Required Supplementary Stewardship Information: Social Insurance

Statement of Social Insurance

Actuarial Surplus or (Deficiency)[a, b]
75-year Projection as of January 1, 2003
(Present values in millions of dollars)

	1/1/2003	1/1/2002	1/1/2001
Estimated future income (excluding interest)[c] received from or on behalf of:			
Current participants not yet having attained retirement age	$58,315	$60,452	$60,437
Current participants who have attained retirement age	54,491	51,137	51,202
Those expected to become participants	32,419	30,843	30,690
Subtotal - contributions and tax income for the 75-year period	145,225	142,432	142,329
Estimated future expenditures[d]			
Current participants not yet having attained retirement age	72,976	75,781	74,453
Current participants who have attained retirement age	80,374	73,840	73,455
Those expected to become participants	13,789	12,776	12,905
Subtotal - benefit payments for the 75-year period	167,139	162,397	160,813
Estimated future excess[e] of income over expenditures	(21,914)	(19,965)	(18,484)

Footnotes to the Statement of Social Insurance:

[a] Represents combined values for the RR Account, SSEB Account, and NRRIT.

[b] The data used reflect the provisions of the RRSIA. Comparable data for years prior to 2001 by participant groupings are not available. Following is the estimated future excess of income over expenditures (in millions) under the prior law as of the dates stated below:

September 30, 1999	$(9,028)
September 30, 2000	$(6,981)

[c] Future income (excluding interest) includes tier 1 taxes, tier 2 taxes, income taxes on benefits, financial interchange income, advances from general revenues, and repayments of advances from general revenues. The calculations assume that all future transfers required by current law under the financial interchange will be made.

[d] Future expenditures include benefit and administrative costs.

[e] A closed group estimate using the projected tax rates under employment assumption II may be obtained by excluding amounts for “Those expected to become participants” listed above.

Additional Notes:

The fund balances as of 1/1/2003, 1/1/2002, and 1/1/2001 were $22,679,000,000, $20,861,000,000, and $19,251,000,000, respectively.

Detail may not add to totals due to rounding. Employee and beneficiary status are determined as of 1/1/2002, whereas present values are as of 1/1/2003. Prior to 2003, present value categories for “current participants not yet having attained retirement age” included those employees eligible for retirement who had not yet retired.

Program Financing

Payroll taxes paid by railroad employers and their employees are the primary source of funding for the railroad retirement-survivor benefit programs. Railroad retirement taxes, which have historically been higher than social security taxes, are calculated, like benefit payments, on a two-tier basis. Railroad retirement tier 1 payroll taxes are coordinated with social security taxes so that employees and employers pay tier 1 taxes at the same rate as social security taxes. In addition, both employees and employers pay tier 2 taxes that are used to finance railroad retirement benefit payments over and above social security levels. Beginning with calendar year 2004, these tier 2 taxes will be based on the ratio of certain asset balances to the sum of benefit payments and administrative expenses.

Revenues in excess of benefit payments are invested to provide additional trust fund income. The NRRIT oversees most investments, including all investments in non-governmental assets. The Board of Trustees of the NRRIT is comprised of three members selected by rail labor to represent the interests of labor; three members likewise selected by rail management to represent management interests; and one independent member selected by a majority of the other six members.

Additional trust fund income is derived from the financial interchange (FI) with the social security trust funds, revenues from Federal income taxes on railroad retirement benefits, and appropriations from general treasury revenues provided after 1974 as part of a phase-out of certain vested dual benefits.

The financial interchange between the railroad retirement and social security systems is intended to put the Federal Old-Age, Survivors, and Disability Insurance (FOASI/DI) trust funds and the Centers for Medicare and Medicaid Services (CMS) Federal Hospital Insurance (FHI) trust fund in the same position they would have been had railroad employment been covered under the Social Security Act and FICA. It follows that all computations under the FI are performed according to social security law. The amount of benefits payable under the RRA has no effect on the results.

Placing the social security trust funds in the same position they would have been had railroad employment been covered under social security since its inception involves computing the amount of social security payroll and income taxes relating to railroad employment and computing the amount of additional benefits which social security would have paid to railroad retirement beneficiaries during the same fiscal year. In the computation of the latter amount, credit is given for any social security benefits actually paid to railroad retirement beneficiaries. When benefit reimbursements exceed payroll and income taxes, the difference, with an allowance for interest and administrative expenses, is transferred from the social security trust funds to the SSEB Account. If taxes exceed benefit reimbursements (this has not happened since 1951), a transfer would be made in favor of the social security trust funds.

<u>Benefits</u>

Full age annuities are payable at age 60 to workers with 30 years of service. For those with less than 30 years of service, reduced annuities are payable at age 62 and unreduced annuities are payable at full retirement age, which is gradually rising from 65 to 67, depending on year of birth. Disability annuities can be paid on the basis of total or occupational disability. Annuities are also payable to spouses and divorced spouses of retired workers and to widow(er)s, surviving divorced spouses, remarried widow(er)s, children, and parents of deceased railroad workers. Qualified railroad retirement beneficiaries are covered by Medicare in the same way as social security beneficiaries.

Jurisdiction over the payment of retirement and survivor benefits is shared by the RRB and SSA. The RRB has jurisdiction over the payment of retirement benefits if the employee had at least 10 years of railroad service, or five years if performed after 1995; for survivor benefits, there is an additional requirement that the employee's last regular employment before retirement or death was in the railroad industry. If a railroad employee or his or her survivors do not qualify for railroad retirement benefits, the RRB transfers the employee's railroad retirement credits to SSA, where they are treated as social security credits.

<u>Recent Developments</u>

The RRSIA, enacted on December 21, 2001, provided several changes in benefit and financing provisions.

The legislation liberalizes early retirement benefits for 30-year employees, eliminates a cap on monthly retirement and disability benefits, lowers the minimum service requirement from 10 years to 5 years if performed after 1995, and provides increased benefits for some widow(er)s. The financing sections of the new law provide for the investment of railroad retirement funds in non-governmental assets, adjustments in the payroll tax rates paid by employers and employees, and the repeal of a supplemental annuity work-hour tax.

<u>Program Finances and Sustainability</u>

The RRB must submit to the President and the Congress a report on the actuarial status of the Railroad Retirement system. Projections are made of the various components of income and outgo under three employment assumptions.

The Statement of Social Insurance presents an actuarial analysis of the financial position of the RR System as of January 1, 2003. The figures in the table are based on the 22nd Actuarial Valuation extended through calendar year 2077. The present values in the table are based on estimates of contributions and expenditures through the year 2077. The estimates include contributions and expenditures related to future participants as well as to former and present railroad employees. The present values are computed on the basis of economic and demographic assumptions and employment assumption II, the intermediate employment assumption, as used in the 22nd Actuarial Valuation. Under employment assumption II, starting with an average 2002 employment of 227,000, (1) railroad passenger employment is assumed to remain level at 44,000, and (2) the employment base, excluding passenger employment, is assumed to decline at a constant annual rate of 3.0 percent for 25 years, at a reducing rate over the next 25 years, and remain level thereafter.

<u>Supplementary Stewardship Information:</u> Actuarial estimates of the long-range financial condition of the Railroad Retirement program are presented here. Throughout this section, the following terms will generally be used as indicated:

- Income: sources of income are payroll taxes, income taxes, investment income, and financial interchange transfers.

- Income excluding interest[a]: income, as defined above, excluding the interest/investment income from assets of the trust fund.

- Expenditures: benefit payments and administrative expenses.

- Cashflow: either (1) income excluding interest or (2) expenditures, depending on the context, expressed in nominal dollars.

- Net Cashflow: income excluding interest less expenditures, expressed in nominal dollars.

All estimates in this section are based on the intermediate assumptions in the 22nd Actuarial Valuation. The statement presented on page 103 and the supplementary stewardship information below are derived from estimates of future income and expenditures based on these assumptions, the RRA, and the Railroad Retirement Tax Act. This information includes:

(1) actuarial present values of future estimated expenditures for and estimated income from, or on behalf of, current and future program participants;

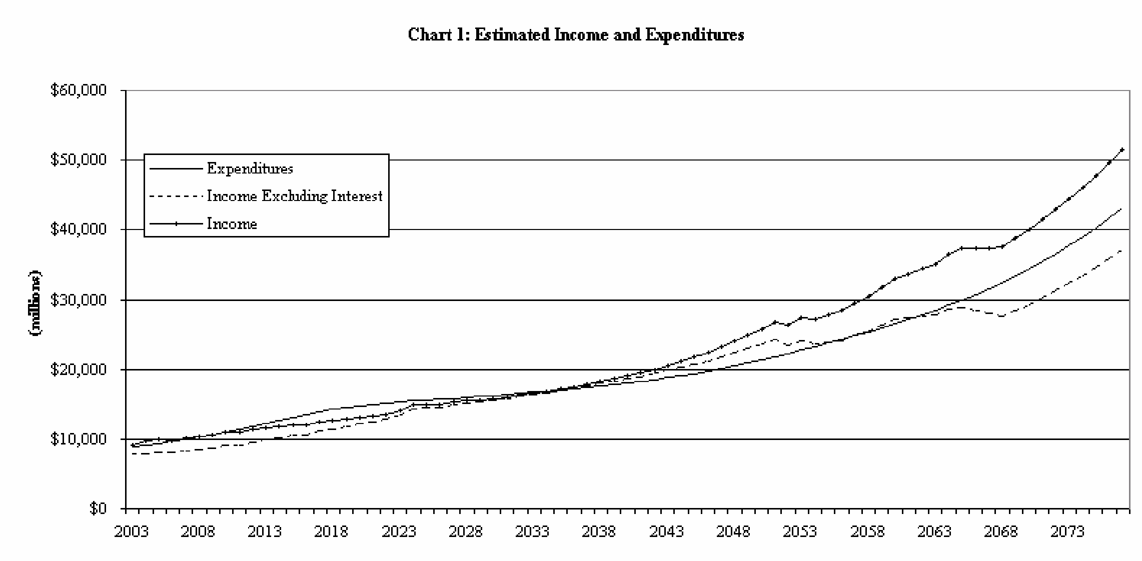
(2) estimated annual income excluding interest and expenditures in nominal dollars and as a percentage of taxable payroll;

(3) the ratio of estimated annuitants to estimated full-time employees, showing the relationship between the program's benefit recipients and taxpayers; and

(4) an analysis of the sensitivity of the projections to changes in selected assumptions, which is included in recognition of the inherent uncertainty of those assumptions.

Estimates are generally based on a 75-year projection period. Estimates extending far into the future are inherently uncertain, with uncertainty greater for the more distant years.

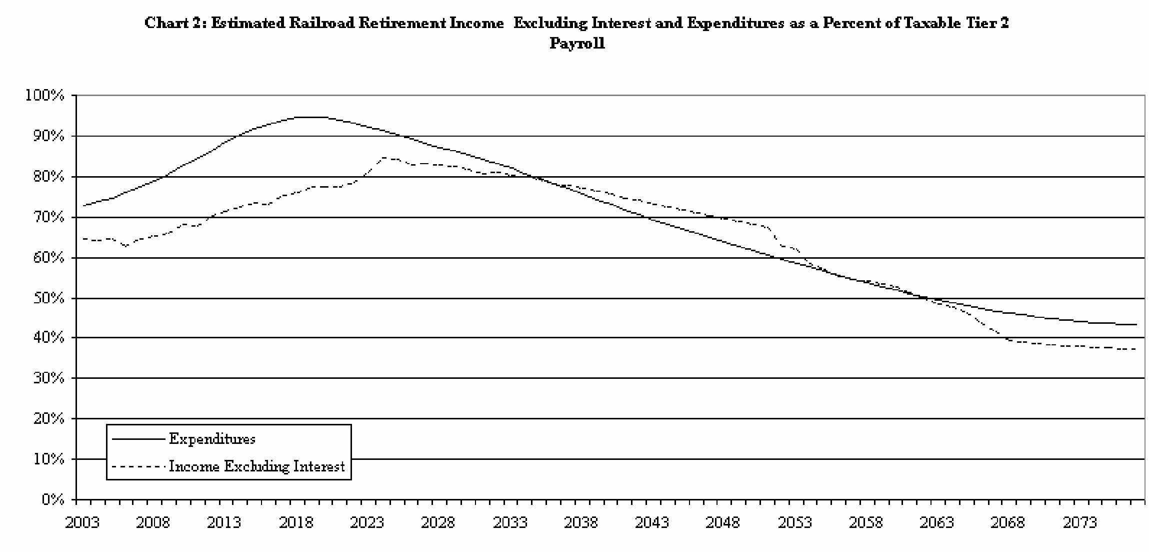
[a] References to interest income in this section may be considered as referring to total investment income including dividends and capital gains.



Cashflow Projections – Chart 1 shows actuarial estimates of Railroad Retirement annual income, income excluding interest, and expenditures for 2003-2077 in nominal dollars. The estimates are for the open-group population, which includes all persons projected to participate in the Railroad Retirement program as railroad workers or beneficiaries during the period. Thus, the estimates include payments from, and on behalf of, those who will be employed by the railroads during the period as well as those already employed at the beginning of the period. They also include expenditures made to, and on behalf of, such workers during that period.

As Chart 1 shows, annual expenditures begin to exceed annual income in 2009. This continues for more than two decades, but by 2035 income is once again greater than expenditures. This remains true throughout the remainder of the projection period. Without investment income, however, annual expenditures are almost always greater than annual income, except for the period 2037-2055 and 2057-2061. Reasons for this pattern include participant demographics, the assumed drop in railroad employment, and the automatic tier 2 tax rate adjustment mechanism. The combined balance of the NRRIT, RR Account, and SSEB Account never becomes negative largely because (i) a sufficient balance exists at the beginning of the projection period and (ii) tier 2 tax rates respond automatically to changing account balances.

Percentage of Taxable Payroll – Chart 2 shows estimated annual income excluding interest and expenditures for the Railroad Retirement program expressed as percentages of taxable payroll. Benefits and administrative expenses as a percentage of payroll increase through 2019 primarily due to the anticipated retirement of a large percentage of the current workforce combined with the projected decline in railroad employment. Except for the income from tier 1 payroll taxes, the sources of income vary as a percentage of payroll.



Sensitivity Analysis -- The projections of the future financial status of the Railroad Retirement program depend on many economic and demographic assumptions including rail employment, inflation, wage increase, investment return, age retirement, disability retirement, withdrawal, active service mortality, beneficiary mortality, total termination, probability of spouse, remarriage, family composition, disability freeze, service patterns, and salary scales. Because perfect long-range projections are impossible, this section is included to illustrate the sensitivity of the long-range projections to changes in certain key assumptions that have the greatest impact on the results. All present values are calculated as of January 1, 2003, and are based on estimates of income and expenditures during the projection period 2003-2077.

Employment: Average employment in the railroad industry has been in decline for some years. This decline is expected to continue. Since employment is a key consideration, projections of income and expenditures using three different employment assumptions have been made. The Statement of Social Insurance uses employment assumption II, the intermediate assumption, but this section compares results under the three assumptions. For all three cases, the average employment for the year 2002 is equal to 227,000. Employment assumptions I and II, based on a model developed by the Association of American Railroads, assume that (1) passenger employment will remain at the level of 44,000, and (2) the employment base, excluding passenger employment, will decline at a constant annual rate (1.5 percent for assumption I and 3.0 percent for assumption II) for 25 years, at a reducing rate over the next 25 years, and remain level thereafter. Employment assumption III differs from employment assumptions I and II by assuming that (1) passenger employment will decline by 500 per year until a level of 35,000 is reached and then remain level, and (2) the employment base, excluding passenger employment, will decline at a constant annual rate of 4.5 percent for 25 years, at a reducing rate over the next 25 years, and remain level thereafter. Employment assumptions I, II, and III are intended to provide an optimistic, moderate, and pessimistic assumption, respectively.

Under the first two employment assumptions, no cashflow problems occur throughout the entire period. Under the third employment assumption, cashflow problems occur in 2022. Table 1 shows the excess of assets and the present value of income over the present value of expenditures for the three employment assumptions.

Table 1
Excess of Assets and Present Value of Income over Present Value of Expenditures for Three Employment Assumptions, 2003-2077
(in millions)

Employment Assumption	I	II	III
Present Value	$ 966	$ 766	$(3,624)
Average Tier 2 tax rate[a]	17.7%	20.0%	20.7%

[a]Average combined employer/employee tier 2 tax rate is calculated by dividing the present value of tier 2 taxes by the present value of tier 2 payroll. Beginning in 2004, tier 2 tax rates will vary based on a ratio of assets to the sum of benefits and administrative expenses. Tier 1 tax rates remain the same as for social security and are not affected by employment assumptions.

Chart 3a shows the combined balance of the accounts under each of the three employment assumptions. Note that in 2022, the combined account balance becomes negative under employment assumption III.

Chart 3a: Combined Balance of the RR Account, NRRIT and SSEB Account under Three Employment Assumptions

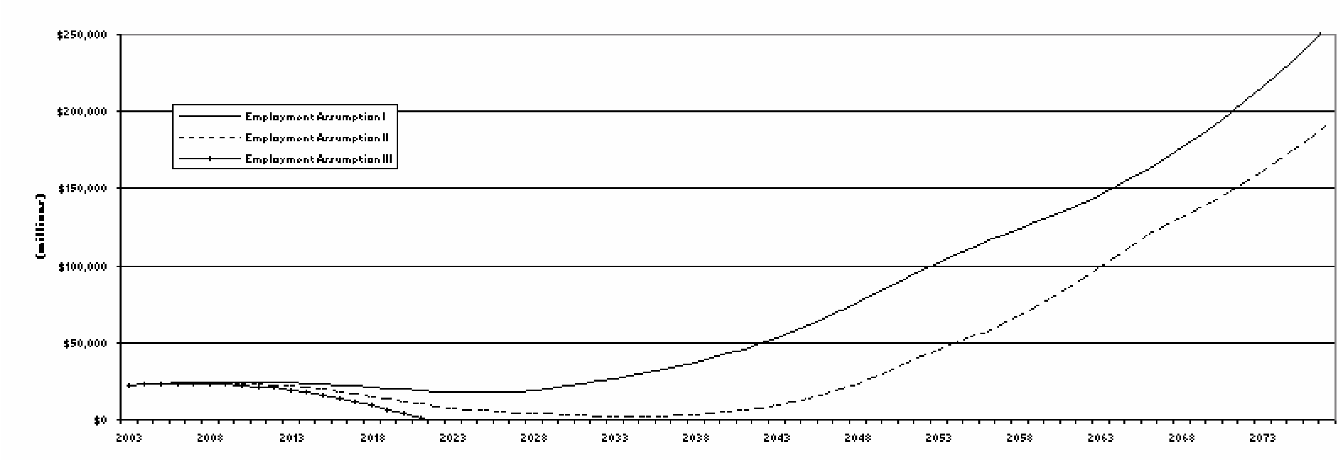
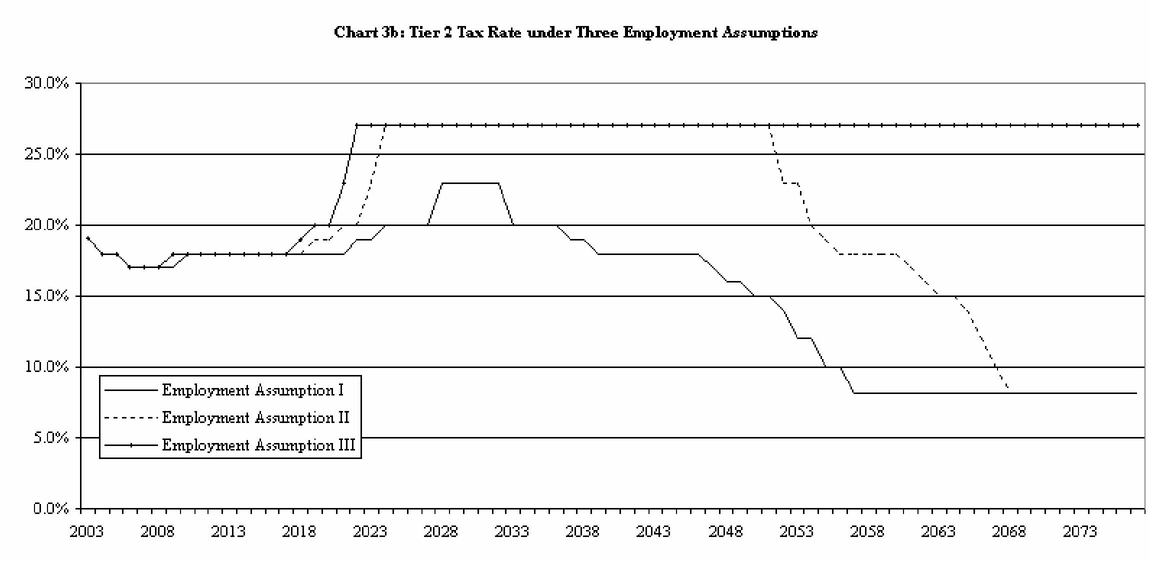


Chart 3b shows the tier 2 tax rate under these employment assumptions. The tax rate reaches the minimum in 2057 under employment assumption I but not until 2068 under employment assumption II. Under employment assumption III, the tax rate reaches the maximum in 2022 and remains at that level throughout the remainder of the projection period because the combined account balances are negative.



Under the provisions of the RRSIA, the tier 2 tax rate for each year is determined by the average account benefits ratio, which is the average for the 10 most recent fiscal years of the ratio of fair market value of assets in the RR Account and NRRIT (and for years before 2002, the SSEB Account) to total benefits and administrative expenses paid from the RR Account and the NRRIT. Therefore, the tier 2 tax rate will be affected by employment assumption. The tier 2 tax rate adjustment mechanism promotes but does not guarantee solvency. The tier 1 tax rate does not vary by employment assumption.

Interest rates: Since investments may include non-governmental assets such as equity and debt securities as well as governmental securities, it is worthwhile to examine the effects of future rates of investment return. In addition to the interest rate of 8 percent used for our projections, we show the effect on the combined accounts of an interest rate of 4 percent and an interest rate of 12 percent. Table 2 shows the excess of assets and the present value of income over the present value of expenditures for the three interest rate assumptions. If the tier 2 tax rate were fixed, the actuarial surplus would increase with increasing investment return. However, the tier 2 tax rate adjusts to changing account balances, resulting in the highest average tax rate under the 4 percent scenario and the lowest average tax rate under the 12 percent scenario. Under the 8 percent scenario, the tax rate adjustment mechanism keeps the system in close actuarial balance. Under the 12 percent scenario, the tax rate is limited to a minimum value, resulting in a higher surplus. Under the 4 percent scenario, the tax rate reaches a maximum value and then remains at that value longer than is needed, resulting in the highest actuarial surplus.

Table 2
Excess of Assets and Present Value of Income over Present Value of Expenditures for Three Interest Rate Assumptions, 2003-2077
(in millions)

Interest Rate Assumption	4%	8%	12%
Present Value	$6,996	$766	$1,851
Average Tier 2 tax rate	23.2%	20.0%	16.1%

Chart 4a shows the combined account balance under the three interest rate assumptions for the projection period. At a 4 percent interest rate, the account balance becomes negative in 2020 and remains so until 2056, at which time it begins to increase again. With an 8 percent interest rate, the account balance increases through 2008, then decreases, reaching a minimum in 2034, and increases thereafter. A 12 percent interest rate results in a combined balance that increases throughout the projection period. Although the 4 percent scenario shows the lowest account balance at the end of the projection period, the concurrent use of a 4 percent discount rate results in the highest surplus on January 1, 2003.

Chart 4a: Combined Balance of the RR Account, NRRIT and SSEB Account under Three Interest Assumptions

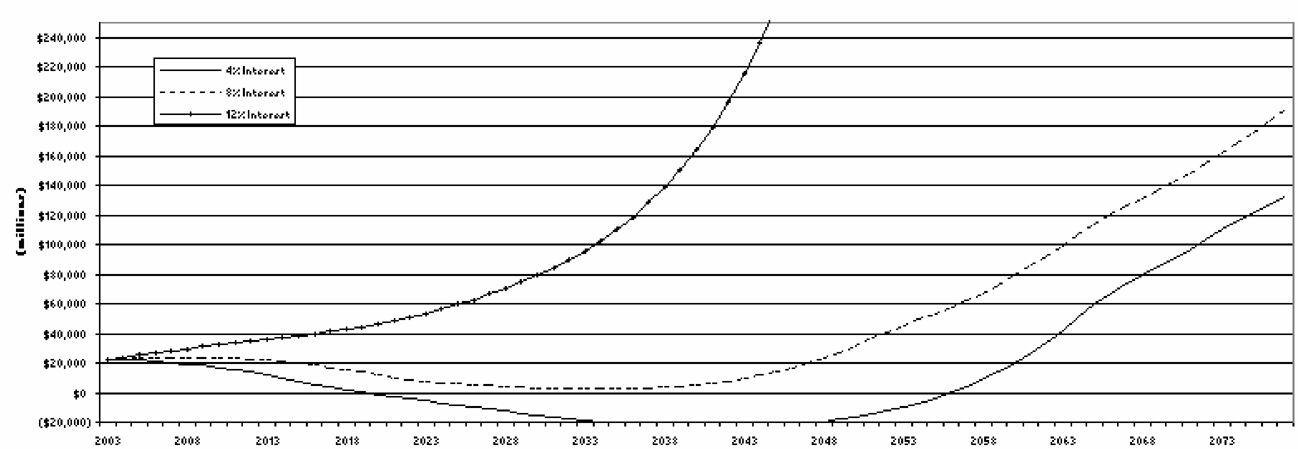
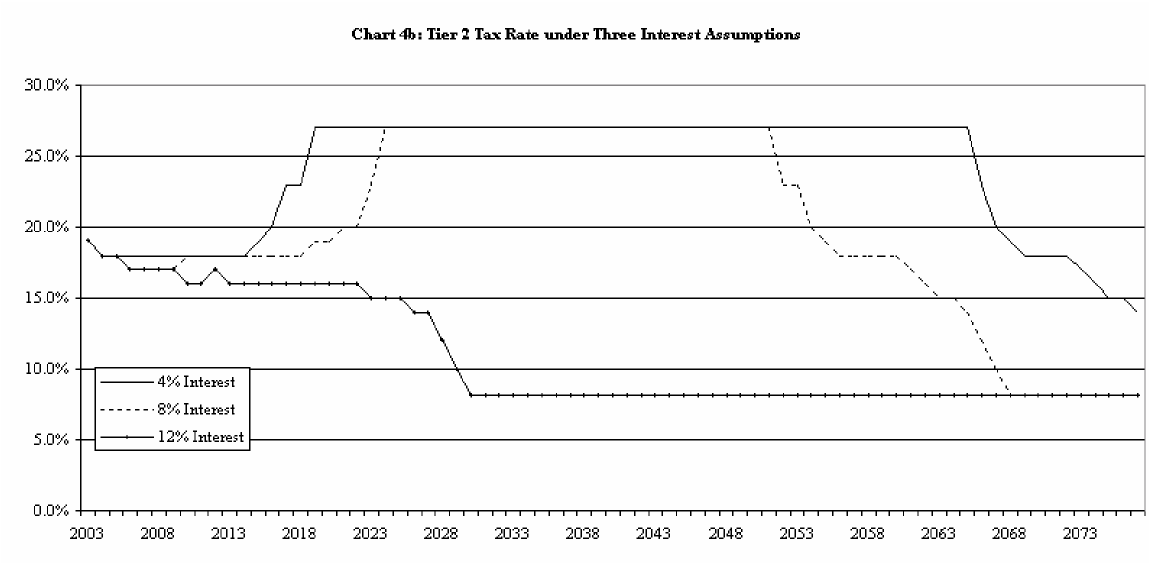
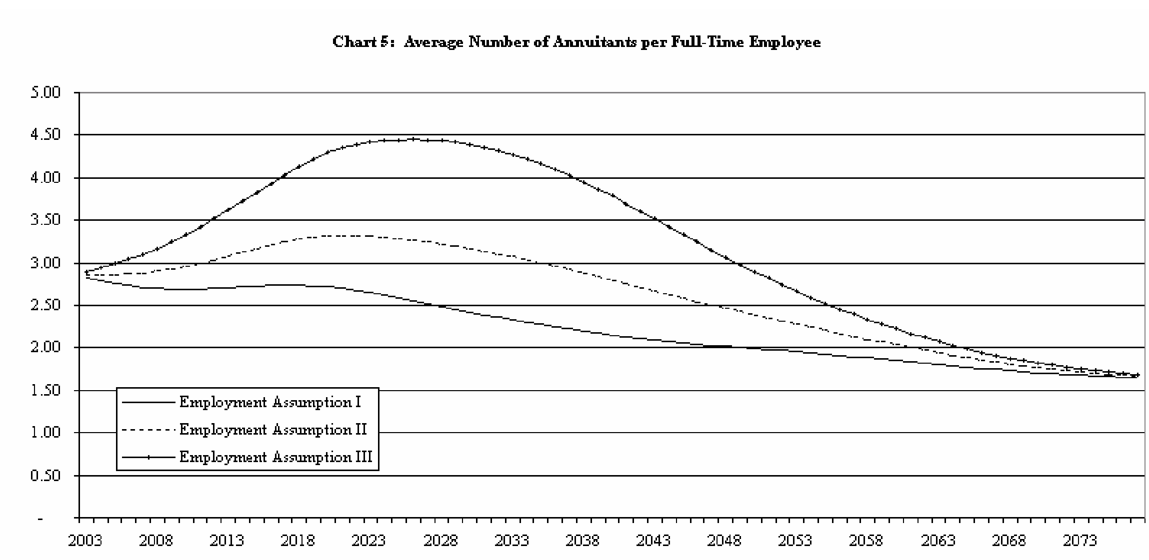


Chart 4b shows the tier 2 tax rate under the same three interest assumptions. With a 4 percent interest rate, the maximum tier 2 tax rate applies throughout much of the projection period, from 2019 until 2065. Even with the 8 percent interest rate, the maximum tax rate will be paid from 2024 until 2051. On the other hand, with a 12 percent interest rate, the maximum tax rate is never applicable, and the minimum tax rate is paid beginning in 2030. As mentioned above, the tier 2 tax rate is determined based on the ratios of asset values to benefits and administrative expenses, so it will be affected by investment return, but tier 1 tax rates will not.



Ratio of Beneficiaries to Workers: Chart 5 shows the estimated number of annuitants per full-time employee under all three employment assumptions. The average number of annuitants per employee for employment assumption I is highest in 2003. For assumptions II and III, the ratio is highest in 2021-22 and 2026-27, respectively. For all three employment assumptions, the average number of annuitants per employee declines to around 1.7 by the end of the projection period. The convergence in number of annuitants per employee at the end of the projection period results primarily from level employment projected in the latter years under all three employment assumptions.



Railroad Retirement Assumptions

The estimates used in this presentation are based on the assumption that the program will continue as presently constructed. They are also based on various economic, employment, and other actuarial assumptions. The employment assumptions were described above. The ultimate economic assumptions are an 8 percent interest rate, a 3 percent annual increase in the cost of living, and a 4 percent annual wage increase. Actuarial assumptions are those published in the "Twenty-Second Actuarial Valuation of the Assets and Liabilities Under the Railroad Retirement Acts as of December 31, 2001 with Technical Supplement."

REQUIRED SUPPLEMENTARY INFORMATION
RAILROAD RETIREMENT BOARD
INTRAGOVERNMENTAL ACTIVITY AND BALANCES
FISCAL YEAR 2003

ASSETS:

Trading Partner	Fund balance with Treasury	Investments	Accounts Receivable	Total
Treasury (20)	$12,906,874	$1,180,997,109	$0	$1,193,903,983
SSA (28)	0	0	3,700,539,815	3,700,539,815
DOL (16)	0	0	55,829,179	55,829,179
Total	$12,906,874	$1,180,997,109	$3,756,368,994	$4,950,272,977

LIABILITIES:

Trading Partner	Accounts Payable	Debt	Other	Total
Treasury (20)	$78,833	$3,025,032,621	$0	$3,025,111,454
Treasury (99)	0	0	80,873	80,873
CMS (75)	405,500,000	0	0	405,500,000
DOL (16)	0	0	379,250	379,250
SSA (28)	0	0	62,213	62,213
OPM (24)	0	0	303,130	303,130
GSA (47)	121,000	0	0	121,000
Total	$405,699,833	$3,025,032,621	$825,466	$3,431,557,920

BUDGETARY FINANCING SOURCES - UNEXPENDED APPROPRIATIONS

Trading Partner	Appropriations Received	Total
Treasury (99)	$562,150,000	$562,150,000

BUDGETARY FINANCING SOURCES - CUMULATIVE RESULTS OF OPERATIONS (NOTE 1):

	Appropriations	Non-Exchange Revenue (Note 2)		Gain(Loss) on	
Trading Partner	Used	Income Taxes	Interest	Disposition of Assets	Total
Treasury (20)	$0	$0	$277,540,716	$1,586,550,184	$1,864,090,900
Treasury (99)	559,434,938	4,349,420,175	0	0	4,908,855,113
	559,434,938	4,349,420,175	277,540,716	1,586,550,184	6,772,946,013

OTHER FINANCING SOURCES

Trading Partner	Transfers In/Out Without Reimbursement	Imputed	Total
DOL (16)	$143,685,513		$143,685,513
OPM (24)	$0	$9,836,814	$9,836,814
SSA (28)	$3,734,718,000	$0	$3,734,718,000
CMS (75)	(419,977,000)	0	(419,977,000)
	$3,458,426,513	$9,836,814	$3,468,263,327

PROGRAM COSTS:

Trading Partner	Interest	Salaries and Expenses	Imputed Cost	Reimbursements	Total
Treasury (20)	$187,475,724	$1,148,001	$0	$0	$188,623,725
Treasury (99)	0	5,035,783	0	0	5,035,783
DOJ (15)	0	0	0	0	0
DOL (16)	0	196,264	0	0	196,264
CMS (75)	0	25,347	0	(5,259,567)	(5,234,220)
OPM (24)	0	11,311,511	9,836,814	0	21,148,325
U.S. Postal Service (18)	0	1,399,422	0	0	1,399,422
GPO (04)	0	179,181	0	0	179,181
HS (70)	0	7,302	0	0	7,302
GSA (47)	0	4,671,046	0	0	4,671,046
	$187,475,724	$23,973,857	$9,836,814	($5,259,567)	$216,026,828

EARNED REVENUES NOT ATTRIBUTED TO PROGRAM

Trading Partner	Received	Total
NMB (95)	($36,989)	($36,989)

Note 1: Amount does not include the transfers to NRRIT for $19,188,000,000 or the transfers in from the NRRIT for $300,001,862.

Note 2: Amounts do not include other income and interest of $40,707, less refunds of $377,971, contingent liability of $172,000,000, and other non-exchange revenue items $131,292.

RAILROAD RETIREMENT BOARD
DISAGGREGATE OF PROGRAM COSTS (CONSOLIDATED SCHEDULE OF SALARIES AND EXPENSES AND BENEFIT PAYMENTS)
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2003 and 2002

Description	Budget Object Code	2003	Restated 2002
SALARIES AND EXPENSES:			
PERSONNEL COMPENSATION AND BENEFITS:			
Personnel compensation:			
Full-time salary	111	$72,720,034	$69,531,820
Other than full-time salary	113	1,029,332	1,266,136
Other personnel compensation	115	1,021,447	1,007,692
Overtime pay	118	164,792	620,609
Unfunded FECA		(61,962)	(37,337)
		74,873,643	**72,388,920**
Personnel benefits:			
Civilian personnel benefits	121	15,976,858	15,822,379
Change of station	126	48,852	66,550
		16,025,710	**15,888,929**
Benefits for former personnel	131	11,848	116,930
TOTAL PERSONNEL COMPENSATION AND BENEFITS		**90,911,201**	**88,394,779**
TRAVEL AND TRANSPORTATION:			
Travel and transportation of person	211	721,401	933,170
Transportation of things	221	100,388	125,051
		821,789	**1,058,221**
RENT, COMMUNICATIONS AND UTILITIES:			
Rental payments to GSA	231	3,662,478	3,451,824
Rent of Equipment	233	785,733	655,841
Postage	234	1,399,422	1,271,039
Utilities	235	541,730	548,229
Communications	236	1,501,033	1,753,843
		7,890,396	**7,680,776**
PRINTING AND REPRODUCTION	241	**202,840**	**186,438**
OTHER SERVICES:			
Consulting services	251	601,854	497,071
Government contracts	252	1,406,697	1,640,406
All other services	253	310,582	1,025,922
Repairs and maintenance	254	1,404,446	1,388,259
Storage	255	1,606	21,545
Medical fees	256	2,306,695	2,032,798
Training	257	284,546	376,484
Operation and maintenance of facilities	258	1,688,803	1,894,570
Other contracts over $9,999	259	1,536,294	1,383,448
		9,541,523	**10,260,503**
SUPPLIES AND MATERIALS:			
Supplies and materials	261	421,269	465,753
Subscriptions and publications	262	98,075	127,359
Stock account	263	337,821	299,255
Direct Order Stocked Supplies	264	45,287	162,103
		902,452	**1,054,470**
EQUIPMENT:			
Equipment over $500	311	358,026	2,095,775
Equipment over $4,999	312	231,311	686,086
		589,337	**2,781,861**
UNFUNDED ANNUAL LEAVE	---	**7,484**	**569,689**
DEPRECIATION AND AMORTIZATION	---	**1,024,411**	**870,395**
TOTAL		**111,891,433**	**112,857,132**
CHARGED TO CAPITAL EXPENDITURES		**(1,297,311)**	**(1,896,994)**
COMBINED TOTAL SALARIES AND EXPENSES - INTRAGOVERNMENTAL AND PUBLIC		**110,594,122**	**110,960,138**
INTER-FUND ELIMINATION		**(467,896)**	**(482,500)**
CONSOLIDATED TOTAL SALARIES AND EXPENSES - INTRAGOVERNMENTAL AND PUBLIC		**$110,126,226**	**$110,477,638**

RAILROAD RETIREMENT BOARD
DISAGGREGATE OF PROGRAM COSTS (CONSOLIDATED SCHEDULE OF SALARIES AND EXPENSES AND BENEFIT PAYMENTS) - CON'T
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2003 and 2002

BENEFIT PAYMENTS - RRB:			
GRANTS, SUBSIDIES AND CONTRIBUTIONS	410	129,369,108	142,152,844
BAD DEBTS	420	4,197,318	14,752,021
INSURANCE, CLAIMS AND INDEMNITIES	420	8,866,334,030	8,659,910,925
TOTAL BENEFIT PAYMENTS - RRB		**$8,999,900,456**	**$8,816,815,790**
INTEREST EXPENSE	431	187,475,724	210,668,619
INTEREST AND DIVIDENDS	431	$1,921,795	$689,500
IMPUTED COSTS		9,836,814	8,508,837
INTRAGOVERNMENTAL EARNED REVENUES		(5,259,567)	(5,062,958)
EARNED REVENUES FROM THE PUBLIC		(30,445,357)	(30,775,659)
EARNED REVENUES NOT ATTRIBUTED TO PROGRAMS		(77,808)	(83,999)
NET COST OF OPERATIONS		**$9,273,478,283**	**$9,111,237,768**

RAILROAD RETIREMENT BOARD
DISAGGREGATE OF BUDGETARY RESOURCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003

Budgetary Resources:	**COMBINED RAILROAD RETIREMENT PROGRAM**	**COMBINED RAILROAD UNEMPLOYMENT AND SICKNESS INSURANCE PROGRAM**	**LIMITATION ON THE OFFICE OF INSPECTOR GENERAL**	**COMBINED TOTALS**	**INTER-FUND ELIMINATIONS**	**CONSOLIDATED TOTALS**
Appropriations Received	$28,767,341,537	$146,177,352	$0	$28,913,518,889	($430,000,000)	$28,483,518,889
Net Transfers	17,956,796	(23,748,612)	5,791,816	0	0	0
Unobligated Balance, Beginning of Period	16,865,818	0	770,662	17,636,480	0	17,636,480
Spending Authority From Offsetting Collections						
Earned	6,177,478	29,651,731	0	35,829,209	(535,718)	35,293,491
Recoveries of Prior Year Obligations	568,396	0	99,586	667,982	0	667,982
Temporarily Not Available Pursuant to Public Law	0	(27,860,675)	0	(27,860,675)	0	(27,860,675)
Permanently Not Available	(6,269,488)	0	(41,360)	(6,310,848)	0	(6,310,848)
Total Budgetary Resources	**$28,802,640,537**	**$124,219,796**	**$6,620,704**	**$28,933,481,037**	**($430,535,718)**	**$28,502,945,319**
Status of Budgetary Resources:						
Obligations Incurred	$28,788,448,890	$124,219,796	$6,316,057	$28,918,984,743	($430,535,718)	$28,488,449,025
Unobligated Balance	1,999,356	0	5,583	2,004,939	0	2,004,939
Unobligated Balance Not Available	12,192,291	0	299,064	12,491,355	0	12,491,355
Total Status of Budgetary Resources	**$28,802,640,537**	**$124,219,796**	**$6,620,704**	**$28,933,481,037**	**($430,535,718)**	**$28,502,945,319**
Relationship of Obligations to Outlays:						
Obligated Balance, Net, Beginning of Period, as Adjusted (Note 27)	**$805,468,702**	**$3,234,093**	**$581,823**	**$ 809,284,618**	**$0**	**$809,284,618**
Obligated Balance, Net, End of Period:						
Accounts Receivable	173,064	(4,385)	0	168,679	0	168,679
Undelivered Orders	(5,293,030)	0	(182,221)	(5,475,251)	0	(5,475,251)
Accounts Payable	(808,589,985)	(4,719,248)	(163,634)	(813,472,867)	0	(813,472,867)
Outlays:						
Disbursements	28,779,699,080	122,779,716	6,452,438	28,908,931,234	(430,535,718)	28,478,395,516
Collections	(6,237,314)	(29,701,191)	0	(35,938,505)	535,718	(35,402,787)
Subtotal	28,773,461,766	93,078,525	6,452,438	28,872,992,729	(430,000,000)	28,442,992,729
Less: Offsetting Receipts	3,744,741,000	0	0	3,744,741,000	0	3,744,741,000
Net Outlays	**$25,028,720,766**	**$93,078,525**	**$6,452,438**	**$25,128,251,729**	**($430,000,000)**	**$24,698,251,729**