 10-K statements. To align the statements, this amount is being recorded as operating expense in the fiscal year 2024 reclassified statements.

³ Difference in *Interest and investment income* represents the accounting treatment for interest received subject to the Postal Service's arbitrage agreement with the U.S. Department of the Treasury. The Postal Service's interest earnings are limited per this agreement, and any excess interest received must be returned. This is not recorded within the Postal Service's Statement of Operations for the year ended September 30, 2024. The amount is presented within the reclassified Statement of Net Cost.

Reclassification of Statement of Changes in Net Deficiency for FR Compilation Process

USPS Financial Statement Line	Amount	Amount	Reclassified Statement Line
Balance, September 30, 2023	(23,112)	(23,065)	1.0 Net position, beginning of period
Net loss	(9,520)	10	6.8 Collections transferred into a TAS Other Than the General Fund of the U.S. Government - Nonexchange (RC 15)
		81	7.1 Appropriations received as adjusted (rescissions and other adjustments) (RC 41) /1
		84	7.2 Appropriations used (RC 39)
		(84)	7.3 Appropriations expended (RC 38) /1
		(3)	7.7 Non-expenditure transfers-out of unexpended appropriations and financing sources (RC 08) /1
		(178)	7.23 Non-entity collections transferred to the General Fund of the U.S. Government (RC 44)
		(9,477)	8.0 Net cost of operations (+/-)
Total*	(32,632)	(32,632)	