

Section A -- Financial Statistics

The tables in this section generally present data on financial operations under the Railroad Retirement and Railroad Unemployment Insurance Acts for fiscal year 2007 and for varying numbers of prior years.

The main source of financing the railroad retirement program is a payroll tax paid by employers and employees. Railroad retirement taxes and benefits are paid on a two-tier basis. Employers and employees pay tier I taxes at the same rate as social security taxes, and the amount of earnings subject to the tax corresponds to the prevailing social security taxable maximum. Tier II taxes finance benefits payable over and above social security levels, but earnings subject to the tax are restricted to the social security taxable maximums which would have been applicable under continuation of pre-1977 social security law. Both employers and employees pay tier II taxes, but at different rates.

In calendar years 2006 and 2007, a tier I tax rate of 7.65 percent for employers and employees applied to compensation up to \$94,200 and \$97,500 per year, respectively. The tier I rates include taxes that finance the hospital insurance portion of Medicare; that tax rate for both employees and employers was 1.45 percent for 2006 and 2007. There is no limit to earnings subject to the hospital insurance portion of the tier I tax rate.

The tier II tax rate is determined annually from a tax rate schedule based on the average account benefits ratio. The average account benefits ratio is the average for the 10 fiscal years preceding the calendar year of the ratio of the fair market value of the assets in the Railroad Retirement Account and the National Railroad Retirement Investment Trust (and for years before 2002, the Social Security Equivalent Benefit Account) as of the close of each fiscal year to the total benefits and administrative expenses paid from those accounts during the fiscal year. Employer tax rates can range from 8.2 percent to 22.1 percent. Employee tax rates can range from 0 percent to 4.9 percent. In calendar year 2006, the tier II tax rates paid by employers and employees were 12.60 percent and 4.40 percent, respectively, and were levied on annual earnings up to \$69,900. During 2007, tier II tax rates paid by employers and employees were 12.10 percent and 3.90 percent, respectively, and were levied on earnings up to \$72,600.

Additional income is derived from Federal income taxes on tier I, tier II and vested dual benefits, from interest on invested funds and from the financial interchange with the social security system. The experience under the latter arrangement is presented in table A3. Under this arrangement, the social security trust funds are, in effect, credited with the additional payroll and income taxes they would have received, and charged with the additional benefits and administrative costs they would have paid if railroad employment had been covered under the social security program, with allowances for interest. Financial interchange determinations are made jointly by the Board, the Social Security Administration, and the Centers for Medicare & Medicaid Services on an annual basis. Separate determinations are made with respect to the Old-Age and Survivors Insurance, Disability Insurance, and Hospital Insurance Trust Funds.

The railroad unemployment and sickness benefit programs are financed by contributions from railroad employers, based on a percentage of their employees' taxable earnings. In 2006 and 2007, the taxable earnings base for those programs was the first \$1,195 and \$1,230, respectively, of each employee's monthly earnings. Beginning in 1991, each employer's contribution rate is experience based.

Fiscal years begin October 1 of the prior calendar year and end September 30.

In the tables, detailed figures may not add to totals shown because of rounding.

Table A1.--Beneficiaries and benefits paid under the Railroad Retirement Act and the Railroad Unemployment Insurance Act, by fiscal year, 1998-2007

Fiscal year	Total ¹	Retirement ²	Survivor ²	Unemployment	Sickness
BENEFICIARIES (in thousands)					
1998.....	800	530	254	11	21
1999.....	777	514	246	13	22
2000.....	755	499	237	14	23
2001.....	737	483	228	18	24
2002.....	719	475	219	17	24
2003.....	699	465	211	15	23
2004.....	677	456	203	12	22
2005.....	659	448	194	10	21
2006.....	643	441	187	9	20
2007.....	641	444	180	10	19
BENEFIT PAYMENTS (in millions)					
1998.....	\$8,305.9	\$6,199.0	\$2,047.5	\$25.9	\$33.4
1999.....	8,317.7	6,207.2	2,041.3	33.0	36.2
2000.....	8,373.3	6,254.1	2,040.3	36.4	42.4
2001.....	8,506.2	6,352.6	2,058.8	43.2	51.6
2002.....	8,742.1	6,535.9	2,107.5	49.2	49.4
2003.....	8,957.3	6,726.0	2,136.9	44.3	50.1
2004.....	9,091.3	6,876.9	2,131.3	37.7	45.3
2005.....	9,254.0	7,051.6	2,129.5	29.2	43.7
2006.....	9,513.7	7,294.0	2,146.9	30.8	42.1
2007.....	9,871.5	7,641.1	2,156.4	27.8	46.2

¹ Benefit payments include a small amount of payments for hospital insurance benefits for services in Canada.

² Retirement benefits include vested dual benefit and supplemental annuity payments. Survivor benefits include vested dual benefit payments.

NOTE.-- Number of beneficiaries represents all individuals paid benefits in year. In total number for each year, beneficiaries are counted only once, even though they may have received more than one type of benefit. In fiscal year 2007, 8,700 individuals received both retirement and survivor benefits, 900 employees received both unemployment and sickness benefits, and 3,400 employees received benefits under both the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These figures are partly estimated, and totals for earlier years are similarly adjusted.

Table A2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 1998-2007 (In millions)

Item	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
RAILROAD RETIREMENT ACCOUNT										
Receipts										
Tax transfers ¹	\$2,660.8	² \$2,932.4	\$2,928.6	\$2,819.2	\$2,743.1	\$2,651.4	\$2,611.0	\$2,606.6	\$2,674.8	\$2,637.8
Interest and profit on investments ³	1,724.3	312.8	1,298.9	2,027.2	1,875.8	291.8	15.1	15.8	19.6	19.3
Transfers from the National RR Investment Trust ⁴.....	.....	.....	.....	.....	.....	300.0	1,564.0	809.0	947.0	1,391.0
Transfers from the SSEB Account ⁴.....	.....	.....	.....	.....	.....	.....	223.0	149.0	38.0	181.0
Loan repayments from RRS or RUI Accounts ⁵	33.9	.....	.....	.....	.....	8.2	.....	.....	.....	.....
Transfer from RR Supplemental Account ⁶.....	.....	.....	.....	.....	0.1	.....	.....	.....	.....	.....
Expenditures										
Benefit payments ⁷	\$2,897.7	\$2,906.4	\$2,958.8	\$2,971.4	\$3,240.7	\$3,504.1	\$3,602.4	\$3,679.0	\$3,808.8	\$4,073.0
Financial Interchange adjustment ⁸	(13.9)	(29.0)	(50.5)	(52.9)	140.9	72.1	36.6	(137.4)	(85.9)	(45.7)
Net transfers to administration.....	49.5	51.2	55.9	54.7	64.9	64.0	65.3	73.7	69.9	64.0
Transfers to the National RR Investment Trust ⁴.....	.....	.....	.....	.....	1,431.6	17,750.0	586.0	.....	.....	.....
Loans to RUI Account.....	.....	.....	.....	.....	7.8	.....	.....	.....	.....	.....
Balance at end of period⁹.....	\$15,451.2	\$15,768.9	\$17,032.9	\$18,907.2	\$18,640.4	\$502.2	\$625.6	\$591.1	\$479.4	\$616.9
SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT¹⁰										
Receipts										
Tax transfers ¹	\$2,208.7	² \$2,000.1	\$2,208.5	\$2,134.0	\$2,134.7	\$2,128.0	\$2,240.8	\$2,370.8	\$2,462.5	\$2,538.0
Interest and profit on investments ³	95.3	94.7	118.8	105.5	71.6	59.1	20.0	23.3	28.0	29.0
Transfers under financial interchange ¹¹	3,819.1	3,816.0	3,697.6	3,282.8	3,646.8	3,747.3	3,843.5	3,917.3	3,846.3	4,019.8
Advances against financial interchange ¹²	3,145.1	2,992.3	3,005.1	3,145.2	3,153.9	3,236.1	3,245.7	3,256.0	3,241.3	3,232.3
Expenditures										
Benefit payments.....	\$5,069.4	\$5,078.7	\$5,091.4	\$5,215.2	\$5,243.8	\$5,229.5	\$5,288.7	\$5,395.8	\$5,536.1	\$5,637.9
Financial Interchange adjustment ⁸	13.9	29.0	50.5	52.9	(140.9)	(72.1)	(36.6)	137.4	85.9	45.7
Net transfers to administration.....	26.2	25.2	27.1	25.0	26.1	22.8	22.9	24.1	24.3	25.6
Transfers under financial interchange ¹¹	419.4	429.9	465.3	469.7	424.7	426.3	418.6	444.9	471.5	483.3
Repayment of advances against financial interchange ¹³	3,430.0	3,370.8	3,190.1	3,222.2	3,385.3	3,342.4	3,409.9	3,399.6	3,419.7	3,418.7
Transfers to the National RR Investment Trust/RR Account ⁴.....	.....	.....	.....	.....	.....	1,438.0	223.0	149.0	38.0	181.0
Balance at end of period.....	\$1,965.2	\$1,934.7	\$2,140.3	\$1,822.7	\$1,890.9	\$674.6	\$698.2	\$714.8	\$717.4	\$744.2

See footnotes at end of table.

Table A2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 1998-2007 (In millions) - Continued

Item	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST ¹⁴										
Cash and investment balance at end of period ¹⁵ .....	.....	.....	.....	.....	\$1,420.7	\$23,016.5	\$25,019.7	\$27,636.6	\$29,327.9	\$32,631.4
RAILROAD RETIREMENT SUPPLEMENTAL ACCOUNT ⁶										
Receipts										
Tax transfers ¹	\$118.1	\$90.4	\$76.7	\$67.8	\$23.5	.....	.....	.....	.....	.....
Interest and profit on investments ³	2.0	2.5	3.5	3.1	2.9	.....	.....	.....	.....	.....
Expenditures										
Benefit payments ⁷	\$78.6	\$75.1	\$72.9	\$68.8	\$16.8	.....	.....	.....	.....	.....
Net transfers to administration.....	2.0	2.1	2.3	2.0	0.7	.....	.....	.....	.....	.....
Loan repayments to RR Account ¹³	33.9	.....	.....	.....	.....	.....	.....	.....	.....	.....
Transfers to the National RR Investment Trust ⁴.....	.....	.....	.....	.....	70.4	.....	.....	.....	.....	.....
Transfer to Railroad Retirement Account.....	.....	.....	.....	.....	0.1	.....	.....	.....	.....	.....
Balance at end of period.....	\$41.0	\$56.8	\$61.7	\$61.7	.....	.....	.....	.....	.....	.....
DUAL BENEFITS PAYMENTS ACCOUNT ¹⁶										
Dual benefit transfers ¹⁷	\$205.5	\$189.0	\$173.3	\$160.0	\$146.0	\$131.1	\$118.3	\$107.1	\$97.0	\$88.0
Benefit payments.....	200.9	188.4	171.4	156.0	142.2	129.4	117.3	106.3	96.0	86.5
Balance at end of period ⁹	\$4.6	\$0.6	\$1.9	\$4.0	\$3.9	\$1.8	\$1.0	\$0.8	\$1.0	\$1.5

See footnotes at end of table.

Table A2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 1998-2007 (In millions) - Continued

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- ¹ Net of U.S. Treasury adjustments for payroll tax refunds to certain carriers and their employees for prior periods. Includes Federal income tax transfers under section 72(r) of the Internal Revenue Code as amended.
- ² Reflects transfer of \$83.1 million from the Social Security Equivalent Benefit Account to the Railroad Retirement Account for reallocation of fiscal year 1998 payroll taxes. Railroad Retirement Account also reflects special Treasury income tax adjustment of \$146 million for calendar years 1988-1994
- ³ Net of interest on U.S. Treasury adjustments for payroll tax refunds (see note 1).
- ⁴ Under the Railroad Retirement and Survivors' Improvement Act of 2001, as amended, the portion of the Railroad Retirement Account not needed to pay current administrative expenses is to be transferred to the National Railroad Retirement Investment Trust (Trust). The Trust may transfer funds back to the Railroad Retirement Account for payment of benefits. The balance of the Social Security Equivalent Benefit (SSEB) Account not needed to pay current benefits and administrative expenses is to be transferred to the Trust or to the Railroad Retirement Account. The SSEB Account transferred funds to the Trust in fiscal year 2003 and to the Railroad Retirement Account thereafter.
- ⁵ Includes interest. FY 1998 loan repayments from the Railroad Retirement Supplemental Account. FY 2003 loan repayment from the Railroad Unemployment Insurance Account.
- ⁶ Under the Railroad Retirement and Survivors' Improvement Act of 2001, the supplemental work-hour tax was repealed for years after 2001, and the separate Railroad Retirement Supplemental Account was eliminated. The balance remaining in the Railroad Retirement Supplemental Account was transferred to the Railroad Retirement Account.
- ⁷ Effective January 1, 2002, supplemental benefits are paid from the Railroad Retirement Account.
- ⁸ Adjustments in benefit payments charged to the Social Security Equivalent Benefit Account as compared to actual financial interchange benefits, with interest.
- ⁹ The Railroad Retirement Account balance reflects (a) the current net difference between Board payments of social security benefits and the receipt of reimbursements for such payments, (b) liabilities for uncashed check credits received from U.S. Treasury, and (c) credits for undistributed payment returns and recoveries. The Dual Benefits Payments Account balance does not carry over to the following year.
- ¹⁰ Established October 1, 1984, to keep track of the financing and payment of social security level portions of railroad retirement benefits.
- ¹¹ Transfers to or from OASDHI Trust Funds under section 7(c)(2) of the 1974 Railroad Retirement Act.
- ¹² Advances, including interest, from U.S. Treasury to offset lag in receipt of financial interchange funds under section 7(c)(4) of the 1974 Railroad Retirement Act as amended.
- ¹³ Includes interest.
- ¹⁴ Established February 1, 2002, for investment of railroad retirement assets.
- ¹⁵ Source: National Railroad Retirement Investment Trust.
- ¹⁶ Established October 1, 1981, to keep track of the financing and payment of vested dual benefits.
- ¹⁷ Transfers from U.S. Treasury under section 15(d) of the Railroad Retirement Act of 1974 and Federal income tax transfers under section 72(r) of the Internal Revenue Code as amended.

Table A3.--Status of the financial interchange between the Railroad Retirement Accounts and the Old-Age and Survivors, Disability, and Hospital Insurance Trust Funds, by fiscal year, 1998-2007, on a cash basis (In millions)

Fiscal year	Taxes ¹	Benefit payments and administrative expenses ²	Amount due as of end of year to or (from) the Railroad Retirement Accounts ³	Transferred to or (from) the Railroad Retirement Accounts ⁴
OLD-AGE AND SURVIVORS INSURANCE				
1998.....	\$1,423.6	\$4,845.2	\$3,521.8	\$3,662.2
1999.....	1,536.2	4,828.3	3,390.1	3,681.4
2000.....	1,516.8	⁵ 4,542.2	3,135.2	3,538.2
2001.....	1,513.1	4,791.5	3,352.1	3,273.1
2002.....	1,504.7	4,817.7	3,452.5	3,493.3
2003.....	1,492.3	4,902.9	3,513.0	3,580.0
2004.....	1,568.8	4,926.3	3,477.2	3,628.1
2005.....	1,641.5	4,914.1	3,353.9	3,579.3
2006.....	1,702.4	5,063.8	3,460.4	3,458.0
2007.....	.....	.....	.....	3,574.6
Cumulative 1937-2007.....	\$48,484.5	\$140,407.3	.....	\$100,159.4
DISABILITY INSURANCE				
1998.....	\$218.3	\$328.3	\$128.8	\$156.8
1999.....	231.3	367.3	152.7	134.6
2000.....	234.1	⁶ 225.6	9.3	159.4
2001.....	243.8	389.0	147.3	9.7
2002.....	243.5	399.8	161.4	153.5
2003.....	238.8	447.7	208.6	167.4
2004.....	251.2	554.5	328.3	215.4
2005.....	264.6	613.5	376.6	337.9
2006.....	274.1	683.0	431.0	388.3
2007.....	.....	.....	.....	445.2
Cumulative 1937-2007.....	\$6,265.6	\$9,267.6	.....	\$3,469.1

See footnotes at end of table.

Table A3.--Status of the financial interchange between the Railroad Retirement Accounts and the Old-Age and Survivors, Disability, and Hospital Insurance Trust Funds, by fiscal year, 1998-2007, on a cash basis (In millions) - Continued

Fiscal year	Taxes ¹	Benefit payments and administrative expenses ²	Amount due as of end of year to or (from) the Railroad Retirement Accounts ³	Transferred to or (from) the Railroad Retirement Accounts ⁴
HOSPITAL INSURANCE				
1998	\$391.3	\$3.1	(\$411.3)	(\$419.4)
1999	421.1	3.1	(445.8)	(429.9)
2000	424.4	2.6	(449.9)	(465.3)
2001	389.8	1.6	(407.5)	(469.7)
2002	398.3	2.6	(411.1)	(424.7)
2003	393.0	2.1	(405.3)	(426.3)
2004	418.4	2.5	(432.2)	(418.6)
2005	442.5	2.6	(457.3)	(444.9)
2006	459.1	4.4	(467.9)	(471.5)
2007.....	.....	.....	.....	(483.3)
Cumulative 1937-2007	\$11,269.1	\$73.0	.....	(\$12,294.8)

¹ Beginning fiscal year 1984, Old-Age and Survivors Insurance and Disability Insurance include Federal income taxes. Hospital Insurance income taxes included beginning fiscal year 1994.

² Cumulative for Old-Age and Survivor Insurance and Disability Insurance is net of pre-1957 military service adjustments. For hospital insurance, administrative expenses only.

³ Includes interest at rate applicable to each trust fund.

⁴ Represents transfer of amount due at end of preceding year with interest from due date to date of transfer.

⁵ Includes adjustment for pre-1957 military service: Fiscal Year 2000 -\$326.1 million.

⁶ Includes adjustment for pre-1957 military service: Fiscal Year 2000 -\$145.0 million.

NOTE.--Under the financial interchange provision of the Railroad Retirement Act, the Board, the Commissioner of Social Security, and the Secretary of Health and Human Services make annual determinations of the amounts which would place the Federal Old-Age and Survivors, Disability, and Hospital Insurance Trust Funds in the same position in which they would have been if railroad employment had been covered by the Social Security Act. Transfers are to or from the Railroad Retirement Account in all years through fiscal year 1984; beginning fiscal year 1985, transfers are to or from the Social Security Equivalent Benefit Account. All figures are net after adjustment for changes in prior years.

Table A4.--Status of the Railroad Unemployment Insurance Account, by fiscal year, 2003-2007 (In thousands)

Item	Fiscal year				
	2003	2004	2005	2006	2007
RECEIPTS					
Taxes.....	\$122,638	\$109,191	\$76,179	\$65,725	\$65,995
Interest.....	3,444	5,148	5,796	5,387	3,963
Transfer from Administration fund under sec. 11(d) of the RUI Act.....	5,645	6,608	6,544	6,664	8,923
Undistributed recoveries of benefit payments ¹	788	(1,037)	(327)	(982)	1,405
Total.....	\$132,515	\$119,910	\$88,192	\$76,794	\$80,286
EXPENDITURES					
Benefit payments.....	\$94,389	\$82,975	\$72,861	\$72,812	\$74,004
Repayment of RRA Loan.....	8,181	....	....	....	....
Funding for Office of Inspector General.....	1,392	1,318	1,686	1,558	1,572
Total.....	\$103,962	\$84,293	\$74,547	\$74,370	\$75,577
Cash balance end of period.....	\$47,921	\$83,537	\$97,183	\$99,606	\$104,316
LOANS DUE RAILROAD RETIREMENT ACCOUNT					
Loans.....	....	....	....	....	....
Interest accrued.....	\$173	....	....	....	....
Repayment from RUI Account.....	8,181	....	....	....	....
Due RR Account end of period.....	....	....	....	....	....

¹ Net of distributed payments.

Table A5.--Status of the RUIA Administration Fund, by fiscal year, 1998-2007 (In thousands)

Fiscal year	Taxes and interest	Administrative expenditures ¹	Transfer to Railroad Unemployment Insurance Account under Sec. 11d ²	Balance at end of period
1998	\$19,081	\$13,123	\$2,993	\$7,849
1999	20,235	13,188	5,814	9,081
2000	19,941	14,847	6,546	7,629
2001	20,434	14,004	6,048	8,011
2002	20,032	13,266	6,734	8,043
2003	21,313	15,407	5,645	8,304
2004	20,787	15,846	6,608	6,637
2005	21,126	15,761	6,544	5,457
2006	21,980	10,610	6,664	10,163
2007	23,082	14,415	8,923	9,907

¹ Expenditures for each year included encumbrances as of end of year. FY 2006 and later reflect reallocation of prior period administrative expenses between the Railroad Retirement Act and Railroad Unemployment Insurance Act programs.

² Transfers to the Railroad Unemployment Insurance Account are based on the amount the accrual balance on the prior September 30 exceeded \$6,000,000.

**Table A6.--Retirement, survivor, unemployment, and sickness benefit payments, by class of benefit and state
of residence of beneficiary, fiscal year 2007 (In thousands)**

State	Total	Retirement benefits	Survivor benefits	Unemployment benefits	Sickness benefits
Alabama	\$174,567	\$136,343	\$36,924	\$500	\$801
Alaska	3,091	2,177	619	280	15
Arizona	173,611	135,777	36,783	582	469
Arkansas	178,994	146,724	30,972	380	918
California	509,671	390,455	113,702	2,166	3,349
Colorado	138,050	108,801	28,367	334	548
Connecticut	49,337	37,347	11,617	93	280
Delaware	34,135	26,110	7,638	63	324
Washington DC	6,953	4,812	2,003	45	93
Florida	528,025	426,527	99,677	760	1,061
Georgia	285,587	227,964	55,469	808	1,345
Hawaii	2,700	2,100	601	.....	.....
Idaho	84,496	66,985	16,908	244	359
Illinois	609,460	473,566	129,262	2,882	3,749
Indiana	292,641	226,692	63,093	1,119	1,737
Iowa	158,772	122,079	35,318	715	660
Kansas	255,507	204,405	49,838	488	776
Kentucky	269,076	212,406	54,902	449	1,319
Louisiana	137,710	105,379	31,012	536	784
Maine	49,974	37,157	12,583	119	116
Maryland	163,369	122,666	39,178	389	1,136
Massachusetts	71,473	51,780	18,705	348	640
Michigan	257,434	201,305	54,315	667	1,147
Minnesota	269,954	207,942	60,466	704	842
Mississippi	112,950	89,714	22,644	274	319
Missouri	333,789	262,217	69,683	727	1,161
Montana	107,556	85,001	21,861	362	331
Nebraska	211,864	171,389	38,437	526	1,511
Nevada	60,999	48,910	11,690	225	175
New Hampshire	14,105	10,025	3,972	36	71

Table A6.--Retirement, survivor, unemployment, and sickness benefit payments, by class of benefit and state of residence of beneficiary, fiscal year 2007 (In thousands) - Continued

State	Total	Retirement benefits	Survivor benefits	Unemployment benefits	Sickness benefits
New Jersey	\$162,122	\$119,509	\$40,421	\$485	\$1,707
New Mexico	80,444	62,032	17,783	327	303
New York	405,323	313,411	88,251	1,179	2,482
North Carolina	182,108	142,030	39,262	292	524
North Dakota	58,580	44,578	13,308	445	249
Ohio	500,516	376,102	121,195	1,286	1,933
Oklahoma	91,151	71,560	19,105	205	281
Oregon	151,512	118,979	31,844	274	414
Pennsylvania	653,210	473,461	175,553	1,100	3,096
Rhode Island	9,382	6,745	2,526	28	82
South Carolina	118,529	93,736	24,061	267	466
South Dakota	23,299	17,988	5,076	82	152
Tennessee	217,026	168,824	46,770	429	1,003
Texas	598,640	467,838	125,976	1,957	2,868
Utah	98,363	75,644	22,088	330	302
Vermont	13,450	9,567	3,846	28	9
Virginia	315,610	245,078	68,804	499	1,229
Washington	207,416	162,696	43,273	427	1,021
West Virginia	168,184	124,886	42,225	215	859
Wisconsin	177,295	136,034	39,708	799	753
Wyoming	56,721	45,215	10,753	300	454
Outside United States:					
Canada ¹	24,854	13,878	10,971	.....	.....
Mexico	3,481	1,605	1,876	.....	.....
Other	8,384	4,924	3,455	6	.....
Total	\$9,871,452	\$7,641,073	\$2,156,369	\$27,781	\$46,223

¹ Total includes \$5,000 for hospital insurance benefits for services in Canada.

NOTE.--Data partly estimated.