



Audit Report



OIG-13-018

Audit of the United States Mint's Fiscal Years 2012 and 2011
Financial Statements

December 5, 2012

Office of
Inspector General

Department of the Treasury

The Mint strives to ensure that their documents are accessible;
to obtain a Section 508 compliant copy of the Mint's 2012 Annual Report,
see the Mint's website:

<http://www.usmint.gov/>

Also see:

[Web Accessibility and Section 508 Compliance policy page](#)



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

December 5, 2012

**MEMORANDUM FOR RICHARD A. PETERSON, ACTING DIRECTOR
UNITED STATES MINT**

FROM: Michael Fitzgerald
Director, Financial Audits

SUBJECT: Audit of the United States Mint's Fiscal Years 2012 and
2011 Financial Statements

I am pleased to transmit the attached audited United States Mint (Mint) financial statements for fiscal years 2012 and 2011. Under a contract monitored by the Office of Inspector General, KPMG LLP, an independent certified public accounting firm, performed an audit of the financial statements of the Mint as of September 30, 2012 and 2011 and for the years then ended. The contract required that the audit be performed in accordance with generally accepted government auditing standards; applicable provisions of Office of Management and Budget Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended; and the *GAO/PCIE Financial Audit Manual*.

The following reports, prepared by KPMG LLP, are incorporated in the attachment:

- Independent Auditors' Report;
- Independent Auditors' Report on Internal Control Over Financial Reporting; and
- Independent Auditors' Report on Compliance and Other Matters.

In its audit, KPMG LLP found:

- the financial statements were presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles;
- no matters involving internal control over financial reporting that are considered material weaknesses; and
- no instances of reportable noncompliance with laws and regulations tested.

In connection with the contract, we reviewed KPMG LLP's reports and related documentation and inquired of its representatives. Our review, as differentiated from an audit performed in accordance with generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on the financial statements or conclusions about the effectiveness of internal control or compliance with laws and regulations.

KPMG LLP is responsible for the attached auditors' reports dated December 3, 2012, and the conclusions expressed in the reports. However, our review disclosed no instances where KPMG LLP did not comply, in all material respects, with generally accepted government auditing standards.

Should you have any questions, please contact me at (202) 927-5789, or a member of your staff may contact Shiela Michel, Manager, Financial Audits at (202) 927-5407.

Attachment



2012 ANNUAL REPORT



UNITED STATES MINT

Pictured on this year's cover are some of the United States Mint's numismatic products that were offered in 2012. Pictured from left to right are: the American Buffalo One Ounce Gold Proof Coin; the American Eagle One Ounce Silver Proof Coin; the American Eagle One Ounce Gold Proof Coin; the American Eagle One Ounce Platinum Proof Coin; and the Star-Spangled Banner Proof \$5 Gold Coin. The coins are set against a weathered American flag.

ACTING DIRECTOR'S LETTER

I am pleased to present the United States Mint's 2012 Annual Report. Once again this year, the men and women at each of our facilities delivered outstanding results across our various business segments and coin programs. It is an honor and privilege to highlight their accomplishments.

The United States Mint (Mint) operates two fiscally separate programs: a circulating program and a numismatic program that includes both collectible coin products and precious metal bullion coins. The Mint enjoyed strong performance throughout fiscal year (FY) 2012 in both programs. Though revenue decreased in each program in FY 2012, as a result of our continued focus on costs, we generated positive seigniorage in our circulating program and positive net income in our bullion and collectible coin programs.

Reflecting the suspension of Presidential \$1 Coin production for circulation, our circulating revenue declined in FY 2012 to \$493.3 from \$776.9 in FY 2011. While still quite strong from a historical perspective, lower unit volumes and silver prices pushed our bullion coin revenue down 29.1 percent in FY 2012 to \$2.5 billion from the record level of \$3.5 billion set in FY 2011. Revenue from our collectible coins, medals, and other numismatic products decreased 33.3 percent to \$481.2 million in FY 2012, down from \$721.7 million in FY 2011.

We are proud that our focus on controlling costs allowed us to mitigate these revenue declines and close the year with positive results in each program. Circulating seigniorage in FY 2012 was \$105.9 million. Bullion net income in FY 2012 was \$28.4 million down 56.8 percent from \$65.8 million in FY 2011. Net income from our numismatic collectible coins decreased 34.7 percent to \$73.9 million in FY 2012, down from \$113.2 million in the prior year. Our results in FY 2012 reflect a partial return to the norm when compared to the record revenue and net income results of FY 2011 and the dramatic swings we have experienced since FY 2009. Let's look more closely into each of our programs.

CIRCULATING

Most significantly, circulating coin shipments increased 22.8 percent to 9.1 billion units from 7.4 billion in FY 2011 as the Mint ramped up production to meet consistently higher demand from the Federal Reserve Banks (FRBs). Our circulating coin shipments have grown at a compound annual growth rate (CAGR) of more than 20 percent since the low of 5.2 billion coins in FY 2009. We are equally pleased with the results of the ongoing cost reduction efforts that we began in FY 2009. We have actually reduced our non-metal circulating expenses, in nominal dollars, by \$50.2 million (21.8 percent) from \$230.1 million in FY 2009 to \$179.9 million in FY 2012. Our improved capacity utilization and significantly reduced cost structure combined to deliver outstanding productivity improvements across each circulating denomination and position us well for the future.

While our cost reduction efforts, increased productivity, and decreased commodity metals prices were all favorable in FY 2012, the costs to manufacture and distribute both the one-cent and five-cent coins exceeded their face value again, just as they have for each of the last six years. This negative seigniorage concerns us, and we continue to explore ways to address it.

Because we suspended production of the circulating Presidential \$1 Coin in early FY 2012 in response to growing inventories of unused \$1 coins at the FRBs, we knew that our seigniorage would be significantly reduced for FY 2012. Our cost reduction efforts, along with positive seigniorage earned on dimes, quarter-dollars, and the James Garfield \$1 Coins (issued prior to the suspension of circulating Presidential \$1 Coin production), allowed us to offset the negative seigniorage generated by the one-cent and five-cent coins to close FY 2012 with positive seigniorage of



Richard A. Peterson
United States Mint
Acting Director

\$105.9 million. Looking forward, we anticipate continued positive seigniorage for the circulating program overall as production of the quarter-dollar coin continues to rebound in FY 2013 from its recent lows.

BULLION COINS

One of our most important missions is to mint and issue bullion coins to meet the needs of investors seeking precious metals for their portfolios. Our facility in West Point produces a wide variety of these precious metal coins for the investor community. The Philadelphia Mint manufactures the large, five-ounce America the Beautiful Silver Bullion Coins and the San Francisco Mint currently supplements West Point's capacity for one-ounce American Eagle Silver Bullion Coins.

Although unit volumes and commodity prices were down in FY 2012, uncertainty in global fiscal and security conditions contributed to the significant volatility we saw throughout the year. In January 2012, we saw the highest monthly unit sales total in our history—with 5.843 million ounces of bullion sold. For the year, we sold 788,000 ounces of gold bullion coins and 34.2 million ounces of silver bullion coins. Gold and silver ounces were down 36.2 percent and 22.7 percent, respectively from the 1.235 million ounces of gold coins and 44.0 million ounces of silver coins we sold in FY 2011.

Net income for the bullion program saw a decrease of 56.8 percent to \$28.4 million in FY 2012 from \$65.8 million in FY 2011 due to lower volumes and pricing. The lower prices for silver—along with lower numismatic sales from our San Francisco and Philadelphia numismatic products (causing more overhead from those facilities to be charged to the silver bullion products)—resulted in a minor net income loss for the silver bullion program as a whole. We have held several focus groups with our precious metal bullion coin sales network and look forward to making some exciting, customer-centric changes to our bullion program going forward.

NUMISMATIC

Comparing FY 2012 and FY 2011 numismatic sales is difficult because FY 2011 was an exceptional year driven by higher precious metal prices and volumes, the release of two popular American Silver Eagle Proof Coins, and early on-sale dates for our most popular numismatic coin sets. FY 2012 saw gold and platinum product revenues decrease \$208.4 million, nearly 87 percent of our entire revenue decrease, due to lower unit sales. A later on-sale date for our core annual sets along with price reductions for some of those sets also contributed to the program revenue decrease compared to last year. Unit sales in FY 2012 were 5.6 million, down 23.3 percent from 7.3 million in the prior year. Total revenue was \$481.2 million in 2012, down 33.3 percent from \$721.7 million in FY 2011. FY 2012 margins were consistent with prior year, and we posted net income of \$73.9 million, down 34.7 percent from \$113.2 million in FY 2011.

We are very pleased with the new products we brought to market in 2012 and are excited about our pipeline of new products for 2013. The American Eagle Silver products continue to be extremely popular and we offered them in several new sets in FY 2012 beginning with the American Eagle 25th Anniversary Set. We continued with a special American Eagle San Francisco Two-Coin Silver Proof Set, as well as the Making American History Coin and Currency Set, which features an American Eagle Silver Proof Coin and a specially serialized \$5 Federal Reserve Note. Our new annual United States Mint Birth Set made its debut, and we plan to expand this line in the coming years.

For 2013, we are aligning our offerings more closely with our customers' interests and are researching a special product celebrating the 75th Anniversary of the United States Mint at West Point and a product honoring the life of President Theodore Roosevelt. Roosevelt had a special affinity for United States coinage, and the release of the 2013 Presidential \$1 Coin honoring him is also a perfect opportunity to showcase his many contributions.

YOUR UNITED STATES MINT

We are proud of the program accomplishments detailed above, but they are just part of the story of our dynamic and vibrant team of nearly 1,800 employees. In FY 2012, we made significant progress on our research and development initiative to examine the many possible metallic alternatives for our nation's coinage. We established and staffed a separate and secure research and development laboratory within the Philadelphia Mint and equipped it with circulating coin production equipment. We have conducted two sets of trial strikes on a variety of metallic compositions and evaluated them for attributes such as hardness, ductility, corrosion and wear resistance, electromagnetic signature, availability of raw materials and cost. As this annual report goes to print, we are making final preparations for our first report to Congress under the "Coin Modernization, Oversight, and Continuity Act of 2010" on the results of our research and development efforts over the last 18 months.

We celebrated our 220th anniversary as a government agency on April 2, 2012. As one of the oldest and most visible public institutions in government, we have a special role and rich history to share. On July 3, we dedicated a new self-guided public tour at the United States Mint at Philadelphia. Its opening culminated more than three years of planning and construction to make our exhibits more current, interactive, educational and engaging. Our public tour in Denver set attendance records in 2012. We continued our public outreach with lesson plans for teachers and we refreshed our web site with a new layout and content. We continued our sustainability initiatives and were one of just five government agencies that earned a Gold Award for our efforts to reduce power consumption in our electronic equipment. Additionally, the Headquarters building earned a Gold certification from the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program. The certificate represents the building's location, design, and construction meet top levels of environmentally sustainable development and operation.

While discussing the contributions of our team, I would be remiss if I did not recognize our Protection team. This group quietly and professionally goes about its business providing security at all our sites and also performs one of our key organizational missions—safeguarding the gold and silver reserves of the United States. Our Protection officers are a key part of the fabric of the Mint, and we appreciate their dedication and service.

We hope you share our pride in this open, transparent, professional, and venerable institution - and that you find this annual report informative and helpful. The men and women of the United States Mint delivered outstanding results for our nation throughout 2012. It remains my honor to serve them and our nation in leading the United States Mint. Thanks to their foresight, hard work and commitment, we are well prepared for the opportunities and challenges ahead.

Sincerely,

Richard A. Peterson, Acting Director



Front row, left to right: Annie Brown, Associate Director, Workforce Solutions; J. Marc Landry, Acting Associate Director of Manufacturing and Philadelphia Plant Manager; David Croft, Denver Plant Manager; Daniel P. Shaver, Chief Counsel; Beverly Ortega Babers, Chief Administrative Officer; Ellen McCullom, West Point Plant Manager; David Motl, Chief Financial Officer; Goutam Kundu, Chief Informational Officer
Second row, left to right: Dennis O'Connor, Chief of Protection; Larry Eckerman, San Francisco Plant Manger; B.B. Craig, Associate Director of Sales and Marketing; Dick Peterson, Acting Director; Ron Harrigal, Acting Chief Engraver; Eric Anderson, Executive Secretary; William Norton, Director, Legislative and Intergovernmental Affairs ***Not pictured: Tom Jurkowsky, Director Public Affairs***

ORGANIZATIONAL PROFILE

OUR MISSION: Serve the American people by manufacturing and distributing circulating, precious metal and collectible coins and national medals, and to provide security over assets entrusted to us.

OUR VISION: Become the finest mint in the world, through excellence in our people, products, customer service, and workplace.

Established in 1792, the Mint is the world's largest coin manufacturer. Since Fiscal Year (FY) 1996, the Mint has operated under the Public Enterprise Fund (PEF). As authorized by Public Law 104-52 (codified at 31 U.S.C. § 5136), the PEF enables the Mint to operate without an appropriation. We generate revenue through the sale of circulating coins to the Federal Reserve Banks (FRB), numismatic products to the public and bullion coins to authorized purchasers. Money in excess of amounts required by the PEF is transferred to the United States Treasury General Fund.

The Mint operates six facilities and employs approximately 1,800 employees across the United States. Each facility performs unique functions critical to our overall operations. Manufacturing facilities in Philadelphia and Denver produce coins of all denominations for circulation. Both facilities also produce dies for striking coins. All sculpting and engraving of circulating, bullion, and numismatic coin and medal designs is performed in Philadelphia. Production of numismatic and bullion products is primarily performed at facilities in San Francisco and West Point. All four production facilities produce commemorative coins as authorized by federal laws. The United States Bullion Depository at Fort Knox stores and safeguards United States gold bullion reserves. Administrative and oversight functions are performed at our Headquarters in Washington, D.C.

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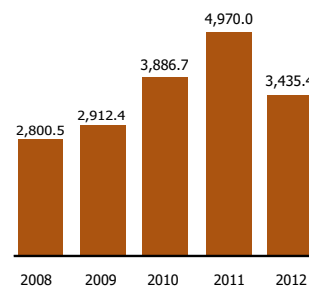
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THE UNITED STATES MINT AT A GLANCE

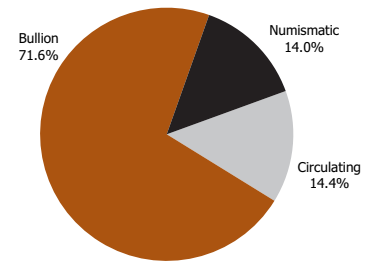
UNITED STATES MINT (MINT)

The Mint is the world's largest coin manufacturer. Our men and women manufacture and distribute circulating coins, precious metal and collectible coins, and national medals to meet the needs of the United States. Our vision is to become the finest mint in the world, through excellence in our people, products, customer service, and workplace.

Revenue (dollars in millions)



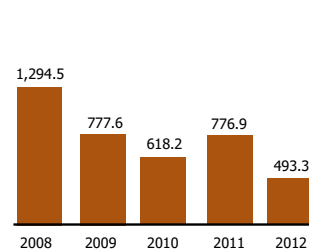
Revenue by Line of Business (percent of total)



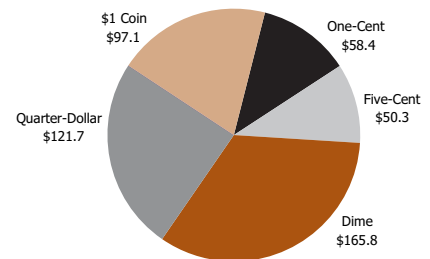
CIRCULATING COINAGE

The Mint is the sole manufacturer of legal tender coinage in the United States. The Mint's highest priority is to efficiently and effectively mint and issue circulating coinage.

Revenue (dollars in millions)



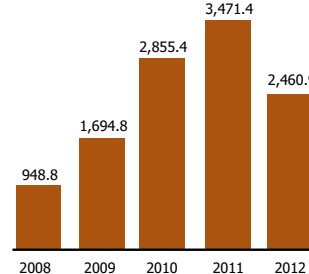
Revenue by Denomination (dollars in millions)



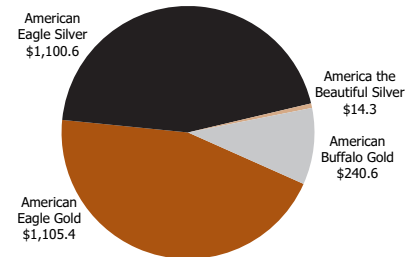
BULLION COINS

The Mint is the world's largest producer of gold and silver bullion coins. The bullion program provides consumers a simple and tangible means to acquire precious metal coins. Investors purchase bullion coins for the intrinsic metal value and the United States Government's guarantee of each coin's metal weight, content, and purity.

Revenue (dollars in millions)



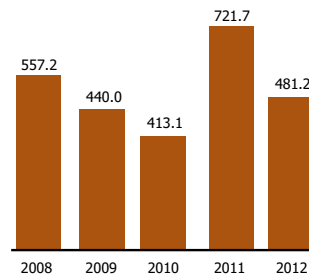
Revenue by Program (dollars in millions)



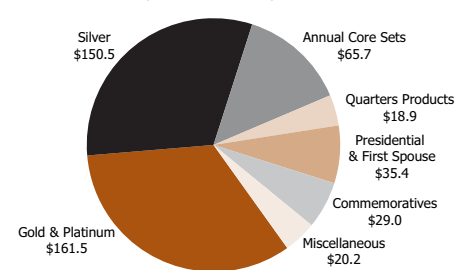
NUMISMATIC PRODUCTS

The Mint prepares and distributes numismatic products for collectors and those who desire high-quality versions of coinage. Most of our recurring products are required by federal statute. Others are required by individual public laws.

Revenue (dollars in millions)



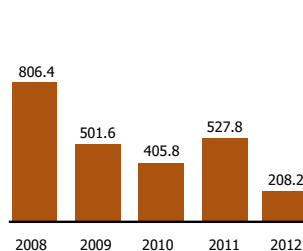
Revenue by Program (dollars in millions)



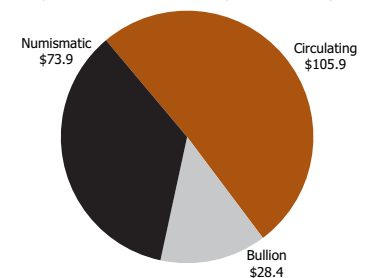
SEIGNIORAGE AND NET INCOME

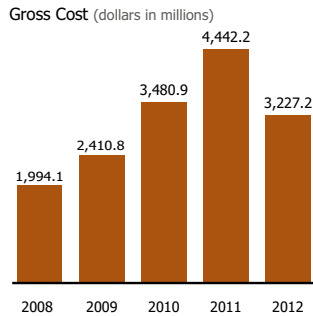
Seigniorage is the difference between the face value and cost of producing circulating coinage. The Mint transfers seigniorage to the Treasury General Fund to help finance national debt. Net income from bullion and numismatic operations can also fund federal programs.

Seigniorage and Net Income (dollars in millions, before protection cost)



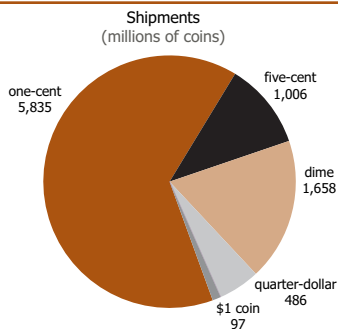
Seigniorage and Net Income by Line of Business (dollars in millions, before protection cost)





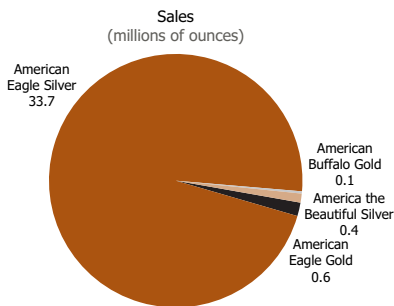
2012 PERFORMANCE

Revenue and net income was lower across all three business lines in FY 2012. Total revenue was \$3,435.4 million, decreasing \$1,534.6 from last year. Although circulating shipments increased 22.8 percent from last year, circulating revenue decreased. Selling, general and administrative (SG&A) expenses declined 4.6 percent from last year, and the cost of goods sold (COGS) decreased 28.2 percent to \$3,079.5 million. Total seigniorage and net income, before Protection expenses, decreased 60.6 percent to \$208.2 million compared to last year.



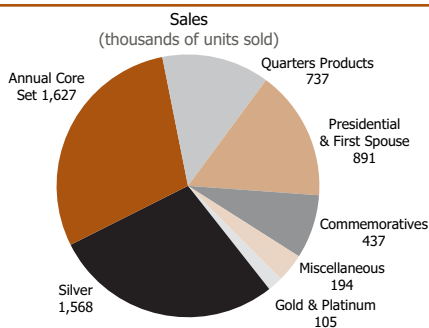
CIRCULATING COINAGE

Circulating coin shipments increased 22.8 percent to 9,082 million coins in FY 2012. Shipments of all coin denominations except \$1 coins increased from FY 2011, with quarters experiencing the strongest annual percentage growth. Despite the increased shipments, circulating revenue and seigniorage decreased compared to last year because \$1 coin shipments ceased in December 2011. Circulating revenue decreased 36.5 percent to \$493.3 million. Seigniorage decreased 69.6 percent to \$105.9 million. Seigniorage per dollar issued decreased to \$0.21 from \$0.45 last year.



BULLION COINS

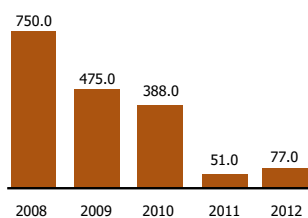
Demand for bullion coins slowed in FY 2012 after two years of unprecedented growth. The Mint sold 34.8 million ounces of gold and silver bullion coins in FY 2012, down 10.4 million ounces from last year. Total bullion revenue decreased 29.1 percent to nearly \$2.5 billion in FY 2012, because gold bullion revenue decreased \$551.4 million and silver revenue decreased \$459.1 million compared to last year. Bullion net income decreased 56.8 percent to \$28.4 million. Bullion net margin decreased to 1.2 percent compared to 1.9 percent last year.



NUMISMATIC PRODUCTS

Numismatic sales decreased 23.3 percent to 5.6 million units in FY 2012. Numismatic revenues decreased 33.3 percent to \$481.2 million mainly because of a decrease of \$208.4 million in gold and platinum product revenue and a decrease of \$41.7 million in annual core sets revenue. Numismatic net income decreased 34.7 percent to \$73.9 million. Numismatic net margin decreased to 15.4 percent compared to 15.7 percent last year.

Transfer to the Treasury General Fund (dollars in millions)



TRANSFER TO THE GENERAL FUND

In FY 2012, the Mint made an on-budget transfer of \$77 million to the Treasury General Fund. This transfer consisted of FY 2011 numismatic and bullion program earnings after protection costs. The Mint made no off-budget transfers to the General Fund this fiscal year. Instead, the Mint determined that all amounts in the PEF resulting from FRB receipts on the sale of circulating coins were required to mitigate the risks of future potential economic uncertainty, impacts to our circulating program from continued penny and nickel losses, and loss of revenue from the suspension of \$1 coin production.



2012 AMERICA THE BEAUTIFUL QUARTERS® PROGRAM

MEET THE NATION'S NEED FOR CIRCULATING COINS

As America's sole manufacturer of legal tender coinage, the efficient and effective production and distribution of coinage is the Mint's highest priority.

We mint and issue circulating coins to the FRB in quantities necessary to replenish inventory and fulfill the demand of commercial banks and other financial institutions. These financial institutions then distribute coins to meet the demand of retailers and the public. The Mint recognizes revenue from the sale of circulating coins at face value when they are shipped to the FRB.

PRESIDENTIAL \$1 COIN PROGRAM CHANGES

Congress enacted the Presidential \$1 Coin Act of 2005, which mandated the Mint issue four new Presidential \$1 Coins each year beginning in 2007. As each coin was introduced, the FRB ordered enough to meet the initial demand of financial institutions. Demand for each new coin usually dropped soon after introduction and financial institutions ended up returning about 40 percent of the \$1 coins to the FRB. By December 2011, the FRB vaults held more than 1.4 billion \$1 coins.

Coins stored in FRB vaults do not function as a means of conducting commercial transactions and are not a prudent use of taxpayer resources. Therefore, in December 2011, the Secretary of the Treasury suspended minting Presidential \$1 Coins for circulation.

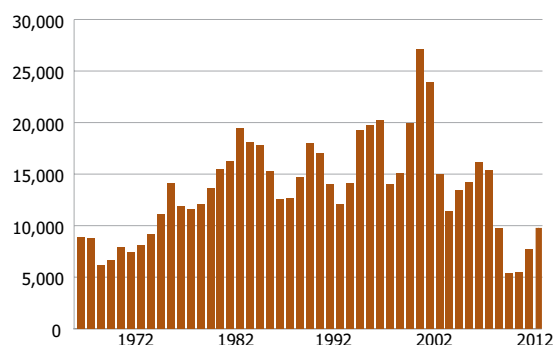
The Mint continues to produce Presidential \$1 Coins to meet public demand through the numismatic sales channel, as we do with the half-dollar coin.

CIRCULATING RESULTS

Demand for newly minted circulating coinage increased in FY 2012 compared with prior years. However, the mix of coin denominations shipped to the FRB changed, lowering circulating revenue and seigniorage generated from operations. Compared to last year, shipments increased for all coin denominations except \$1 coins.

The total number of circulating coins shipped to the FRB increased 22.8 percent to 9,082 million coins in FY 2012 from 7,396 million pieces in FY 2011. Quarter shipments experienced the greatest annual growth, increasing 50.5 percent from FY 2011. Penny shipments were 64.2 percent of total shipments, up from 58.0 percent of total shipments in FY 2011.

Total Circulating Coin Production (coins in millions)



CIRCULATING (dollars in millions except seigniorage per \$1 issued)

	2012	2011	2010	2009	2008	% Change 2011 to 2012
Value of Shipments	\$ 493.3	\$ 776.9	\$ 618.2	\$ 777.6	\$ 1,294.5	(36.5%)
Gross Cost	\$ 387.4	\$ 428.1	\$ 317.4	\$ 349.8	\$ 588.3	(9.5%)
Cost of Goods Sold	\$ 325.8	\$ 364.7	\$ 239.2	\$ 251.7	\$ 491.3	(10.7%)
Selling, General & Administrative	\$ 61.6	\$ 63.4	\$ 78.2	\$ 98.1	\$ 97.0	(2.8%)
Seigniorage	\$ 105.9	\$ 348.8	\$ 300.8	\$ 427.8	\$ 706.2	(69.6%)
Seigniorage per \$1 Issued	\$ 0.21	\$ 0.45	\$ 0.49	\$ 0.55	\$ 0.55	

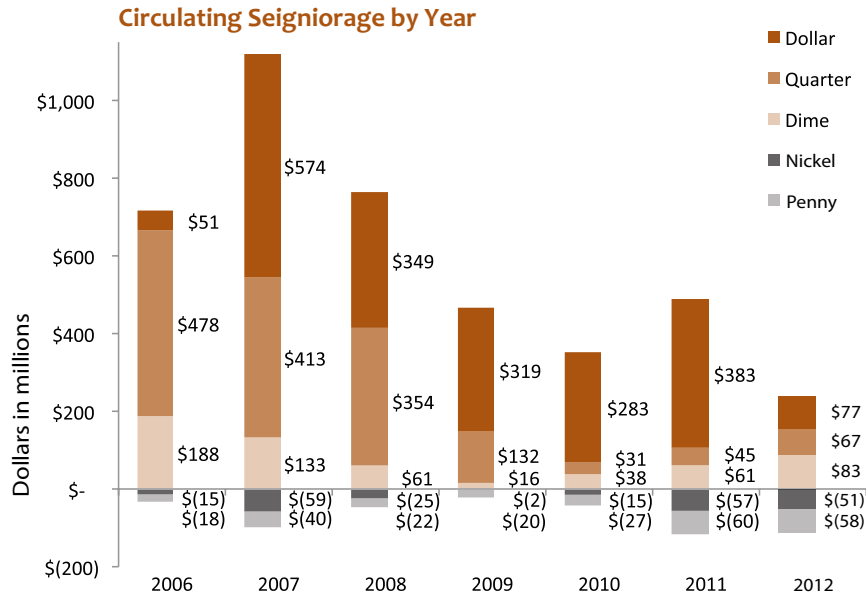
The total dollar value of shipments decreased 36.5 percent to \$493.3 million in FY 2012 from \$776.9 million in FY 2011. This decrease in performance was expected with the suspension of minting the Presidential \$1 Coin for circulation. In 2012, the \$1 coin shipments contributed \$97.1 million in revenue and \$76.6 million in seigniorage compared to \$467 million in FRB receipts and \$382.8 million seigniorage in FY 2011. As a result, total circulating seigniorage decreased 69.6 percent to \$105.9 million from \$348.8 million last year. Seigniorage per dollar issued decreased to \$0.21 in FY 2012 from \$0.45 in FY 2011.

SHIPMENTS, COSTS AND SEIGNIORAGE BY DENOMINATION
(coins and dollars in millions except seigniorage per \$1 issued)

2012	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half-Dollar	\$1	Mutilated & Other	Total
Coins Shipments	5,835	1,006	1,658	486	–	97	–	9,082
Value of Shipments	\$ 58.4	\$ 50.3	\$ 165.8	\$ 121.7	\$ –	\$ 97.1	\$ –	\$ 493.3
Gross Cost	\$ 116.4	\$ 101.5	\$ 82.7	\$ 54.9	\$ –	\$ 20.5	\$ 11.4	\$ 387.4
Cost of Goods Sold	\$ 96.5	\$ 84.1	\$ 69.5	\$ 46.6	\$ –	\$ 17.7	\$ 11.4	\$ 325.8
Selling, General & Administrative	\$ 19.9	\$ 17.4	\$ 13.2	\$ 8.3	\$ –	\$ 2.8	\$ –	\$ 61.6
Seigniorage	\$ (58.0)	\$ (51.2)	\$ 83.1	\$ 66.8	\$ –	\$ 76.6	\$ (11.4)	\$ 105.9
Seigniorage per \$1 Issued	\$ (0.99)	\$ (1.02)	\$ 0.50	\$ 0.55	\$ –	\$ 0.79	\$ –	\$ 0.21

2011	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half-Dollar	\$1	Mutilated & Other	Total
Coins Shipments	4,289	914	1,403	323	–	467	–	7,396
Value of Shipments	\$ 42.9	\$ 45.7	\$ 140.3	\$ 81.0	\$ –	\$ 467.0	\$ –	\$ 776.9
Gross Cost	\$ 103.1	\$ 102.2	\$ 79.3	\$ 36.0	\$ –	\$ 84.2	\$ 23.3	\$ 428.1
Cost of Goods Sold	\$ 85.4	\$ 86.1	\$ 67.1	\$ 30.3	\$ –	\$ 72.5	\$ 23.3	\$ 364.7
Selling, General & Administrative	\$ 17.7	\$ 16.1	\$ 12.2	\$ 5.7	\$ –	\$ 11.7	\$ –	\$ 63.4
Seigniorage	\$ (60.2)	\$ (56.5)	\$ 61.0	\$ 45.0	\$ –	\$ 382.8	\$ (23.3)	\$ 348.8
Seigniorage per \$1 Issued	\$ (1.40)	\$ (1.24)	\$ 0.43	\$ 0.56	\$ –	\$ 0.82	\$ –	\$ 0.45

2010	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half-Dollar	\$1	Mutilated & Other	Total
Coins Shipments	3,487	359	887	252	–	414	–	5,399
Value of Shipments	\$ 34.9	\$ 17.9	\$ 88.7	\$ 63.2	\$ –	\$ 413.5	\$ –	\$ 618.2
Gross Cost	\$ 62.3	\$ 33.1	\$ 50.6	\$ 32.2	\$ 0.1	\$ 130.7	\$ 8.4	\$ 317.4
Cost of Goods Sold	\$ 62.3	\$ 33.1	\$ 40.8	\$ 24.6	\$ 0.1	\$ 69.9	\$ 8.4	\$ 239.2
Selling, General & Administrative	\$ –	\$ –	\$ 9.8	\$ 7.6	\$ –	\$ 60.8	\$ –	\$ 78.2
Seigniorage	\$ (27.4)	\$ (15.2)	\$ 38.1	\$ 31.0	\$ (0.1)	\$ 282.8	\$ (8.4)	\$ 300.8
Seigniorage per \$1 Issued	\$ (0.79)	\$ (0.85)	\$ 0.43	\$ 0.49	\$ –	\$ 0.68	\$ –	\$ 0.49



Shows seigniorage generated by denomination for the last seven years.

COGS decreased 10.7 percent to \$325.8 million in FY 2012 from \$364.7 million in FY 2011. A component of this was a decrease in the market prices of copper, nickel, and zinc. Average daily market prices for copper and zinc decreased 13.8 percent and 15.8 percent, respectively, from FY 2011 to FY 2012, while the average daily market price for nickel decreased 26 percent over the same time period. The Mint saved about \$41 million in FY 2012 due to the decreased metal costs compared to last year. Apart from metals, plant expenses at Philadelphia and Denver decreased by about 3 percent, even though our circulating coinage shipments increased by 22.8 percent. The Mint achieved this reduction largely due to decreased depreciation, salaries and benefits, and energy expenses.

Base Metal Daily Official Spot Price (prices per metric tonne in dollars)



SG&A expenses decreased by 2.8 percent to \$61.6 million in FY 2012 from \$63.4 million in FY 2011. This was primarily due to a 30.8 percent reduction in expenses for \$1 coin programs and manufacturing administration. More SG&A expenses were absorbed by the penny, nickel, dime, and quarter coins because we suspended production of \$1 coins for circulation.

FY 2012 unit costs decreased for all denominations compared to last year. The unit cost for both penny and nickel denominations remained above face value for the seventh consecutive fiscal year. Although there was higher demand for penny and nickel coins, lower unit costs generated a smaller FY 2012 loss (\$109.2 million) for these denominations compared to FY 2011 (\$116.7 million).

UNIT COST OF PRODUCING AND DISTRIBUTING COINS BY DENOMINATION

2012	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half-Dollar	\$1
Cost of Goods Sold	\$ 0.0163	\$ 0.0829	\$ 0.0415	\$ 0.0943	\$ –	\$ 0.1802
Selling, General & Administrative	\$ 0.0034	\$ 0.0173	\$ 0.0080	\$ 0.0171	\$ –	\$ 0.0288
Distribution to FRB	\$ 0.0003	\$ 0.0007	\$ 0.0004	\$ 0.0016	\$ –	\$ 0.0021
Total Unit Cost	\$ 0.0200	\$ 0.1009	\$ 0.0499	\$ 0.1130	\$ –	\$ 0.2111
2011	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half-Dollar	\$1
Cost of Goods Sold	\$ 0.0197	\$ 0.0938	\$ 0.0474	\$ 0.0923	\$ –	\$ 0.1531
Selling, General & Administrative	\$ 0.0041	\$ 0.0176	\$ 0.0087	\$ 0.0176	\$ –	\$ 0.0251
Distribution to FRB	\$ 0.0003	\$ 0.0004	\$ 0.0004	\$ 0.0015	\$ –	\$ 0.0021
Total Unit Cost	\$ 0.0241	\$ 0.1118	\$ 0.0565	\$ 0.1114	\$ –	\$ 0.1803
2010	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half-Dollar	\$1
Cost of Goods Sold	\$ 0.0176	\$ 0.0916	\$ 0.0454	\$ 0.0956	\$ –	\$ 0.1659
Selling, General & Administrative	\$ –	\$ –	\$ 0.0110	\$ 0.0302	\$ –	\$ 0.1469
Distribution to FRB	\$ 0.0003	\$ 0.0006	\$ 0.0005	\$ 0.0020	\$ –	\$ 0.0029
Total Unit Cost	\$ 0.0179	\$ 0.0922	\$ 0.0569	\$ 0.1278	\$ –	\$ 0.3157

Note: Before FY 2011, SG&A costs were allocated based on gross margin. Little or no allocated SG&A expense was applied to the penny or nickel, which generated negligible or negative gross margins. This policy changed to allocate SG&A expenses based on the costs to manufacture these products.

ALTERNATIVE METAL RESEARCH AND DEVELOPMENT

Metal expenses are the largest portion of circulating production cost. On December 14, 2010, President Obama signed into law the Coin Modernization, Oversight, and Continuity Act of 2010 (Public Law 111-302) to provide the Secretary of the Treasury research and development authority for alternative metallic materials for circulating coins. To ensure an independent assessment, the Mint contracted with an external firm in FY 2012 to perform research and development on various options, ultimately testing more than 30 different types of alloys. Congress will receive a report in December 2012 on the Mint's findings from this first round of research.

CIRCULATING PRODUCTION INITIATIVES

In FY 2012, the Mint reduced costs of circulating coinage production as Denver and Philadelphia went from three shifts to two shifts. This change is projected to save an estimated \$2 million a year on labor and utilities costs.

In 2011, the Philadelphia and Denver facilities changed die and blank processing to improve the quality of coins and make dies last longer. As a result, die usage decreased, saving the Mint approximately \$312,000. In FY 2012, the Denver facility implemented a program to recycle the carbide inserts of die collars. Die inserts form the edge of the coin as it is stamped in the collars. Instead of discarding worn ones, they can be reused on any coin that is a larger size. This recycling program was expanded to the San Francisco facility.



2012 AMERICAN BUFFALO ONE OUNCE GOLD PROOF COIN

MEET THE PUBLIC'S DEMAND FOR U.S. BULLION COINS

Our bullion coin program provides the public a simple and tangible means to acquire precious metal coins from authorized purchasers as part of an investment portfolio. Investors purchase bullion coins not only for their intrinsic metal value, but also because the United States guarantees each coin's metal weight, content, and purity.

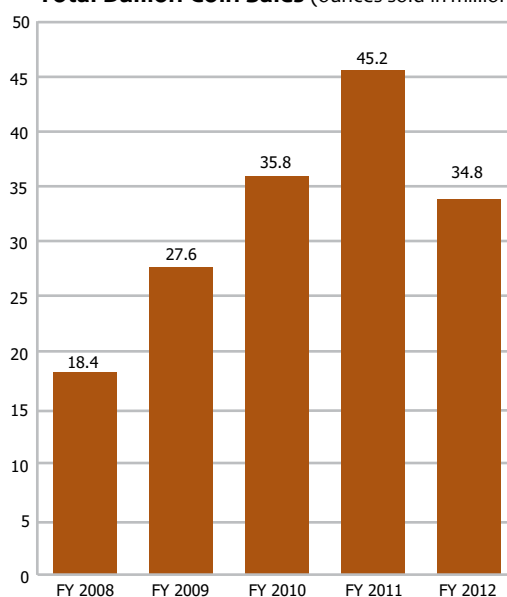
We mint and issue gold and silver bullion coins to authorized purchasers through American Eagle, American Buffalo, and America the Beautiful Silver Bullion Coin™ programs. The Mint sells the coins to the authorized purchasers at the same market price paid for the metal plus a premium to cover bullion program operating costs. Authorized purchasers agree to maintain an open, two-way market for these coins, assuring their liquidity. This allows the public to purchase and sell coins at the prevailing market price, adjusting for any premium the authorized purchaser applies.

BULLION COIN RESULTS

Demand for bullion coins fell in FY 2012 after unprecedented highs in FY 2010 and FY 2011. The Mint sold 34.8 million ounces of gold and silver bullion coins in FY 2012, compared to 45.2 million ounces in FY 2011, a decrease of 23 percent. The average spot price of gold increased 11.3 percent while silver decreased 8.3 percent compared to last year. Accordingly, total bullion revenue was \$2,460.9 million in FY 2012, down \$1,010.5 million (29.1 percent) from \$3,471.4 million in FY 2011.

Revenue from American Eagle Silver Bullion Coin sales dropped 24.8 percent this year, to \$1,100.6 million in FY 2012 from \$1,464.0 million in FY 2011. Sales of five-ounce America the Beautiful Silver Bullion Coins generated \$14.3 million in revenue compared to \$110 million in revenue in FY 2011. The Mint sold 45.5 percent fewer ounces of American Eagle Gold Bullion Coins, resulting in revenue declining (34.6 percent) to \$1,105.4 million from \$1,689.5 million in FY 2011. American Buffalo Gold Bullion Coin revenue grew 15.7 percent from last year. In 2012, these products were available throughout the entire fiscal year, but in FY 2011, they only became available in March.

Total Bullion Coin Sales (ounces sold in millions)



BULLION COINS (dollars in millions)

	2012	2011	2010	2009	2008	% Change 2011 to 2012
Sales Revenue	\$ 2,460.9	\$ 3,471.4	\$ 2,855.4	\$ 1,694.8	\$ 948.8	(29.1%)
Gross Cost	\$ 2,432.5	\$ 3,405.6	\$ 2,800.2	\$ 1,662.1	\$ 931.0	(28.6%)
Cost of Goods Sold	\$ 2,407.6	\$ 3,378.8	\$ 2,778.4	\$ 1,650.0	\$ 922.6	(28.7%)
Selling, General & Administrative	\$ 24.9	\$ 26.8	\$ 21.8	\$ 12.1	\$ 8.4	(7.1%)
Net Income	\$ 28.4	\$ 65.8	\$ 55.2	\$ 32.7	\$ 17.8	(56.8%)
Bullion Net Margin	1.2%	1.9%	1.9%	1.9%	1.9%	

Bullion coin net income decreased to \$28.4 million in FY 2012, down 56.8 percent from \$65.8 million in FY 2011. The bullion net margin decreased from 1.9 percent to 1.2 percent as the decrease in revenue was greater than the decrease in cost. Bullion COGS, primarily reflecting the metal market prices of coins sold, decreased 28.7 percent to \$2,407.6 million in FY 2012 from \$3,378.8 million last year. Bullion SG&A cost decreased 7.1 percent to \$24.9 million from \$26.8 million in FY 2011, primarily because of a 9.9 percent decrease in general and administrative expenses.

BULLION COINS REVENUE, COST AND NET INCOME BY PROGRAM
(dollars in millions)

2012	American Eagle Gold	American Eagle Silver	American Buffalo Gold	America the Beautiful Silver	Total
Sales Revenue	\$ 1,105.4	\$ 1,100.6	\$ 240.6	\$ 14.3	\$ 2,460.9
Gross Cost	\$ 1,077.4	\$ 1,105.0	\$ 235.3	\$ 14.8	\$ 2,432.5
Cost of Goods Sold	\$ 1,075.1	\$ 1,083.0	\$ 234.9	\$ 14.6	\$ 2,407.6
Selling, General & Administrative	\$ 2.3	\$ 22.0	\$ 0.4	\$ 0.2	\$ 24.9
Net Income	\$ 28.0	\$ (4.4)	\$ 5.3	\$ (0.5)	\$ 28.4
Bullion Net Margin	2.5%	(0.4%)	2.2%	(3.5%)	1.2%

2011	American Eagle Gold	American Eagle Silver	American Buffalo Gold	America the Beautiful Silver	Total
Sales Revenue	\$ 1,689.5	\$ 1,464.0	\$ 207.9	\$ 110.0	\$ 3,471.4
Gross Cost	\$ 1,645.3	\$ 1,450.4	\$ 202.9	\$ 107.0	\$ 3,405.6
Cost of Goods Sold	\$ 1,642.3	\$ 1,428.0	\$ 202.6	\$ 105.9	\$ 3,378.8
Selling, General & Administrative	\$ 3.0	\$ 22.4	\$ 0.3	\$ 1.1	\$ 26.8
Net Income	\$ 44.2	\$ 13.6	\$ 5.0	\$ 3.0	\$ 65.8
Bullion Net Margin	2.6%	0.9%	2.4%	2.7%	1.9%

2010	American Eagle Gold	American Eagle Silver	American Buffalo Gold	Total
Sales Revenue	\$ 1,710.8	\$ 659.9	\$ 484.7	\$ 2,855.4
Gross Cost	\$ 1,675.5	\$ 646.4	\$ 478.3	\$ 2,800.2
Cost of Goods Sold	\$ 1,663.5	\$ 641.7	\$ 473.2	\$ 2,778.4
Selling, General & Administrative	\$ 12.0	\$ 4.7	\$ 5.1	\$ 21.8
Net Income	\$ 35.3	\$ 13.5	\$ 6.4	\$ 55.2
Bullion Net Margin	2.1%	2.0%	1.3%	1.9%

Both American Eagle Silver Bullion Coin sales and America the Beautiful Silver Bullion Coin sales yielded operating losses in FY 2012. The \$4.4 million loss from American Eagle Silver Bullion Coin sales in FY 2012 was primarily due to the decision to offer American Eagle Silver Bullion Coin production at San Francisco to meet demand. American Eagle Silver Bullion Coins carried a large portion of San Francisco overhead expenses during periods of low numismatic sales. As demand decreased, spreading these additional costs to the 18.4 percent fewer ounces sold during FY 2012 compared to last year.

The America the Beautiful Bullion Coin Program generated a loss of \$0.5 million in FY 2012. After the program launched in calendar year 2010, initial demand exceeded our production for those 2010 coins. In 2011, we increased production to 126,700 coins per design and sold out the first two design issuances. Demand for the three subsequent 2011 designs, however, received substantially fewer orders, leaving a significant excess inventory once the new 2012 designs were launched. The Mint scaled back production in 2012 to more closely reflect demand, however the unsellable 2011 coins remained. In FY 2012, the Mint recorded a one-time expense to write down approximately 842,000 ounces of this unsellable inventory, impacting the operating results for this program by \$0.7 million.

PALLADIUM BULLION COINS

On December 14, 2010, President Obama signed the American Eagle Palladium Bullion Coin Act of 2010 (Public Law 111-303). This legislation authorizes the Secretary of the Treasury to mint and issue a \$25 coin weighing one troy ounce and containing .9995 fine palladium. The legislation specifies that a reputable independent third-party will analyze whether there is adequate demand for palladium bullion coins, and if so, whether the coins could be minted at no net cost to taxpayers. If the third party's marketing study demonstrated a palladium bullion coin program would meet these criteria, then the Mint would be mandated to commence a program within one year. The Mint contracted with an independent research firm to conduct the study and will report to the Secretary of the Treasury and Congress on the findings in FY 2013.





2012 STAR-SPANGLED BANNER COMMEMORATIVE COIN PROGRAM

RESPONSIBLY EXPAND THE NUMISMATIC PROGRAM

The Mint’s numismatic program provides high-quality versions of circulating coinage, precious metal coins, commemorative coins, and medals for sale to the public. Most of our recurring products—such as United States Mint Uncirculated Coin Sets®, United States Mint Proof Sets®, and United States Mint Silver Proof Sets®—are required by federal statute. Others, such as commemorative coins and Congressional Gold Medals, are required by individual public laws. A main objective of the numismatic program is to increase our customer base and foster sales while controlling costs and keeping prices as low as practicable.

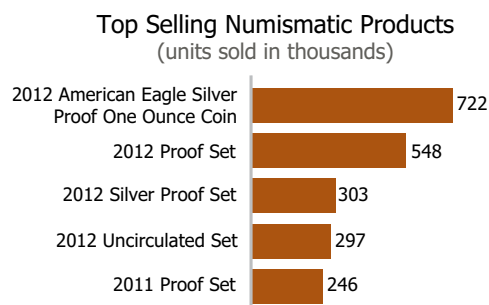
NUMISMATIC RESULTS

Numismatic product sales decreased 23.3 percent to 5.6 million units in FY 2012 compared to 7.3 million units in FY 2011. Numismatic revenue decreased 33.3 percent to \$481.2 million in FY 2012 from \$721.7 million in FY 2011.

There are two main reasons for lower sales:

- Gold and platinum proof coin product revenue decreased \$208.4 million compared to last year. Sales of 2010 numismatic gold coin products last year were atypically high, because of pent-up demand after they were not offered in FY 2010. There was no comparable situation early in this fiscal year as the 2011 gold coins were sold throughout last year. We sold 142,830 fewer gold and platinum coin products this year than last year.
- Annual core numismatic set revenues decreased \$41.7 million compared to last year mainly because products went on sale later this year than last year. We released the 2012 United States Mint Proof Set®, 2012 United States Mint Silver Proof Set®, and 2012 United States Mint Uncirculated Coin Set® in the third quarter, rather than in the second quarter as we did in 2011.

The 2012 American Eagle One Ounce Silver Proof Coin, the 2011 American Eagle 25th Anniversary Silver Coin Set, the 2011 American Eagle Gold Proof Four-Coin Set, and the 2012 American Buffalo One Ounce Gold Proof Coin generated the most numismatic revenue in FY 2012. The 2012 American Eagle One Ounce Silver Proof and the 2012 United States Mint Proof Set® were the most popular sellers (per unit) this year.



NUMISMATIC (dollars in millions)

	2012	2011	2010	2009	2008	% Change 2011 to 2012
Sales Revenue	\$ 481.2	\$ 721.7	\$ 413.1	\$ 440.0	\$ 557.2	(33.3%)
Gross Cost	\$ 407.3	\$ 608.5	\$ 363.3	\$ 398.9	\$ 474.8	(33.1%)
Cost of Goods Sold	\$ 346.1	\$ 543.8	\$ 298.6	\$ 329.7	\$ 388.1	(36.4%)
Selling, General & Administrative	\$ 61.2	\$ 64.7	\$ 64.7	\$ 69.2	\$ 86.7	(5.4%)
Net Income & Seigniorage	\$ 73.9	\$ 113.2	\$ 49.8	\$ 41.1	\$ 82.4	(34.7%)
Numismatic Net Margin	15.4%	15.7%	12.1%	9.3%	14.8%	
Seigniorage Portion	\$ 22.9	\$ 9.8	\$ 12.0	\$ 19.3	\$ 22.5	(133.7%)

Seigniorage portion results from the sale of circulating coins (boxes, bags, and rolls) directly to the public through the numismatic channels.

Numismatic program net income and seigniorage decreased 34.7 percent to \$73.9 million in FY 2012 from \$113.2 million in FY 2011. Numismatic COGS decreased 36.4 percent to \$346.1 million from \$543.8 million in FY 2011 because sales volumes (and the corresponding revenue) decreased. COGS decreased slightly relative to revenue, comprising 71.9 percent of numismatic revenue in FY 2012 compared with 75.3 percent last year. SG&A expenses decreased \$3.5 million compared to last year, mainly due to a 56.3 percent decrease in advertising and promotional spending. Numismatic net margin decreased to 15.4 percent in FY 2012 from 15.7 percent in FY 2011 because SG&A expenses comprised a greater percent of sales revenue. Because fewer units were sold and revenue was lower, SG&A was 12.7 percent of numismatic revenues compared to 9 percent last year.

Annual core sets generated a loss of \$2.7 million in FY 2012 as we offered some of our annual core set products at reduced prices to encourage greater price accessibility for a broader range of interested collectors.

NUMISMATIC REVENUE, COST AND NET INCOME OR SEIGNIORAGE BY PROGRAM
(dollars in millions)

2012	Gold and Platinum Coin Products	Silver Coin Products	Annual Core Sets	Quarter Products	Presidential and First Spouse Medals	Commemorative	Miscellaneous	Total
Sales Revenue	\$ 161.5	\$ 150.5	\$ 65.7	\$ 18.9	\$ 35.4	\$ 29.0	\$ 20.2	\$ 481.2
Gross Cost	\$ 142.1	\$ 101.3	\$ 68.4	\$ 19.0	\$ 17.8	\$ 28.8	\$ 29.9	\$ 407.3
Cost of Goods Sold	\$ 140.2	\$ 83.9	\$ 49.6	\$ 13.6	\$ 10.7	\$ 23.7	\$ 24.4	\$ 346.1
Sellers, General & Administrative	\$ 1.9	\$ 17.4	\$ 18.8	\$ 5.4	\$ 7.1	\$ 5.1	\$ 5.5	\$ 61.2
Net Income & Seigniorage	\$ 19.4	\$ 49.2	\$ (2.7)	\$ (0.1)	\$ 17.6	\$ 0.2	\$ (9.7)	\$ 73.9
Numismatic Net Margin	12.0%	32.7%	(4.1%)	(0.5%)	49.7%	0.7%	(48.0%)	15.4%
Seigniorage Portion	\$ –	\$ –	\$ –	\$ 2.2	\$ 17.6	\$ –	\$ 3.1	\$ 22.9
2011	Gold and Platinum Coin Products	Silver Coin Products	Annual Core Sets	Quarter Products	Presidential and First Spouse Medals	Commemorative	Miscellaneous	Total
Sales Revenue	\$ 369.9	\$ 129.2	\$ 107.4	\$ 22.3	\$ 21.0	\$ 43.2	\$ 28.7	\$ 721.7
Gross Cost	\$ 315.8	\$ 76.0	\$ 96.8	\$ 21.9	\$ 12.8	\$ 35.5	\$ 49.7	\$ 608.5
Cost of Goods Sold	\$ 312.6	\$ 63.6	\$ 72.9	\$ 17.6	\$ 8.2	\$ 30.5	\$ 38.4	\$ 543.8
Sellers, General & Administrative	\$ 3.2	\$ 12.4	\$ 23.9	\$ 4.3	\$ 4.6	\$ 5.0	\$ 11.3	\$ 64.7
Net Income & Seigniorage	\$ 54.1	\$ 53.2	\$ 10.6	\$ 0.4	\$ 8.2	\$ 7.7	\$ (21.0)	\$ 113.2
Numismatic Net Margin	14.6%	41.2%	9.9%	1.8%	39.0%	17.8%	(73.2%)	15.7%
Seigniorage Portion	\$ –	\$ –	\$ –	\$ 2.3	\$ 5.8	\$ –	\$ 1.7	\$ 9.8
2010	Gold and Platinum Coin Products	Silver Coin Products	Annual Core Sets	Quarter Products	Presidential and First Spouse Medals	Commemorative	Miscellaneous	Total
Sales Revenue	\$ 213.8	\$ –	\$ 94.5	\$ 23.3	\$ 24.1	\$ 20.1	\$ 37.3	\$ 413.1
Gross Cost	\$ 195.4	\$ 1.3	\$ 83.4	\$ 18.0	\$ 15.3	\$ 18.4	\$ 31.5	\$ 363.3
Cost of Goods Sold	\$ 172.9	\$ 1.3	\$ 71.4	\$ 14.7	\$ 11.2	\$ 14.9	\$ 12.2	\$ 298.6
Sellers, General & Administrative	\$ 22.5	\$ –	\$ 12.0	\$ 3.3	\$ 4.1	\$ 3.5	\$ 19.3	\$ 64.7
Net Income & Seigniorage	\$ 18.4	\$ (1.3)	\$ 11.1	\$ 5.3	\$ 8.8	\$ 1.7	\$ 5.8	\$ 49.8
Numismatic Net Margin	8.6%		11.7%	22.7%	36.5%	8.5%	15.5%	12.1%
Seigniorage Portion	\$ –	\$ –	\$ –	\$ 4.2	\$ 5.8	\$ –	\$ 2.0	\$ 12.0

NEW PRODUCT HIGHLIGHTS

Several limited-edition products were offered this year. The Mint sold an American Eagle 25th Anniversary Silver Coin Set with five one-ounce silver numismatic coins minted in West Point and San Francisco. It sold out within five hours, contributing \$30 million in revenue. The American Eagle San Francisco Two-Coin Silver Proof Set sold 179,921 units between June 7 and July 5. This product was produced to true demand as orders were taken prior to production, rather than the Mint estimating a production run and then offering the sets for sale.

Another new product, the Making American History Coin and Currency Set, celebrated the Mint's 220-year anniversary and the Bureau of Engraving and Printing's 150-year anniversary. It included a 2012 American Eagle One Ounce Silver Proof Coin with an "S" mint mark and a Series 2009 \$5 note. It sold 40,929 units and contributed \$3.0 million in revenue. The 2012 United States Mint Birth Set, a new annual set designed to mark the arrival of a baby, contributed revenue of \$0.6 million in FY 2012.

The Mint sold America the Beautiful Quarters® Program collectible bags and rolls with coins minted at San Francisco. These circulating-quality coins are the first to be produced in San Francisco since 1980. These "S" mint mark quarters were sold solely to the public through numismatic channels, rather than issued as circulating coins. For those collecting Presidential \$1 Coins, a circulating quality four-coin set with either a Philadelphia or Denver mint-mark was available; in previous years, they were produced only in proof or uncirculated quality sets.

COMMEMORATIVE PRODUCTS

Congress passes legislation authorizing commemorative coins or commemorative medals to honor people, places, events or other subjects, and the President signs the legislation into law. The price of these coins and medals includes a surcharge authorized to be paid to a designated recipient organization. We launched two commemorative coin programs in FY 2012: the 2012 Star-Spangled Banner Commemorative Coin Program and the 2012 Infantry Soldier Silver Dollar.

Three other commemorative products were available for sale. The United States Army Commemorative Coin Program generated \$1.8 million in revenue and \$230,675 in eligible surcharges for the recipient organization, the Army Historical Foundation. The Medal of Honor Commemorative Coin Program generated \$2.2 million in revenue and \$268,570 in eligible surcharges for the recipient organization, the Congressional Medal of Honor Foundation. Additionally, the September 11 National Medal generated \$0.9 million in revenue and \$119,360 in eligible surcharges, authorized to be paid to the National September 11 Memorial & Museum at the World Trade Center.

CONGRESSIONAL MEDALS

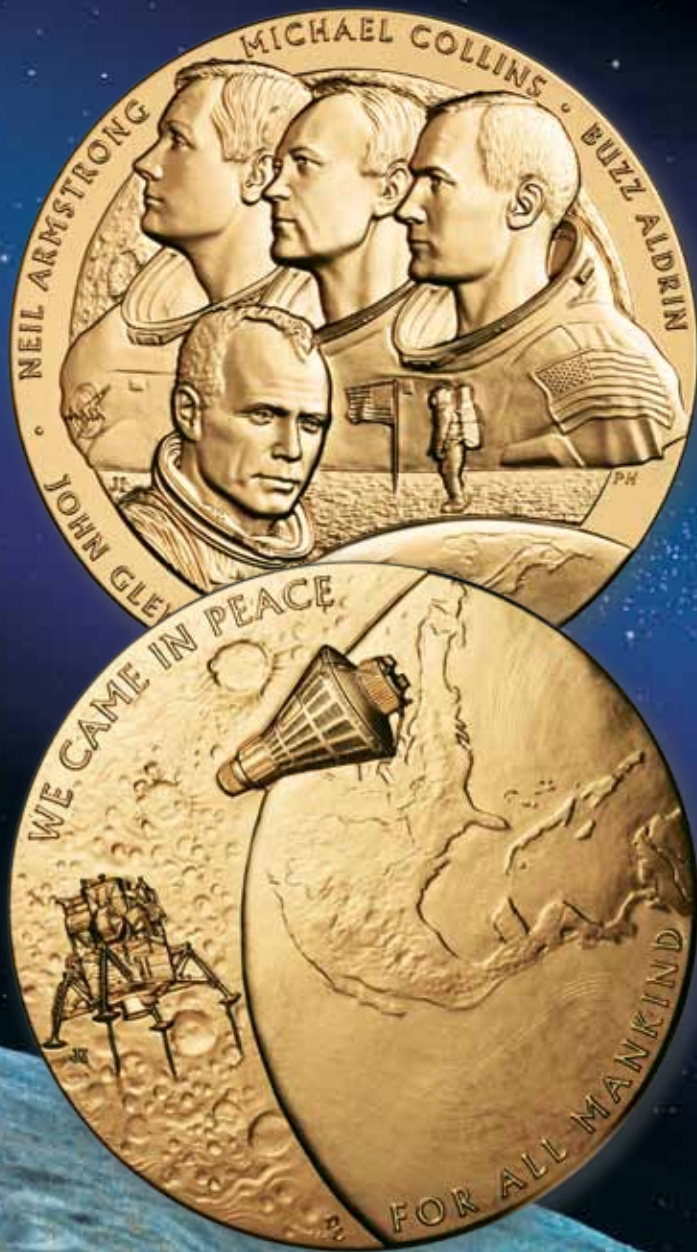
We prepared and struck three Congressional Gold Medals in FY 2012: the Montford Point Marines Congressional Gold Medal, the New Frontier Congressional Gold Medal and the Nisei Soldiers of World War II Congressional Gold Medal. We produced and sold bronze duplicates of these medals.

IMPROVING CUSTOMER SERVICE

The performance of our numismatic program depends heavily on whether we effectively meet our customers' expectations, so the Mint conducts satisfaction surveys each quarter. Customers evaluate the quality of the Mint's service and products.

Customers rated the Mint favorably at 90 percent in FY 2012, down from 91.7 percent in FY 2011. The number of customers satisfied with the Mint as a provider of numismatic items has fluctuated over the past few years, largely based on our ability to offer popular products and process orders seamlessly during periods of peak demand.

We continuously look for effective ways to improve the customer experience, including the order management system. The completed system will be capable of successfully processing orders during peak demand periods, relieving a point of stress and frustration for customers and the Mint alike.



NEW FRONTIER BRONZE MEDAL

FOSTER A SAFE, ENGAGED, AND INNOVATIVE WORKFORCE

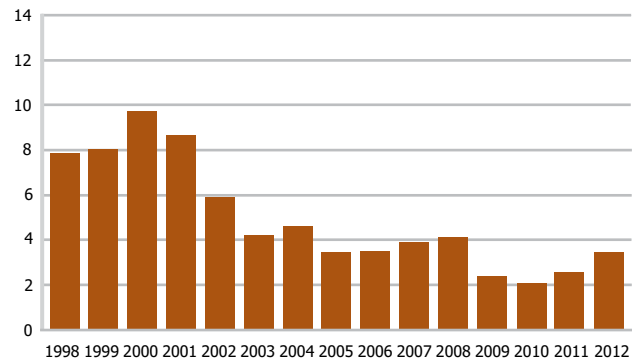
It is our goal to have a safe, engaged and innovative workforce, making the Mint the employer of choice for current and future employees. Embracing innovative practices by engaging modern technologies and becoming more environmentally sustainable not only benefits our employees, but also benefits the American public.

SAFETY FIRST

Injury and illness rates in our manufacturing facilities have risen over the past two years, but are still lower than industry standards. In FY 2012, the recordable injury and illness case rates rose 27 percent to 3.5 from 2.74 in FY 2011. We did not meet our goal of 3.24, but we were below the average rate of 7.8 for forging and stamping manufacturers.

Material handling is the primary cause of injuries. Strains, sprains and tears, typically an indication of ergonomic hazards, accounted for the majority of injuries in FY 2012. We created management safety steering teams to continually reinforce a culture of operating safely for all Mint employees. We are launching facility-specific leading measures to gain a more detailed understanding of the drivers of our recordable safety incidents.

Rate of Injury and Illness Cases per 100 Full-Time Workers



EMPLOYEE DEVELOPMENT

The Mint is committed to improving employee development and training, and has created several programs to prepare employees for the next step in his or her career. Two programs, the Leadership Development Program and the Employee Development Program, focus on expanding skills so employees improve their performance in the Mint, as well as grow their transferable skill set.

In addition, some Mint facilities have expanded training for those in manufacturing. Employees participating in San Francisco's Operator Certification and Apprenticeship Program (OCAP) can become certified as metal-forming machine operators, material treatment machine operators, and heat treaters and die finishers. All new San Francisco Coining Division employees are required to become OCAP certified, while those whose employment preceded the implementation of OCAP may voluntarily participate.

The Mint also collaborated with the Bureau of Engraving and Printing to offer a Supervisory Skill Building Program. This training was a result of the Strategic Alignment Initiative, a partnership between the two bureaus. Over the course of several months, through a combination of in-person, on-line training and video conferencing sessions, supervisors learned and practiced how to handle conflict competently, how to motivate staff, and how to create a positive and productive performance culture.

WORK/LIFE BALANCE AND TECHNOLOGY

One of the ways the Mint promotes work-life balance is through its telework policy. In FY 2011, the policy was updated to meet the requirements of the Telework Enhancement Act of 2010 (Public Law 111-292). This Act has three objectives: to improve continuity of operations, to promote management effectiveness and to enhance work-life balance. As a result, 146 employees now have telework agreements, compared to 120 in FY 2011.

SUSTAINABILITY EFFORTS

The Mint has concentrated on making substantial changes to our buildings and production operations to lessen our carbon footprint. This year, the headquarters building received a Gold Level LEED Certification; the Mint received the Federal Electronics Challenge Gold Award; and the Denver Mint received the Gold Award from the Metro Wastewater Reclamation District.

Since 2009, the Mint has reduced greenhouse gas emissions by 36 percent, exceeding Treasury's goal of 33 percent by 2020. In the past three years each location has made changes that support the sustainability effort. The Denver Mint purchases renewable energy, San Francisco installed a green roof and developed a van pool program, and Fort Knox installed a geothermal heat pump.

In 2012, the Mint initiated several more sustainability projects. In Philadelphia, the Mint is working with an energy service company to implement a plan to reduce energy intensity by 27 percent. The Denver and Philadelphia Mints implemented a "sleep mode" on their circulating coin presses to reduce total energy use by 2 percent. Philadelphia, Denver, and San Francisco operate with two shifts, rather than three, which reduces energy use by allowing us to turn off building equipment when not in use. The West Point facility has been accepted into the Department of Energy's Superior Energy Performance program, a multi-year program which provides industrial facilities with a plan for improving energy efficiency while staying competitive.

We are committed to changing the way we operate – not only to save energy, but also to remain cost efficient.

ANALYSIS OF SYSTEMS, CONTROLS AND LEGAL COMPLIANCE

The United States Mint is responsible for establishing and maintaining effective internal controls over financial reporting and has made a conscious effort to meet the internal controls requirements of the Federal Managers' Financial Integrity Act (FMFIA), the Federal Financial Management Improvement Act (FFMIA), Office of Management and Budget (OMB) Circular A-123, and the Reports Consolidation Act of 2000. The organization under my purview is operating in accordance with the procedures and standards prescribed by the Comptroller General and OMB guidelines.

The systems of management control for the United States Mint organization under my purview are designed to ensure that:

- programs achieve their intended results;
- resources are used consistent with overall mission;
- programs and resources are free from waste, fraud, and mismanagement;
- laws and regulations are followed;
- controls are sufficient to minimize any improper or erroneous payments;
- performance information is reliable;
- system security is in substantial compliance with all relevant requirements;
- continuity of operations planning in critical areas is sufficient to reduce risk to reasonable levels; and
- financial management systems are in compliance with federal financial systems standards, (i.e., FMFIA Section 4 and FFMIA).

For all United States Mint responsibilities, we provide herein unqualified assurance that the above listed management control objectives, taken as a whole, were achieved by our organization during FY 2012. Specifically, this assurance is provided in accordance with Sections 2 and 4 of the FMFIA. We further assure that our financial management systems are in substantial compliance with the requirements imposed by the FFMIA.

The United States Mint management is responsible for establishing and maintaining adequate internal control over financial reporting, which includes safeguarding of assets and compliance with laws and regulations. We conducted the required Treasury evaluation of the effectiveness of the United States Mint internal controls over financial reporting in accordance with OMB Circular A-123, *Management's Responsibility for Internal Control*. Based on the results of this evaluation, we can provide unqualified assurance that internal controls over financial reporting as of June 30, 2012, are operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

The 2007 Native American \$1 Coin Act (Public Law 110-82), as codified at 31 U.S.C. § 5112(r)(5), requires that at least 20 percent of all \$1 coins minted and issued in any year are Native American \$1 Coins. Unfortunately, in 2010 and 2011, even though the United States Mint minted Native American \$1 Coins in amounts greater than 20 percent of the total number of all \$1 coins minted, it was not able to meet the 20 percent issuance requirement in those years.

In addition, the Mint is committed to maintaining effective internal control, as demonstrated by the following actions:

- Annual audits of the United States Mint's financial statements pursuant to the Chief Financial Officers' Act, as amended, including a) information revealed in preparing the financial statements; b) auditor's reports on the financial statements; and c) internal controls and compliance with laws and regulations and other materials related to preparing financial statements.
- Annual performance plans, reviews, and reports pursuant to the Government Performance Results Act, which include analysis and evaluation of performance measures.
- The development, tracking, and closure of corrective actions identified in the Financial Statement Audit and OMB Circular A-123 Assessment.
- Internal management and program reviews conducted for the purpose of assessing management controls.
- Reviews of financial systems for requirements compliance in conjunction with OMB Circular A-123 and FFMIA.
- Reviews of systems, applications, and contingency plans conducted pursuant to the Computer Security Act of 1987 (40 U.S.C. 759 note) and OMB Circular A-130, Management of Federal Information Resources.
- Annual assessments, reviews, and reporting performed in compliance with the Improper Payments Elimination and Recovery Act of 2010 (IPERA).
- Reviews and reporting in compliance with the Federal Information Security Management Act (FISMA).

The United States Mint continues to make improvement in maintaining effective internal control over financial reporting and is committed to monitoring and improving its internal controls throughout the entire organization.

LIMITATIONS OF THE FINANCIAL STATEMENTS

The principal financial statements have been prepared to report the financial position and results of operations of the Mint, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements have been prepared from the books and records of the Mint in accordance with generally accepted accounting principles for federal entities and the formats prescribed by the Office of Management and Budget. The statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the United States Government.

MESSAGE FROM THE CHIEF FINANCIAL OFFICER:

As the CFO, I am pleased to present the Mint's financial statements as part of the FY 2012 Annual Report. It is our priority to report accurate financial data while objectively and consistently executing our fiscal responsibilities in a diligent and efficient manner. For FY 2012, our independent auditors rendered an unqualified opinion on these financial statements.

The Mint faced a number of fiscal challenges in FY 2012, as revenue and net income were lower across all three business lines. In the circulating program, seigniorage was down as we suspended minting and issuing the Presidential \$1 Coin. We met the FRB's orders for pennies and nickels but for the seventh consecutive year these denominations were produced at a loss. Demand for numismatic products decreased and the demand for bullion products continued to be volatile. The Mint made no off-budget transfers to the General Fund this fiscal year. Instead, the Mint determined that all amounts in the PEF resulting from FRB receipts on the sale of circulating coins were required to mitigate the risks of future potential economic uncertainty, impacts to our circulating program from continued penny and nickel losses, and loss of revenue from the suspension of \$1 circulating coin production. The transfer to the Treasury General Fund was \$77 million.

In addition to limiting the transfer to the general fund, the Mint continued to focus on reducing its operating costs in FY 2012. Our efforts included in-depth reviews of budgets, contracts, resources, and inventories. As a result of the Mint's efforts, general and administrative expenses have decreased 22.5 percent and cost of mint production has decreased 4.3 percent from FY 2009 levels. In addition, this past year our inventories were reduced by \$139.7 million, generating additional operating cash.

The Mint's fiscal responsibilities include serving as custodians for the majority of the nation's gold and silver reserves. In this role, we completed a successful inventory of the Department of the Treasury gold bars and coins held at the FRB in New York. The inventory was conducted by the Mint with the assistance of FRB.

In FY 2012, the Mint conducted a comprehensive assessment of the effectiveness of internal controls over financial reporting. Based on the results of this review, we can provide unqualified assurance that internal controls over financial reporting are operating effectively in accordance with Office of Management and Budget Circular A-123.

The statements presented in this report are in compliance with accounting standards issued by the Federal Accounting Standards Advisory Board (FASAB). The FASAB is designated by the American Institute of Certified Public Accountants as the standard-setting body for the financial statements of Federal government entities, with respect to establishment of the United States Generally Accepted Accounting Principles.

The Mint has experienced some operational changes in the last few fiscal years. I am glad to report that we have met these challenges and developed strategies to operate more effectively and efficiently. I am committed to ensuring that the Mint continually identifies ways to cut costs and operate in the most cost-effective manner possible.

Sincerely,

David Motl, Chief Financial Officer



David Motl
United States Mint
Chief Financial Officer



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

Inspector General
United States Department of the Treasury

Acting Director
United States Mint:

We have audited the accompanying balance sheets of the United States Mint as of September 30, 2012 and 2011, and the related statements of net cost, and changes in net position, and combined statements of budgetary resources (hereinafter referred to as "financial statements" or "basic financial statements") for the years then ended. These financial statements are the responsibility of the United States Mint's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; 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 No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the United States Mint's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United States Mint as of September 30, 2012 and 2011, and its net costs, changes in net position, and budgetary resources for the years then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the financial statements, the United States Mint changed its presentation for reporting the Combined Statement of Budgetary Resources in fiscal year 2012, based on new reporting requirements under OMB Circular No. A-136, *Financial Reporting Requirements*. As a result, the United States Mint's Statement of Budgetary Resources for fiscal year 2011 has been reclassified to conform to the current year presentation.

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis, and Required Supplementary Information sections be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial



reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The information in the *Acting Director's Letter, Organizational Profile, The United States Mint at a Glance, Message from the Chief Financial Officer, and Other Accompanying Information and Appendix 1: FY 2012 Coin and Medal Products* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 3, 2012, on our consideration of the United States Mint's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audits.

KPMG LLP

December 3, 2012

**DEPARTMENT OF THE TREASURY UNITED STATES MINT
BALANCE SHEETS**

As of September 30, 2012 and 2011

	2012	2011
	(dollars in thousands)	
Assets		
Intragovernmental:		
Fund Balance with Treasury (Note 3)	\$ 964,517	\$ 752,742
Accounts Receivable, Net (Note 4)	-	721
Advances and Prepayments (Note 5)	3,232	2,046
Total Intragovernmental Assets	967,749	755,509
Custodial Gold and Silver Reserves (Note 6)	10,493,740	10,493,740
Accounts Receivable, Net (Note 4)	12,093	18,254
Inventory (Notes 7 and 20)	361,612	501,287
Supplies	17,678	17,280
Property, Plant and Equipment, Net (Note 8)	182,527	185,701
Advances and Prepayments (Note 5)	1	1
Total Non-Intragovernmental Assets	\$ 11,067,651	\$ 11,216,263
Total Assets (Notes 2 and 14)	\$ 12,035,400	\$ 11,971,772
Heritage Assets (Note 9)		
Liabilities		
Intragovernmental:		
Accounts Payable	\$ 5,641	\$ 5,890
Accrued Workers' Compensation and Benefits	9,110	9,377
Total Intragovernmental Liabilities	14,751	15,267
Custodial Liability to Treasury (Note 6)	10,493,740	10,493,740
Accounts Payable	21,543	44,545
Surcharges Payable (Note 3)	11,179	11,673
Accrued Payroll and Benefits	18,374	18,381
Other Actuarial Liabilities	28,525	27,467
Unearned Revenue	1,541	16,953
Deposit Fund Liability (Notes 10 and 12)	94	94
Total Non-Intragovernmental Liabilities	\$ 10,574,996	\$ 10,612,853
Total Liabilities (Notes 10 and 14)	\$ 10,589,747	\$ 10,628,120
Commitments and Contingencies (Notes 12 and 13)		
Net Position		
Cumulative Results of Operations - Earmarked Funds (Note 14)	1,445,653	1,343,652
Total Liabilities and Net Position	\$ 12,035,400	\$ 11,971,772

The accompanying notes are an integral part of these financial statements.

DEPARTMENT OF THE TREASURY UNITED STATES MINT
STATEMENTS OF NET COST

For the years ended September 30, 2012 and 2011

	2012	2011
	(dollars in thousands)	
Numismatic Production and Sales		
Gross Cost	\$ 2,832,988	\$ 4,009,361
Less Earned Revenue	(2,912,432)	(4,178,594)
Net Program Cost (Revenue)	(79,444)	(169,233)
 Numismatic Production and Sales of Circulating Coins		
Gross Cost	6,765	4,685
Less Earned Revenue (Note 16)	(6,765)	(4,685)
Net Program Cost	-	-
 Circulating Production and Sales		
Gross Cost	387,434	428,130
Less Earned Revenue (Note 16)	(387,434)	(428,130)
Net Program Cost	-	-
 Net Program Cost (Revenue) Before Protection of Assets	(79,444)	(169,233)
 Protection of Assets		
Protection Costs	42,195	41,570
Less Earned Revenue	-	-
Net Cost of Protection Assets	42,195	41,570
 Net Cost (Revenue) from Operations (Notes 14 and 15)	\$ (37,249)	\$ (127,663)

The accompanying notes are an integral part of these financial statements.

DEPARTMENT OF THE TREASURY UNITED STATES MINT
STATEMENTS OF CHANGES IN NET POSITION

For the years ended September 30, 2012 and 2011

	2012	2011
	(dollars in thousands)	
Cumulative Results of Operations		
Net Position, Beginning of Year - Earmarked Funds (Note 14)	\$ 1,343,652	\$ 895,071
Financing Sources:		
Transfers to the Treasury General Fund On-Budget (Note 19)	(77,000)	(51,000)
Other Financing Sources (Seigniorage) (Note 16)	128,709	358,577
Imputed Financing Sources (Note 11)	13,043	13,341
Total Financing Sources	64,752	320,918
Net Revenue from Operations (Note 15 and 21)	37,249	127,663
Net Position, End of Year - Earmarked Funds (Note 14)	\$ 1,445,653	\$ 1,343,652

The accompanying notes are an integral part of these financial statements.

**DEPARTMENT OF THE TREASURY UNITED STATES MINT
STATEMENTS OF BUDGETARY RESOURCES**

For the years ended September 30, 2012 and 2011

	2012	2011
	(dollars in thousands)	
Budgetary Resources:		
Unobligated balance, brought forward, October 1	\$ 413,094	\$ 110,993
Recoveries of prior-year unpaid obligations	51,025	43,873
Other changes in unobligated balance	(77,000)	(51,000)
Spending Authority from Offsetting Collections	3,413,037	4,984,118
Total Budgetary Resources	\$ 3,800,156	\$ 5,087,984
Status of Budgetary Resources:		
Obligations Incurred (Note 17)	\$ 3,106,304	\$ 4,674,890
Unobligated balance, end of year		
Apportioned	669,760	413,094
Unapportioned	24,092	-
Total Unobligated balance, end of year	693,852	413,094
Total Budgetary Resources	\$ 3,800,156	\$ 5,087,984
Change in Obligated Balances:		
Unpaid obligations, brought forward, October 1	\$ 346,248	\$ 228,454
Less: Uncollected customer payments from Federal sources, brought forward, October 1	(6,694)	(7,598)
Obligated balance, start of year	339,554	220,856
Obligations Incurred (Note 17)	3,106,304	4,674,890
Outlays (gross)	(3,125,026)	(4,513,223)
Change in uncollected customer payments from Federal sources	764	903
Recoveries of Prior Year Unpaid Obligations	(51,025)	(43,873)
Obligated Balance, end of year		
Unpaid obligations, end of year	276,501	346,248
Uncollected customer payments from Federal sources, end of year	(5,930)	(6,694)
Obligated Balance, End of Year	\$ 270,571	\$ 339,554
Budget Authority and Outlays, Net		
Budget Authority, gross	3,413,037	4,984,118
Actual offsetting collections	(3,413,801)	(4,985,021)
Change in uncollected customer payments from Federal Sources	764	903
Outlay, gross	3,125,026	4,513,223
Actual offsetting collections	(3,413,801)	(4,985,021)
Outlays, Net	\$ (\$288,775)	(\$471,798)

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended September 30, 2012 and 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY Established in 1792, the United States Mint (Mint) is a bureau of the Department of the Treasury (Treasury). The mission of the Mint is as follows: To manufacture and distribute circulating coins, precious metals and collectible coins, and national medals to meet the needs of the United States. Numismatic products include medals; proof coins; uncirculated coins; platinum, gold, and silver bullion coins; commemorative coins; and related products or accessories. Custodial assets consist of the Treasury-owned gold and silver reserves. These custodial assets are often referred to as “deep storage” and “working stock,” and are reported on the Balance Sheet.

The production of numismatic products is financed through sales to the public. The production of circulating coinage is financed through sales of coins at face value to the Federal Reserve Banks (FRB). Additionally, the Mint sells certain circulating products directly to the public as numismatic items. Activities related to protection of Treasury-owned custodial assets are funded by the United States Mint Public Enterprise Fund (PEF).

Pursuant to Public Law 104-52, *Treasury, Postal Service, and General Government Appropriation Act for FY 1996*, as codified at 31 U.S.C. § 5136, the PEF was established to account for all receipts and expenses related to production and sale of numismatic items and circulating coinage, as well as protection activities. Expenses accounted for in the PEF include the entire cost of operating the Mint. Any amount in the PEF that is determined to be in excess of the amount required by the PEF is transferred to the Treasury General Fund.

Treasury’s Bullion Fund (Bullion Fund) is used to account for Treasury-owned gold and silver reserves. A separate Schedule of Custodial Deep Storage Gold and Silver Reserves has been prepared for the deep storage portion of the Treasury-owned gold and silver reserves for which the Mint acts as custodian.

BASIS OF ACCOUNTING AND PRESENTATION The accompanying financial statements were prepared based on the reporting format promulgated by Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, and in accordance with accounting standards issued by the Federal Accounting Standards Advisory Board (FASAB). The Mint’s financial statements have been prepared to report the financial position, net cost of operations, changes in net position, and budgetary resources, as required by 31 U.S.C. § 5134.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates. Accounts subject to estimates include, but are not limited to, depreciation, imputed costs, payroll and benefits, accrued worker’s compensation, allowance for uncollectible accounts receivable, and unemployment benefits.

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual method, revenues and other financing sources are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

EARNED REVENUES AND OTHER FINANCING SOURCES (SEIGNIORAGE)

Numismatic Sales: Revenue from numismatic sales to the public is recognized when products are shipped to customers. Prices for most numismatic products are based on the product cost plus a reasonable net margin. Bullion coins are priced based on the market price of the precious metals plus a premium to cover manufacturing, marketing, and distribution costs.

Numismatic Sales of Circulating Coins: Specially packaged products containing circulating coins sold directly to the public rather than to the FRB. These products are treated as a circulating and numismatic hybrid product. Revenue is recognized when products are shipped to customers.

Circulating Sales: The PEF provides for the sale of circulating coinage at face value to the FRB. Revenue from the sale of circulating coins is recognized when the product is shipped to the FRB. Revenue from the sale of circulating coins to the FRB and numismatic sales of circulating coins to the public is limited to the recovery of the cost of manufacturing and distributing those coins. Seigniorage is not counted as part of revenue.

Other Financing Source (Seigniorage): Seigniorage equals the face value of newly minted coins, less the cost of production (which includes the cost of metal, manufacturing, and transportation). Seigniorage adds to the government's cash balance, but unlike the payment of taxes or other receipts, it does not involve a transfer of financial assets from the public. Instead, it arises from the exercise of the government's sovereign power to create money and the public's desire to hold financial assets in the form of coins. Therefore, the President's budget excludes seigniorage from receipts and treats it as a means of financing.

Rental Revenue: The Mint sublets office space at cost to other federal entities in the two leased buildings in Washington, D.C. The lease expired on one of these buildings on Oct. 31, 2011. A commercial vendor subleases a portion of the first floor space of the building at 801 9th Street, NW.

FUND BALANCE WITH TREASURY All cash is maintained at the Treasury. Fund Balance with Treasury is the aggregate amount of the Mint's cash accounts with the United States Government's central accounts and from which the Mint is authorized to make expenditures. It is an asset because it represents the Mint's claim to United States Government resources.

ACCOUNTS RECEIVABLE Accounts receivable are amounts due to the Mint from the public and other federal entities. An allowance for uncollectible accounts receivable is established for all accounts that are more than 180 days past due. However, the Mint will continue collection action on those accounts that are more than 180 days past due, as specified by the *Debt Collection Improvement Act of 1996*.

INVENTORIES Inventories of circulating and numismatic coinage are valued at either cost or market, whichever is lower. Costs of the metal and fabrication components of the inventories are determined using a weighted average inventory methodology. Conversion costs (i.e., the cost to convert the fabricated blank into a finished coin) are valued using a standard cost methodology. The Mint uses three classifications for inventory: raw material (raw metal, unprocessed coil, or blanks); work-in-process (WIP – material being transformed to finished coins); and finished goods (coins that are packaged or bagged and ready for sale or shipment to the public or the FRB).

TREASURY-OWNED CUSTODIAL GOLD AND SILVER RESERVES Treasury-owned gold and silver reserves consist of both “deep storage” and “working stock” gold and silver.

Deep Storage is defined as that portion of the Treasury-owned gold and silver reserves which the Mint secures in sealed vaults. Deep storage gold comprises the vast majority of the bullion reserve and consists primarily of gold bars. Deep storage silver is also primarily in bar form.

Working Stock is defined as that portion of the Treasury-owned gold and silver bullion reserves which the Mint can use as the raw material for minting coins. Working stock gold comprises only about one percent of the gold bullion reserve and consists of bars, blanks, unsold coins, and condemned coins. Similarly, working stock silver consists of bars, blanks, unsold coins, and condemned coins.

Treasury allows the Mint to use some of its gold as working stock in the production of gold coins. This allows the Mint to avoid the market risk associated with buying gold far in advance of the sales date of the gold coins. The Mint replenishes the Treasury gold working stock at or just prior to the time the coins are sold. Generally, the Mint does not deplete the working stock used in production. Instead, the Mint will purchase a like amount of gold on the open market to replace the working stock used.

Treasury also allows the Mint to use silver as working stock. However, Treasury does not have enough silver to fulfill all Mint manufacturing needs. Accordingly, for the purpose of avoiding market risk associated with owning silver, the Mint has entered into a silver hedging arrangement (see Note 20).

SUPPLIES Supplies are items that are not considered inventory and are not a part of the finished product. These items include plant engineering and maintenance supplies, as well as die steel and coin dies. Supplies are accounted for using the consumption method, in which supplies are recognized as assets upon acquisition and expensed as they are consumed.

ADVANCES AND PREPAYMENTS Payments in advance of the receipt of goods and services are recorded as an asset at the time of prepayment, and are expensed when related goods and services are used.

PROPERTY, PLANT AND EQUIPMENT Property, plant, and equipment are valued at cost, less accumulated depreciation. The Mint’s threshold for capitalizing new property, plant, and equipment is \$25,000 for single purchases and \$500,000 for bulk purchases. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets as follows:

Computer Equipment	3 to 5 years
Software	2 to 10 years
Machinery and Equipment	7 to 20 years
Structures, Facilities, and Leasehold Improvements	10 to 30 years

Major alterations and renovations are capitalized over a 20-year period, or the remaining useful life of the asset (whichever is shorter) and depreciated using the straight-line method, while maintenance and repair costs are charged to expense as incurred. There are no restrictions on the use or convertibility of general property, plant, and equipment.

HERITAGE ASSETS Heritage assets are items that are unique because of their historical, cultural, educational or artistic importance. These items are collection-type assets that are maintained for exhibition and are preserved indefinitely.

LIABILITIES Liabilities represent actual and estimated amounts likely to be paid as a result of transactions or events that have already occurred. All liabilities covered by budgetary resources can be paid from revenues received by the PEF.

SURCHARGES Legislation authorizing commemorative coin and medal programs often requires that the sales price of each coin include an amount, called a surcharge, which is authorized to provide funds to a qualifying organization or group of organizations for the purposes specified. A surcharges payable account is established for surcharges collected, but not yet paid, to designated recipient organizations.

Recipient organizations cannot receive surcharge payments unless all of the Mint's operating costs for the coin program are fully recovered. The Mint may make interim surcharge payments during a commemorative program if the recipient organization meets the eligibility criteria in the authorizing legislation, if the recovery of all costs of the program is determinable, and if the Mint is assured it is not at risk of a loss. Additionally, recipient organizations must demonstrate that they have raised from private sources an amount equal to or greater than the surcharges collected based on sales, and recipient organizations must prove compliance with Title VI of the Civil Rights Act of 1964 and other available civil rights laws. A recipient organization has two years from the end of the program to meet the matching funds requirement.

EARMARKED FUNDS Pursuant to 31 U.S.C. SS 5136, the PEF was established as the sole funding source for Mint activities. The PEF meets the requirements of an earmarked fund as defined in Statement of Federal Financial Accounting Standard (SFFAS) 27, Identifying and Reporting Earmarked Funds. As non-entity and non-PEF assets, the Treasury-owned gold and silver bullion reserves are not considered to be earmarked funds.

UNEARNED REVENUES These are amounts received for numismatic orders which have not yet been shipped to the customer.

RETURN POLICY If for any reason a numismatic customer is dissatisfied, the entire product must be returned within seven days of receiving the order to receive a refund or replacement. Shipping charges are not refunded. Further, the Mint will not accept partial returns or issue partial refunds. Historically, the Mint receives few returns, which are immaterial. Therefore, no reserve for returns is considered necessary.

SHIPPING AND HANDLING The Mint reports shipping and handling costs of circulating coins and numismatic products as a cost of goods sold. General postage costs for handling administrative mailings are reported as part of the Mint's general and administrative expenses.

ANNUAL, SICK AND OTHER LEAVE Annual leave is accrued when earned and reduced as leave is taken. The balance in the accrued leave account is calculated using current pay rates. Sick leave and other types of non-vested leave are charged to operating costs as they are used.

ACCRUED WORKERS' COMPENSATION AND OTHER ACTUARIAL LIABILITIES The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to cover Federal civilian employees injured on the job or who have developed a work-related occupational disease, and to pay beneficiaries of employees whose deaths are attributable to job-related injuries or occupational disease. The FECA program is administered by the United States Department of Labor (DOL), which pays valid claims and subsequently seeks reimbursement from the Mint for these paid claims.

The FECA liability is based on two components. The first component is based on actual claims paid by DOL but not yet reimbursed by the Mint. There is generally a two- to three-year time period between payment by DOL and DOL's requesting payment from the Mint. The second component is the actuarial liability, which estimates the liability for future payments as a result of past events. The actuarial liability includes the expected liability for death, disability, medical and miscellaneous costs for approved compensation cases.

PROTECTION COSTS Treasury-owned gold and silver reserves are in the custody of the Mint, which is responsible for safeguarding the reserves. These costs are borne by the Mint, but are not directly related to the circulating or numismatic coining operations of the United States Mint. The Protection Department is a separate function from coining operations and is responsible for safeguarding the reserves as well as Mint employees and facilities.

OTHER COST AND EXPENSES (MUTILATED AND UNCURRENT) Other costs and expenses consist primarily of returns of mutilated or uncurrent coins to the Mint. Coins that are chipped, fused, and/or not machine-countable are considered mutilated. The Mint reimburses the entity that sent in the mutilated coins, using weight formulas that estimate the face value of these coins. Uncurrent coins are worn, but machine-countable, and their genuineness and denominations are still recognizable. Uncurrent coins are replaced with new coins of the same denomination by the FRB. The FRB then seeks replacement coins from the Mint. All mutilated or uncurrent coins received by the Mint are sold to its fabrication contractors to be processed into coils or blanks to be used in future coin production.

TAX EXEMPT STATUS As a bureau of the Federal Government, the Mint is exempt from all taxes imposed by any governing body, whether it is a federal, state, commonwealth, local, or foreign government.

CONCENTRATIONS The Mint purchases the coil and blanks used in the production of circulating coins from three vendors at competitive market prices. The Mint also purchases precious metal blanks from four different suppliers.

CONTINGENT LIABILITIES Certain conditions may exist as of the date of the financial statements that may result in a loss to the government, but which will be resolved only when one or more future events occur or fail to occur. The Mint recognizes a loss contingency when the future outflow or other sacrifice of resources is probable and reasonably estimable. Loss contingencies that are determined by management to have a reasonably possible chance of occurring or that cannot be estimated are included as a footnote to the financial statements. Contingent liabilities considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee is disclosed.

TRANSFERS TO THE TREASURY GENERAL FUND The Mint transfers amounts determined to be in excess of the amounts required for Mint operations and programs to the Treasury General Fund periodically throughout the fiscal year.

Seigniorage derived from the sale of circulating coins and the sale of numismatic products containing circulating coins is an off-budget receipt to the Treasury General Fund. Off-budget means that these funds cannot be used to reduce the annual budget deficit. Instead, they are used as a financing source (i.e., they reduce the amount of cash that Treasury has to borrow to pay interest on the national debt).

Revenues generated from the sale of numismatic products are transferred to the Treasury General Fund as an on-budget receipt. Unlike seigniorage, the numismatic transfer amount is available to the Federal Government as current operating cash or it can be used to reduce the annual budget deficit.

BUDGETARY RESOURCES The Mint does not receive an appropriation from the Congress. Instead, the Mint receives all financing from the public and the FRB, and receives an apportionment of those funds from OMB. This apportionment is considered a budgetary authority, which allows the Mint to spend the funds. The Mint’s budgetary resources consist of unobligated balances, transfers, and spending authority from offsetting collections, which is net of amounts that are permanently not available. “Permanently not available” funds are on-budget transfers to the General Fund.

HEDGING The Mint engages in a hedging program to avoid the effects of fluctuating silver costs as a result of the changes in market prices. The Mint purchases silver in large quantities and sells an interest in that silver to a trading partner, while maintaining physical custody and title to the silver. Sales of silver to the trading partner are made at the same spot price that the Mint paid to obtain the silver on the open market. The partner’s interest in Mint silver is reduced as finished silver bullion coins are sold to authorized purchasers (APs). Repurchases of the trading partner’s interest in the silver occurs upon sale of coins by the Mint. Repurchases are made on the same day as sales, in the same quantity sold, and using the same spot price as was used for the sale to the AP. Each sale to and from the trading partner carries a small transaction fee, the selling and buying fees net to a cost of one-half cent per ounce. The Mint incurred \$169 thousand in hedging fees in FY 2012, compared to \$217 thousand incurred in FY 2011.

RECLASSIFICATION OF THE STATEMENTS OF BUDGETARY RESOURCES FORMAT

In FY 2012, changes to the presentation of the Statements of Budgetary Resources were made, in accordance with guidance provided in OMB Circular A-136 and, as such, activity and balances reported on the FY 2011 Statement of Budgetary Resources have been reclassified to conform to the presentation in the current year. Certain other prior year amounts have also been reclassified to conform with the current year presentation.

2. NON-ENTITY ASSETS

Components of Non-entity Assets at September 30 are as follows:

(dollars in thousands)	2012	2011
Custodial Gold Reserves (Deep Storage)	\$ 10,355,539	\$ 10,355,539
Custodial Silver Reserves (Deep Storage)	9,148	9,148
Custodial Gold Reserves (Working Stock)	117,514	117,514
Custodial Silver Reserves (Working Stock)	11,539	11,539
Total Non-entity Assets	10,493,740	10,493,740
Total Entity Assets	1,541,660	1,478,032
Total Assets	\$ 12,035,400	\$ 11,971,772

Entity assets are assets that the reporting entity has authority to use in its operations. Mint management has legal authority to use entity assets to meet entity obligations. Treasury-owned gold and silver bullion reserves, for which the Mint is custodian, are non-entity assets.

3. FUND BALANCE WITH TREASURY

Fund Balance with Treasury at September 30 consists of:

(dollars in thousands)	2012	2011
Revolving Fund Types	\$ 964,423	\$ 752,648
Other Fund Types	94	94
Total of Fund Balance with Treasury	\$ 964,517	\$ 752,742
Status of Fund Balance with Treasury		
Unobligated Balance	\$ 693,852	\$ 413,094
Obligated Balance, Not Yet Disbursed	270,571	339,554
Non-Budgetary FBWT	94	94
Total	\$ 964,517	\$ 752,742

The Mint does not receive appropriated budget authority. The Fund Balance with Treasury is entirely available for use to support United States Mint operations. At September 30, 2012 and 2011, the revolving fund balance included \$11.2 million and \$11.7 million, respectively, in restricted amounts for possible payment of surcharges to recipient organizations.

4. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable are as follows:

(dollars in thousands)	September 30, 2012		
	Gross Receivables	Allowance	Net Receivables
Intragovernmental	\$ 5,946	(\$5,946)	–
With the Public	12,490	(397)	12,093
Total Accounts Receivable	\$ 18,436	(\$6,343)	\$ 12,093

(dollars in thousands)	September 30, 2011		
	Gross Receivables	Allowance	Net Receivables
Intragovernmental	\$ 6,667	(\$5,946)	\$ 721
With the Public	18,866	(612)	18,254
Total Accounts Receivable	\$ 25,533	(\$6,558)	\$ 18,975

The intragovernmental accounts receivable as of September 30, 2012 and 2011 was \$5.9 million and \$6.6 million, respectively. This largely represents amounts due to the Mint for a joint numismatic product with another federal entity. Management determined that the collection of \$5.9 million related to the program was in doubt and has included that amount in the allowance for doubtful accounts. Receivables with the public at September 30, 2012 are \$12.5 million, of which \$8.3 million is owed by fabricators for scrap and webbing, in addition to amounts owed by the public for numismatic products. This compares to receivables with the public at September 30, 2011, of \$18.9 million, of which \$13.4 million was owed by fabricators for scrap and webbing, in addition to amounts owed by the public for numismatic products. The allowance for doubtful accounts is the balance of the accounts receivable with the public that is past due by 180 days or more. Collection action continues on these accounts, but an allowance is recorded.

5. ADVANCES AND PREPAYMENTS

The components of advances and prepayments at September 30 are as follows:

(dollars in thousands)	2012	2011
Intragovernmental	\$ 3,232	\$ 2,046
With the Public	1	1
Total Advances and Prepayments	\$ 3,233	\$ 2,047

Intragovernmental advances and prepayments as of September 30, 2012 and 2011 include \$1.6 million and \$1.5 million, respectively, that the Mint paid the Treasury Working Capital Fund for a variety of centralized services. The remaining balance of approximately \$1.6 million represents payments made to the United States Postal Service for product delivery services as of September 30, 2012, compared to approximately \$500 thousand paid at September 30, 2011. Advances with the public for both FY 2012 and 2011 are outstanding travel advances to Mint employees who were traveling on government business.

6. CUSTODIAL GOLD AND SILVER RESERVES

As custodian, the Mint is responsible for safeguarding much of the Treasury-owned gold and silver reserves, which include deep storage and working stock. The asset and the custodial liability to Treasury are reported on the Balance Sheet at statutory rates. In accordance with 31 U.S.C. § 5117(b) and 31 U.S.C. § 5116(b)(2), statutory rates of \$42.2222 per fine troy ounce (FTO) of gold and no less than \$1.292929292 per FTO of silver are used to value the entire custodial assets held by the Mint.

The market values for gold and silver as of September 30 are determined by the London Gold Fixing (PM) rate. Amounts and values of gold and silver in custody of the Mint as of September 30 are as follows:

	2012	2011
Gold - Deep Storage:		
Inventories (FTO)	245,262,897	245,262,897
Market Value (\$ per FTO)	\$ 1,776.00	\$ 1,620.00
Market Value (\$ in thousands)	\$ 435,586,905	\$ 397,325,893
Statutory Value (\$ in thousands)	\$ 10,355,539	\$ 10,355,539
Gold - Working Stock:		
Inventories (FTO)	2,783,219	2,783,219
Market Value (\$ per FTO)	\$ 1,776.00	\$ 1,620.00
Market Value (\$ in thousands)	\$ 4,942,996	\$ 4,508,815
Statutory Value (\$ in thousands)	\$ 117,514	\$ 117,514
Silver - Deep Storage:		
Inventories (FTO)	7,075,171	7,075,171
Market Value (\$ per FTO)	\$ 34.65	\$ 30.45
Market Value (\$ in thousands)	\$ 245,154	\$ 215,439
Statutory Value (\$ in thousands)	\$ 9,148	\$ 9,148
Silver - Working Stock:		
Inventories (FTO)	8,924,829	8,924,829
Market Value (\$ per FTO)	\$ 34.65	\$ 30.45
Market Value (\$ in thousands)	\$ 309,245	\$ 271,761
Statutory Value (\$ in thousands)	\$ 11,539	\$ 11,539
Total Market Value of Custodial Gold and Silver Reserves (\$ in thousands)	\$ 441,084,300	\$ 402,321,908
Total Statutory Value of Custodial Gold and Silver Reserves (\$ in thousands)	\$ 10,493,740	\$ 10,493,740

7. INVENTORY AND RELATED PROPERTY

The components of inventories at September 30 are summarized below:

(dollars in thousands)	2012	2011
Raw Materials	\$ 184,383	\$ 322,484
Work-In-Process	98,348	87,754
Inventory held for current sale	78,881	91,049
Total Inventory and Related Property	\$ 361,612	\$ 501,287

Raw materials consist of unprocessed materials and by-products of the manufacturing process and the metal value of unusable inventory, such as scrap or condemned coins, which will be recycled into a usable raw material. In addition, as of September 30, 2012 and 2011, the inventory includes \$241.5 million and \$247.7 million, respectively, the market value of the silver hedged. Additional information can be found in note 20. Work-in-process consists of semi-finished materials.

8. PROPERTY, PLANT AND EQUIPMENT, NET

Components of property, plant and equipment are as follows:

(dollars in thousands)	September 30, 2012		
	Asset Cost	Accumulated Depreciation and Amortization	Total Property, Plant and Equipment, Net
Land	\$ 2,529	\$ -	\$ 2,529
Structures, Facilities and Leasehold Improvements	228,896	(150,760)	78,136
Computer Equipment	31,232	(29,062)	2,170
Software	16,183	(15,508)	675
Construction-In-Progress	16,450	-	16,450
Machinery and Equipment	279,372	(196,805)	82,567
Total Property, Plant and Equipment, Net	\$ 574,662	(\$392,135)	\$ 182,527

(dollars in thousands)	September 30, 2011		
	Asset Cost	Accumulated Depreciation and Amortization	Total Property, Plant and Equipment, Net
Land	\$ 2,529	\$ -	\$ 2,529
Structures, Facilities and Leasehold Improvements	225,500	(148,387)	77,113
Computer Equipment	31,235	(28,052)	3,183
Software	15,893	(15,051)	842
Construction-In-Progress	12,875	-	12,875
Machinery and Equipment	282,256	(193,097)	89,159
Total Property, Plant and Equipment, Net	\$ 570,288	(\$384,587)	\$ 185,701

The land and buildings used to manufacture circulating coinage and numismatic products are owned by the Mint and located in Philadelphia, Denver, San Francisco, and West Point. In addition, the Mint owns the land and buildings at the United States Bullion Depository at Fort Knox. Construction-In-Progress (CIP) represents assets that are underway, such as in the process of being readied for use, or which are being tested for acceptability, but which are not yet being fully utilized by the Mint and, therefore, not being depreciated.

Depreciation and amortization expenses charged to operations during the years ended September 30, 2012 and 2011, were \$27.8 million and \$29.5 million, respectively.

9. HERITAGE ASSETS

The Mint maintains collections of heritage assets which are any property, plant, or equipment that are retained by the Mint for its historic, natural, cultural, educational or artistic value, or significant architectural characteristics. For example, the Mint’s historical artifacts contain, among other things, examples of furniture and equipment used in the Mint facilities over the years, as well as examples of the coin manufacturing process, such as plasters, galvanos, dies, punches, and actual finished coins. The coin collections include examples of the various coins produced by the Mint over the years, separated into collections of pattern pieces/prototypes, coin specimens, quality samples, and exotic metal coin samples. The buildings housing the Mint at Denver, West Point, San Francisco, and Fort Knox are all considered multi-use heritage assets. The Mint generally does not place a value on heritage assets, even though some of the coins and artifacts are priceless. However, the assets are accounted for and controlled for protection and conservation purposes. Heritage assets held by the Mint are generally in acceptable physical condition. The following chart represents the Mint’s various collections and historical artifacts.

Coin Collections	Quantity of Collections Held September 30,	
	2012	2011
Pattern Pieces/Prototypes	1	1
Coin Specimens	1	1
Quality Samples	1	1
Exotic Metal Coin Samples	1	1
Total	4	4

Historical Artifacts	Quantity of Collections Held September 30,	
	2012	2011
Antiques/Artifacts	1	1
Plasters	1	1
Galvanos	1	1
Dies	1	1
Punches	1	1
Historical Documents	1	1
Multi-use heritage assets	4	4
Total	10	10

10. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Components of Liabilities Not Covered by Budgetary Resources at September 30 are as follows:

(dollars in thousands)	2012	2011
Custodial Gold Reserves (Deep Storage)	\$ 10,355,539	\$ 10,355,539
Custodial Silver Reserves (Deep Storage)	9,148	9,148
Working Stock Inventory - Gold Reserves	117,514	117,514
Working Stock Inventory - Silver Reserves	11,539	11,539
Other	94	94
Total Liabilities Not Covered by Budgetary Resources	\$ 10,493,834	\$ 10,493,834
Total Liabilities Covered by Budgetary Resources	95,913	134,286
Total Liabilities	\$ 10,589,747	\$ 10,628,120

Liabilities not covered by budgetary resources represent the Mint’s custodial liabilities to the Treasury that are entirely offset by Treasury-owned gold and silver reserves held by the Mint on behalf of the federal government. The category “Other” represents a refundable security deposit related to a lease.

11. RETIREMENT PLANS, OTHER POST-EMPLOYMENT COSTS AND OTHER IMPUTED COSTS

The Mint contributes seven percent of basic pay for employees participating in the Civil Service Retirement System (CSRS). Most employees hired after December 31, 1983, are automatically covered by the Federal Employees' Retirement System (FERS) and Social Security. A primary feature of FERS is that it offers a savings plan to which the Mint automatically contributes one percent of basic pay and matches employee contributions up to an additional four percent of basic pay. Employees can contribute a specific dollar amount or a percentage of their basic pay, as long as the annual dollar total does not exceed the Internal Revenue Code limit of \$17,000 for calendar year 2012 (a \$5,500 catch-up contribution can be given by participants age 50 and older). Employees participating in FERS are covered by the Federal Insurance Contribution Act (FICA), for which the Mint contributes a matching amount to the Social Security Administration.

Although the Mint contributes a portion for pension benefits and makes the necessary payroll deductions, it is not responsible for administering either CSRS or FERS. Administering and reporting on pension benefit programs are the responsibility of the Office of Personnel Management (OPM). OPM has provided the Mint with certain cost factors that estimate the cost of providing the pension benefit to current employees. The cost factors of 29.8 percent of basic pay for CSRS-covered employees and 13.7 percent of basic pay for FERS-covered employees were in use for FY 2012. The CSRS and FERS factors were 30.1 percent and 13.8 percent, respectively, in FY 2011.

The amounts that the Mint contributed to the retirement plans and social security for the year ended September 30 are as follows:

(dollars in thousands)	2012	2011
Social Security System	\$ 7,335	\$ 7,230
Civil Service Retirement System	1,124	1,276
Federal Employees Retirement System (Retirement and Thrift Savings Plan)	13,503	12,722
Total Retirement Plans and Other Post-employment Cost	\$ 21,962	\$ 21,228

The Mint also recognizes its share of the future cost of pension payments and post-retirement health and life insurance benefits for employees while they are still working with an offset classified as imputed financing. OPM continues to report the overall liability of the Federal Government and make direct recipient payments. OPM has provided certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The cost factors relating to health benefits are \$5,817 and \$6,027 per employee enrolled in the Federal Employees Health Benefits Program in FY 2012 and FY 2011, respectively. The cost factor relating to life insurance is two-one hundredths percent (.02 percent) of basic pay for employees enrolled in the Federal Employees Group Life Insurance Program for both FY 2012 and FY 2011.

The amount of imputed cost related to retirement plans and other post-employment costs incurred by the Mint for the year ended September 30 is as follows (before the offset for imputing financing):

(dollars in thousands)	2012	2011
Health Benefits	\$ 8,375	\$ 8,673
Life Insurance	32	26
Pension Expense	3,938	4,372
Total Imputed Retirement and Postemployment Costs	\$ 12,345	\$ 13,071

In addition to the pension and retirement benefits described above, the Mint records imputed costs and financing for Treasury Judgment Fund payments made on behalf of the bureau. Entries are made in accordance with FASAB Interpretation No. 2. During FY 2012, the Judgment Fund paid \$26 thousand on behalf of the Mint for the clean-up of an EPA Superfund site. This was a one-time payment. Also during FY 2012, the Mint received unreimbursed services (imputed financing) from another federal agency. The amount was \$672 thousand. For FY 2011, entries for Judgment Fund payments totaled \$270 thousand (Other Funds).

12. LEASE COMMITMENTS

THE MINT AS LESSEE: The Mint leases office and warehouse space from commercial vendors, the General Services Administration (GSA), and the Bureau of Engraving and Printing. In addition, the bureau leases copiers and other office equipment from commercial vendors and vehicles from GSA. With the exception of the commercial leases on two office buildings in Washington, D.C., all leases are one-year, or one-year with renewable option years. The two building leases in Washington, D.C. have terms of 20 and 10 years. One of the building leases expired October 31, 2011 and was not renewed. Because all of the Mint's leases can be canceled, there are no minimum lease payments due.

THE MINT AS LESSOR: The Mint sublets office space at cost to several other federal entities in the leased headquarters building in Washington, D.C. As of September 30, 2012, the Mint sublet in excess of 56,000 square feet in the leased building. Tenants include the Internal Revenue Service, Treasury Executive Institute, and U.S. Marshals Service. Starting October 31, 2011, the lease of space in the building at 799 9th Street, NW, containing 149,647 square feet, was canceled. All of the subleases are operating leases and subject to annual availability of funding. The Mint has also entered into an agreement to sublet space in the Headquarters building to a commercial tenant. The Mint received a security deposit from the tenant of \$94,500.

Future Projected Receipts:	Building Sub-lease
Year 3 (FY 2013)	\$378,000
Year 4 (FY 2014)	378,000
Year 5 (FY 2015)	378,000
Year 6 (FY 2016)	404,460
Year 7 (FY 2017)	404,460
Year 8-9 (FY 2018-FY 2019)	808,920
Total Future Operating Lease Receipts	\$2,751,840

13. CONTINGENCIES

The Mint is subject to legal proceedings and claims which arise in the ordinary course of its business. Judgments, if any, resulting from pending litigation against the Mint generally would be satisfied from the PEF. Likewise, under the *Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002* (No FEAR Act, P. L. 107-174), settlements and judgments related to acts of discrimination and retaliation for whistle blowing will be paid from the PEF. In the opinion of management, the ultimate resolution of these actions will not materially affect the Mint's financial position or the results of its operations.

The Chief Counsel of the Mint provided a Legal Representation Letter reflecting no expected material loss resulting from pending legal cases.

14. EARMARKED FUNDS

Pursuant to 31 U.S.C. § 5136, “all receipts from Mint operations and programs, including the production and sale of numismatic items, the production and sale of circulating coinage at face value to the FRB, the protection of government assets, and gifts and bequests of property, real or personal shall be deposited into the PEF and shall be available to fund its operations without fiscal year limitations.”

The PEF meets the requirements of an earmarked fund as defined in *Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds*. As non-entity and non-PEF assets, the Treasury-owned gold and silver reserves are not included in the earmarked funds.

15. INTRAGOVERNMENTAL COSTS AND EARNED REVENUE

Intragovernmental costs and earned revenue reflect transactions in which both the buyer and seller are federal entities. Revenue with the public reflects transactions for goods or services with a non-federal entity. The purpose for this classification is to enable the federal government to prepare consolidated financial statements. The following table provides earned revenues, gross cost, and net program revenue:

(dollars in thousands)	2012	2011
Numismatic Production and Sales		
Cost:		
Intragovernmental:		
Selling, General and Administrative	\$ 19,410	\$ 23,863
Imputed Costs	5,884	6,152
Total Intragovernmental Costs	25,294	30,015
Public:		
Cost of Goods Sold	2,742,045	3,912,375
Selling, General and Administrative	65,649	66,971
Total Public Cost	2,807,694	3,979,346
Gross Cost	2,832,988	4,009,361
Revenue:		
Intragovernmental:		
Rent Revenues	3,408	10,232
Other Intragovernmental Revenues	14	65
Total Intragovernmental Revenues	3,422	10,297
Public	2,909,010	4,168,297
Total Earned Revenue	2,912,432	4,178,594
Net Program Cost (Revenue)	\$ (79,444)	\$ (169,233)

Numismatic Production and Sales of Circulating Coins

Cost:		
Intragovernmental:		
Selling, General and Administrative	\$ 226	\$ 166
Total Intragovernmental Costs	\$ 226	166
Public:		
Cost of Goods Sold	5,775	4,054
Selling, General and Administrative	764	465
Total Public Cost	6,539	4,519
Gross Cost	6,765	4,685
Revenue:		
Public	6,765	4,685
Total Earned Revenue	6,765	4,685
Net Program Cost	\$ –	\$ –

	2012	2011
Circulating Production and Sales		
Cost:		
Intragovernmental:		
Selling, General and Administrative	\$ 13,062	\$ 9,546
Imputed Costs	7,160	7,189
Total Intragovernmental Costs	<u>20,222</u>	<u>16,735</u>
Public:		
Cost of Goods Sold	307,227	334,222
Selling, General and Administrative	48,551	53,893
Other Costs and Expenses (Mutilated and Uncurrent)	11,434	23,280
Total Public Cost	<u>367,212</u>	<u>411,395</u>
Gross Cost	<u>387,434</u>	<u>428,130</u>
Revenue:		
Public	387,434	428,130
Total Earned Revenue	<u>387,434</u>	<u>428,130</u>
Net Program Cost	\$ –	\$ –
Net Cost (Revenue) Before Protection of Assets	\$ (79,444)	\$ (169,233)
Protection of Assets		
Public:		
Protection Cost	\$ 42,195	\$ 41,570
Total Earned Revenue	<u>\$ –</u>	<u>\$ –</u>
Net Cost of Protection of Assets	\$ 42,195	\$ 41,570
Net Cost (Revenue) from Operations	\$ (37,249)	\$ (127,663)

16. EARNED REVENUE AND OTHER FINANCING SOURCE (SEIGNIORAGE)

The Statement of Net Cost reflects the earned revenue and corresponding gross costs for Circulating Production and Sales and for Numismatic Production and Sales of Circulating Coins. Circulating Production and Sales represents coin sales to the FRB, and Numismatic Production and Sales of Circulating Coins represents sales of circulating coins to the public (i.e., numismatic customers). SFFAS Number 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, limits the amount of net program revenue from production of circulating coins to the cost of metal, manufacturing and transportation. OMB Circular A-136 defines the treatment of other financing sources on the Statement of Changes in Net Position, particularly as it relates to seigniorage. Therefore, on the Statement of Net Cost, earned revenue is recognized only to the extent of the gross cost of production. The difference between those costs and the face value of the coin is an “Other Financing Source” referred to as seigniorage. Any revenue over face value for circulating coins sold as numismatic items is considered earned revenue and included in the category Numismatic Production and Sales on the Statement of Net Cost.

The following chart reflects the two components of the receipts from the sale of circulating coin – the earned revenue from the Statement of Net Costs and Seigniorage from the Statement of Changes in Net position for the year ended September 30:

(dollars in thousands)	2012	2011
Revenue-FRB	\$ 387,434	\$ 428,130
Seigniorage-FRB	105,850	348,780
Total Circulating Coins	\$ 493,284	\$ 776,910
Revenue-with the public	\$ 6,765	\$ 4,685
Seigniorage-with the public	22,859	9,797
Total Numismatic Sales of Circulating Coins	\$ 29,624	\$ 14,482
Total Seigniorage	\$ 128,709	\$ 358,577

17. APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

The Mint receives apportionments of its resources from OMB. An apportionment is a plan approved by OMB to spend funds as directed by law. All Mint obligations are classified as reimbursable, as they are financed by offsetting collections received in return for goods and services provided. OMB usually uses one of two categories to distribute budgetary resources. Category A apportionments distribute budgetary resources by fiscal quarters. Category B apportionments typically distribute budgetary resources by activities, projects, objects or a combination of these categories. The Mint has only category B apportionments.

18. EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE UNITED STATES GOVERNMENT

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between the Statement of Budgetary Resources (SBR) and the related actual balances published in the Budget of the United States Government (President’s Budget). The President’s Budget for fiscal year FY 2012 is expected to be published in February 2013 and made available through OMB. Therefore, the analysis presented here is for the prior year (FY 2011) “actual” figures published in the President’s budget in February 2012. The following chart displays the comparison of the FY 2011 SBR and the actual FY 2011 balances included in the FY 2013 President’s Budget.

(rounded to millions)

	September 30, 2011	
	Statement of Budgetary Resources	President’s Budget
United States Mint Public Enterprise Fund		
Total Budgetary Resources	5,088	5,088
Status of Budgetary Resources:		
Obligations Incurred	4,675	4,675
Unobligated Balances-available	413	413
Total Status of Budgetary Resources	5,088	5,088
Net Outlays	472	472

19. LEGAL ARRANGEMENTS AFFECTING USE OF UNOBLIGATED BALANCES

The PEF statute establishes that all receipts from Mint operations and programs, including the production and sale of numismatic items, the production and sale of circulating coinage, the protection of government assets, and gifts and bequests of property, real or personal, shall be deposited into the PEF and shall be available without fiscal year limitations. Any amount that is in excess of the amount required by the PEF shall be transferred to the Treasury for deposit as miscellaneous receipts. At September 30, 2012 and 2011, the Mint transferred excess receipts to the Treasury General Fund of \$77 million and \$51 million, respectively.

20. HEDGING PROGRAM

At September 30, 2012 and 2011, the market value of the silver sold to the trading partner and not yet sold by the Mint and, therefore, not repurchased from the trading partner was \$241.5 million and \$247.7 million respectively. In addition, the Mint owed the trading partner \$1.2 million in unpaid realized losses at September 30, 2012 and the trading partner owed the Mint \$4.3 million in unpaid realized gains at September 30, 2011. In FY 2012, the Mint recorded an unrealized loss of \$1.9 million compared to an unrealized loss of \$0.7 million in FY 2011.

21. RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET

(dollars in thousands)	For The Years Ended September 30,	
	2012	2011
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations Incurred	\$ 3,106,304	\$ 4,674,890
Less: Spending Authority from		
Offsetting Collections and Recoveries	3,464,062	5,027,991
Net Obligations	(357,758)	(353,101)
Other Resources		
Transfers to the Treasury General Fund On-Budget	(77,000)	(51,000)
Imputed Financing from Costs Absorbed by Others	13,043	13,341
Other Financing Sources (Seigniorage)	128,709	358,577
Net Other Resources Used to Finance Activities	64,752	320,918
Total Resources Used to Finance Activities	(293,006)	(32,183)
Resources Used to Finance Items Not Part of the Net Cost of Operations:		
Change in Budgetary Resources Obligated for Goods, Services and Benefits Ordered but Not Yet Provided	(30,491)	88,670
Resources that fund Expenses Recognized in Prior Periods	(272)	-
Resources that Finance the Acquisition of Assets or Liquidation of Liabilities	426,508	463,062
Other	(77,000)	(51,547)
Total Resources Used to Finance Items Not Part of the Net Cost of Operations	318,745	500,185
Total Resources Used to Finance the Net Cost of Operations	(611,751)	(532,368)
Components Requiring or Generating Resources in Future Periods		
Increase in Exchange Revenue Receivable from the Public	(165)	-
Total Components of Net Cost of Operations that will Require or Generate Resources in Future Periods	(165)	-
Components not Requiring or Generating Resources in the Current Period		
Depreciation and Amortization	27,767	29,491
Revaluation of Assets	3,204	870
Other	543,696	374,344
Total Components of Net Revenue from Operations that will not require or Generate Resources	574,667	404,705
Total Components of Net Revenue from Operations that will not require or Generate Resources in the Current Period	574,502	404,705
Net Cost (Revenue) from Operations	\$ (37,249)	\$ (127,663)

22. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Budgetary resources obligated for undelivered orders as of September 30, 2012 and 2011 were \$196,478 and \$242,636 respectively.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

INTRODUCTION

This section provides the Required Supplemental Information as prescribed by the Office of Management and Budget (OMB) Circular A-136, “Financial Reporting Requirements” and Statement of Federal Financial Accounting Standards (SFFAS) #29 Heritage Assets and Stewardship Land.

HERITAGE ASSETS

The Mint is steward of a large, unique and diversified body of heritage assets that demonstrate the social, educational and cultural heritage of the Mint. These items include a variety of rare and semi-precious coin collections and historical artifacts, and are held at various Mint locations. Some of these items are placed in locked vaults within the Mint, where access is limited to only special authorized personnel. Other items are on full display to the public, requiring little if any authorization to view.

Included in the heritage assets are the buildings housing the Mint at Denver, West Point, San Francisco, and Fort Knox. The Mint generally does not place a value on heritage assets, even though some of the coins and artifacts are priceless. However, the assets are accounted for and controlled for protection and conservation purposes. Heritage assets held by the Mint are generally in acceptable physical condition, and there is no deferred maintenance on the Denver, West Point, San Francisco, and Fort Knox buildings.

OTHER ACCOMPANYING INFORMATION
DEPARTMENT OF THE TREASURY UNITED STATES MINT
SCHEDULE OF SPENDING

	For The Years Ended September 30,	
	2012	2011
	(dollars in thousands)	
What Money is Available to Spend?		
Total Resources	\$3,800,156	\$5,087,984
Less Amount Not Agreed to be Spent	(669,760)	(413,094)
Less Amount Not Available to be Spent	(24,092)	–
Total Amounts Agreed to be Spent	\$3,106,304	\$4,674,890
How was the Money Spent?		
Personnel Compensation	142,798	141,733
Personnel Benefits	44,420	42,313
Benefits for Former Personnel	306	215
Travel and transportation of persons	2,128	2,127
Transportation of things	22,982	29,078
Rent, Communications, and utilities	23,761	31,649
Printing and reproduction	1,624	1,480
Other contractual services	95,838	98,742
Supplies and materials	2,763,066	4,138,465
Equipment	16,394	16,407
Land and structures	11,694	10,957
Grants, subsidies and contributions	0	0
Insurance claims and indemnities	13	13
Interest and dividends	2	44
Total Spending	\$3,125,026	\$4,513,223
Unpaid obligations, end of year (gross)	276,501	346,248
Minus - Unpaid obligations, brought forward, October 1 (gross)	(346,248)	(228,454)
Recoveries of prior year unpaid obligations	51,025	43,873
Amounts Remaining to be Spent	(\$18,722)	\$161,667
Total Amounts Agreed to be Spent	\$3,106,304	\$4,674,890
Who did the Money go to? VENDOR		
Federal	68,280	63,740
Non-Federal	3,038,024	4,611,150
Total Amounts Agreed to be Spent	\$3,106,304	\$4,674,890
How was the Money Given?		
Employees and Former Employees	197,143	197,312
Contracts	2,909,159	4,477,529
Insurance	–	5
Interest	2	44
Total Amounts Agreed to be Spent	\$3,106,304	\$4,674,890



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report on Internal Control Over Financial Reporting

Inspector General
United States Department of the Treasury

Acting Director
United States Mint:

We have audited the balance sheets of the United States Mint as of September 30, 2012 and 2011 and the related statements of net cost, and changes in net position, and combined statements of budgetary resources (hereinafter referred to as "financial statements") for the years then ended, and have issued our report thereon dated December 3, 2012.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; 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 No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the United States Mint is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our fiscal year 2012 audit, we considered the United States Mint's internal control over financial reporting by obtaining an understanding of the design effectiveness of the United States Mint's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United States Mint's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the United States Mint's internal control over financial reporting. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the third paragraph of this report and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. In our fiscal year 2012 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Exhibit I presents the status of the prior year significant deficiency.

This report is intended solely for the information and use of the United States Mint's management, the Department of the Treasury's Office of Inspector General, OMB, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

December 3, 2012

UNITED STATES MINT
 Status of Prior Year Significant Deficiency
 September 30, 2012

As required by *Government Auditing Standards* issued by the Comptroller General of the United States, and by OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, we have reviewed the status of the prior year finding and recommendation. The following table provides our assessment of the progress the United States Mint has made in correcting the significant deficiency identified during that audit as of the date of this audit report, December 3, 2012:

Prior Year Condition	Prior Year Recommendation	Status as of September 30, 2012
Improvements Needed Over Inventory		
Headquarters Inventory	Recommendation: We recommend United States Mint management follow the Counting Inventory SOP, and require at least an annual physical inventory held at Headquarters.	Closed



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report on Compliance and Other Matters

Inspector General
United States Department of the Treasury

Acting Director
United States Mint:

We have audited the balance sheets of the United States Mint as of September 30, 2012 and 2011, and the related statements of net cost, and changes in net position, and combined statements of budgetary resources (hereinafter referred to as "financial statements") for the years then ended, and have issued our report thereon dated December 3, 2012.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; 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 No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the United States Mint is responsible for complying with laws, regulations, and contracts applicable to the United States Mint. As part of obtaining reasonable assurance about whether the United States Mint's financial statements are free of material misstatement, we performed tests of the United States Mint's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 07-04, including the provisions referred to in Section 803(a) of the *Federal Financial Management Improvement Act of 1996* (FFMIA). We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, and contracts applicable to the United States Mint. 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.

The results of our tests of compliance described in the preceding paragraph of this report, exclusive of those referred to in FFMIA, disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 07-04.

The results of our tests of FFMIA disclosed no instances in which the United States Mint's financial management systems did not substantially comply with the (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level.

This report is intended solely for the information and use of the United States Mint's management, the Department of the Treasury's Office of Inspector General, OMB, the U.S. Government Accountability



Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

December 3, 2012

APPENDIX I: FY 2012 COIN AND MEDAL PRODUCTS

2012 STAR-SPANGLED BANNER COMMEMORATIVE COINS

Coin Released: March 3, 2012

Mintage Limit: 100,000 gold \$5; 500,000 silver \$1

Description: Description: These coins commemorate the writing of the “Star-Spangled Banner” by Francis Scott Key during the defense of Fort McHenry in Baltimore during the War of 1812. Key arrived in Baltimore on a diplomatic mission to secure the release of an American prisoner right before a naval attack, and rather than let him go, the British held him until after the battle was over. Key witnessed the defense of Fort McHenry from onboard a British ship and wrote the poem the next morning, when the smoke cleared and he saw proof – the American flag flying above the fort – that the Americans won the battle. Now the national anthem of our country, the “Star-Spangled Banner” has been popular since it was written. There are four different coin designs: a gold proof coin, a gold uncirculated coin, a silver proof coin, and a silver uncirculated coin. Surcharges from sales of the coins are authorized to be paid to the Maryland War of 1812 Bicentennial Commission.



2012 INFANTRY SOLDIER SILVER DOLLAR

Coins Released: February 16, 2012

Mintage Limits: 350,000

Description: Description: This coin commemorates the creation of the U.S. Army Infantry, which was authorized by Congress in 1775. The design on the obverse (heads side) of the coin shows an Infantry soldier charging forward and beckoning troops to follow, symbolizing the “follow me” motto of the Infantry. This coin is offered in both proof and uncirculated silver dollar. Surcharges from sales of the coins are authorized to be paid to the National Infantry Foundation.



THE NEW FRONTIER BRONZE MEDAL

Medal Awarded: November 16, 2011

Description: Description: This bronze medal is a duplicate of the New Frontier Congressional Gold Medal awarded to astronauts John Herschel Glen Jr., Neil A. Armstrong, Edwin E. “Buzz” Aldrin Jr. and Michael Collins.



THE NISEI SOLDIERS OF WORLD WAR II BRONZE MEDAL

Medal Awarded: November 2, 2011

Description: Description: This bronze medal is a duplicate of the Congressional Gold Medal awarded to the 100th Infantry Battalion, 442nd Regimental Combat Team and Military Intelligence Service of the U.S. Army. Neisei (second generation Americans of Japanese ancestry) served in World War II and the 442nd was the most decorated unit.



CHICKASAW NATIONAL RECREATION AREA QUARTER – OKLAHOMA

Coin Released: November 7, 2011

Description: Description: The Chickasaw National Recreation Area was established in 1902 through the support of the Chickasaw Nation, and provides protection to the area’s unique resources, springs, streams, lakes, and natural features. The coin features the Lincoln Bridge, dedicated in 1909 to commemorate Abraham Lincoln’s birth.



EL YUNQUE NATIONAL FOREST QUARTER – PUERTO RICO

Coin Released: January 24, 2012

Description: Description: The only tropical rainforest in the U.S. National Forest System, El Yunque National Forest was established as a national site Jan. 17, 1903. The reverse design shows a Coqui tree frog and a Puerto Rican parrot behind an epiphyte plant.



CHACO CULTURE NATIONAL HISTORICAL PARK QUARTER – NEW MEXICO

Coin Released: March 15, 2012

Description: The Chaco Canyon was a major center of Puebloan culture between A.D. 850 and 1250, and home to Pueblo, Hopi and Navajo Indians. It was established as a national site March 11, 1907. The reverse design shows two elevated kivas in the Chetro Ketl Complex.



ACADIA NATIONAL PARK QUARTER – MAINE

Coin Released: June 12, 2012

Description: Home to the tallest mountain on the U.S. Atlantic Coast, Acadia National Park was established as a national site July 8, 1916. The reverse image shows a view of the Bass Harbor Head Lighthouse and the coastline.



HAWAII VOLCANOES NATIONAL PARK QUARTER – HAWAII

Coin Released: August 27, 2012

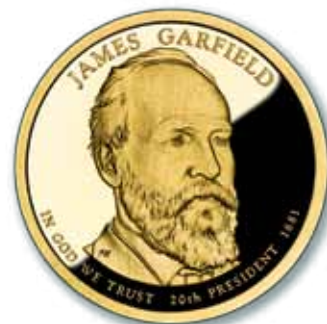
Description: Established as a national park Aug. 1, 1916, Hawai'i Volcanoes National Park shows the effects of 70 million years of volcanism, migration, and evolution. The reverse design shows an eruption on the east rift of Kilauea Volcano, which is one of the most active and dangerous volcanoes on Earth.



**JAMES GARFIELD PRESIDENTIAL \$1 COIN –
20TH PRESIDENT, 1881**

Coin Released: November 17, 2011

Description: James Garfield was elected to the Ohio state senate in 1859 and to Congress in 1862. He served 18 years before winning the nomination for President of the United States. In the summer of 1881, just four months into his term, he was shot and two months later died of his injuries.



**CHESTER ARTHUR PRESIDENTIAL \$1 COIN –
21ST PRESIDENT, 1881-1885**

Coin Released: April 9, 2012

Description: An attorney by trade, Chester Arthur was also quartermaster general of New York state before becoming President after the death of James Garfield. He was a champion of civil service reform, and while he was President, Congress passed the Pendleton Act, establishing a bipartisan Civil Service Commission.



**GROVER CLEVELAND PRESIDENTIAL \$1 COIN –
22ND PRESIDENT, 1885-1889**

Coin Released: June 19, 2012

Description: Grover Cleveland is the only President to leave the White House and return for a second term four years later. During his first term, he vetoed private pension bills to Civil War veterans whose claims were fraudulent. He also ordered an investigation of western lands railroad companies held by government grant and forced the railroads to return 81 million acres to the government. Cleveland also signed the Interstate Commerce Act, which regulated railroads.



**BENJAMIN HARRISON PRESIDENTIAL \$1 COIN –
23RD PRESIDENT, 1889-1893**

Coin Released: September 18, 2012

Description: Grandson of former President William Henry Harrison, Benjamin Harrison served as a colonel of the 70th Volunteer Infantry in the Civil War. An attorney, he served in the U.S. Senate, where he championed American Indians, homesteaders and Civil War veterans. As President, he signed appropriation bills for internal improvements, naval expansion and subsidies for steamship lines, and the Sherman Anti-Trust Act, the first federal attempt to regulate trusts.



LUCRETIA GARFIELD FIRST SPOUSE GOLD COIN AND BRONZE MEDAL – FIRST LADY, 1881

Coin and Medal Released: December 1, 2011

Description: Born in 1832, Lucretia Rudolph married James Garfield in 1858. A few months after arriving at the White House, she contracted malaria and went to a New Jersey coastal resort to recover. She was there when President Garfield was shot. After his death, she moved back to Ohio. The reverse of this coin depicts Garfield’s interest in art and shows her painting.



2012 NATIVE AMERICAN \$1 COIN

Coin Released: April 26, 2012

Description: This design illustrates “Trade Routes in the 17th Century,” and shows a Native American and horse in profile. Of all the goods traded in the 17th century, the horse became the most sought-after commodity in inter-tribal trade, which was well-established before European settlers arrived. American Indians maintained widespread trans-continental trade. These trade routes were later followed by explorers and settlers. This cross-continental trade infrastructure culminated in the construction of the modern-day interstate highway system.



2012 AMERICAN EAGLE PLATINUM PROOF COIN

Coin Released: August 9, 2012

Description: In 2009, the Mint introduced a new six-year platinum proof coin program highlighting the Preamble to the U.S. Constitution. In 2012, “To Provide for the Common Defence” was released. The reverse design features a minuteman from the Revolutionary War. In addition to a rifle, he carries a book, representing the importance of knowledge in defending the country. The reverse designs in the Preamble Series are inspired by narratives prepared by the Chief Justice of the United States at the request of the Mint.



MONTFORD POINT MARINES CONGRESSIONAL GOLD MEDAL

Medal awarded: June 27, 2011

Description: The Montford Point Marines were recognized for their personal sacrifice and service to their country during World War II. The first black Americans to enlist in the U.S. Marine Corps after President Franklin Roosevelt issued the Executive Order establishing the Fair Employment Practices Commission in June 1941, these men landed at Iwo Jima, took part in the seizure of Okinawa, and landed at Peleliu and Saipan.



CONSTANTINO BRUMIDI CONGRESSIONAL GOLD MEDAL

Medal awarded: July 11, 2012

Description: Brumidi (1805-1880) designed the murals in the U.S. Capitol. Born in Rome, he came to the United States in 1852 and became a citizen in 1857.



ARNOLD PALMER CONGRESSIONAL GOLD MEDAL

Medal awarded: September 12, 2012

Description: Golfer Arnold Palmer received the Congressional Gold Medal in recognition for promoting excellence and good sportsmanship in golf. He has won 92 championships in national or international professional competitions. He also served in the U.S. Coast Guard for three years and for 20 years as the honorary national chairperson of the March of Dimes Birth Defects Foundation.



DAW AUNG SAN SUU KYI CONGRESSIONAL GOLD MEDAL

Medal awarded: September 19, 2012

Description: Committed to peaceful dialogue in bringing democracy, human rights, and national reconciliation to Burma, Daw Aung San Suu Kyi was awarded the Congressional Gold Medal. Remaining under house arrest for nearly 15 years, Suu Kyi was released this year and continues her fight against human rights violations by promoting freedom and democracy. She has also been awarded the Sakharov Prize for Freedom of Thought in 1990, the Nobel Peace Prize in 1991 (the prize money of which she donated to a health and education fund in Burma), and the Presidential Medal of Freedom in 2000.



Connecting America through Coins

