

UNITED STATES MINT



2018

ANNUAL REPORT



DAVID J. RYDER SWORN IN AS 39TH UNITED STATES MINT DIRECTOR

David J. Ryder is the 39th United States Mint Director. Mr. Ryder also led the Mint as its 34th Director from September 1992 to November 1993 during the administrations of President George H.W. Bush and President Bill Clinton.

Most recently, Ryder was the Global Business Development Manager and Managing Director of Currency for Honeywell Authentication Technologies. Previously, Ryder served as CEO of Secure Products Corporation, which was acquired by Honeywell in 2007. In addition to the United States Mint, Ryder's prior government service include Deputy Treasurer of the United States, Deputy Chief of Staff to Vice President Dan Quayle, and Assistant to Vice President George H.W. Bush.

As Mint Director, Ryder leads an organization of almost 1,600 people who are employed with responsibilities ranging from securing the assets entrusted to the Mint, to the design, manufacturing, and distribution of circulating, precious metal and collectible coins, and national medals. The Mint operates six facilities across the United States: Headquarters in Washington, D.C.; production facilities in Philadelphia, San Francisco, Denver, and West Point; and the U.S. Bullion Depository at Fort Knox.

Ryder was born in Billings, Montana and raised in Boise, Idaho. He attended Boise State University and is married with two children.

DIRECTOR'S LETTER

I am pleased to report that the United States Mint fully and successfully executed its mission during fiscal year 2018. The results of the combined effort of all U.S. Mint Directorates during this period were truly impressive. In addition to protecting and safeguarding national assets, our day-to-day operations produced nearly 13.7 billion circulating coins, over 15.2 million ounces of bullion, and nearly 3.3 million units of numismatic products.

As active as we were in FY 2018, we managed to take the time to reflect on our core values of Service, Quality, and Integrity. As an organization, we engaged in dialogue and training designed to incorporate the spirit of the Mint's core values. Specifically, the Mint ensured each employee participated in customer service and unconscious bias training to foster more effective, collaborative, and responsive relationships.

Through a major update to our public website, the Mint was able to better engage with educators and their students through new Mint lesson plans and online games. Web traffic to the kids site increased by 23% (resulting in over 100,000 additional page views) from FY17 to FY18. Today, the Mint's kid site is the most visited educational site in the Treasury Department, and ranked among the top four kids activities pages in the Federal government after the Bureau of Labor Statistics, NASA, and the USDA. We are engaging vigorously in education with the hope that the students we reach will continue their interest in coins as future Mint customers.

The Mint began a customer loyalty program in January 2018 as a special thank you to its most loyal customers. With the program, customers who make three or more purchases will enjoy free shipping on all future orders placed that same year. Also, the Mint offered a new payment option to ease customer concerns about sharing personal or financial data, and to eliminate the need to convert currency. These initiatives have the potential to help the Mint grow its customer base.

One of the objectives in the Mint's Strategic Plan is to "Integrate technology into operations and support lines." The Mint did this in several ways. Through the Digital Workplace Modernization initiative, workstations were upgraded to meet productivity and security needs. As a way to offer much-needed efficiencies in our manufacturing processes, the Mint is testing pushback blanking technology for planchet production at the Denver and Philadelphia facilities.

FY 2018 was a transitional year for the Mint. I appreciate the leadership provided by Dave Motl and Dave Croft as Acting Principal Deputy Directors. I truly feel blessed to have the opportunity to return to the Mint and serve as its 39th Director. It has been a smooth transition thanks to the amazing work of the Mint staff.

The service that Mint employees provide to the American people is unique and valuable. I have had the pleasure of meeting many of the Mint employees, and I am impressed by the breadth and depth of talent resident throughout our organization. I am honored to lead such a dedicated, motivated, diverse, and inclusive workforce, and I look forward to continuing our progress in 2019.

Sincerely,



David J. Ryder



SECRETARY OF THE TREASURY STEVEN MNUCHIN VISITS THE PHILADELPHIA MINT

On February 22, 2018, Secretary of the Treasury Steven Mnuchin made his first official visit to the Mint at Philadelphia where he met with the facility's employees and observed various aspects of the coin manufacturing process. The Mint's Acting Deputy Director David Croft, then-Acting Philadelphia Mint Superintendent Laurie Johnson, and Philadelphia Mint Deputy Superintendent Jim Nicolo welcomed Secretary Mnuchin along with other distinguished guests—Treasurer Jovita Carranza and Treasury Assistant Secretary for Public Affairs Tony Sayegh.

Meeting employees in their work environment was a key component of the Secretary's visit. The morning kicked off with a roundtable discussion with the Mint's senior staff members in the President's Room, followed by a visit to the Numismatic Division, where Secretary Mnuchin met and interacted with employees.

The Secretary of the Treasury was then given the opportunity to strike a World War I Centennial Silver Dollar. Coin Press Operator Ken Holland walked Secretary Mnuchin through the process and assisted him with the strike. Proving to be a quick study, the Secretary subsequently struck a second coin completely unaided.

The last behind-the-scenes stop was the circulating production area. Coining Division Chief Norm Patterson led Secretary Mnuchin and members of his staff on a tour of the one-cent and quarter presses, during which Secretary Mnuchin met with Coining Division employees. Mint Sculptor-Engraver Michael Gaudio then discussed his work on the 2018 Pictured Rocks National Lakeshore quarter with Secretary Mnuchin.

ORGANIZATIONAL PROFILE



David J. Ryder
Director



David Croft
Acting Deputy Director



John Schorn
Chief Counsel



Frank Goulart
Associate Deputy Director,
Manufacturing Directorate



Marc Landry
Acting Associate
Director, Numismatic
and Bullion Directorate



Bill Bailey
Deputy Chief, Mint Police



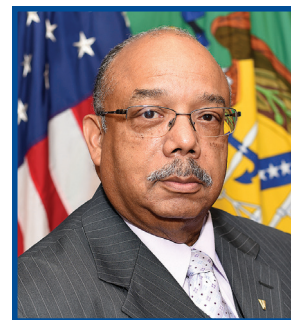
Kristie McNally
Deputy Chief
Financial Officer



DeAnna Wynn
Deputy Chief
Information Officer



B. B. Craig
Associate Director,
Environment, Safety
and Health



Ernest Cameron
Director of Human
Resources



James Nicolo
Acting Philadelphia
Superintendent



Randall Johnson
Denver Superintendent



David Jacobs
San Francisco
Superintendent



Ellen McCullom
West Point Superintendent



Michelle Satchell
EEO Manager



Betty Birdsong
Acting Director, Legislative
and Intergovernmental
Affairs



Thomas V. Johnson
Chief, Office of Corporate
Communications



April Stafford
Chief, Design Management



Eric Anderson
Executive Secretary

OUR MISSION

The United States Mint (Mint) enables America's economic growth and stability by protecting assets entrusted to us and manufacturing coins and medals to facilitate national commerce.

OUR CORE VALUES

The Mint is privileged to connect America through coins and medals, which reflect the remarkable history, values, culture, diversity, and natural beauty of our Nation. To maintain the Mint's reputation as one of the finest mints in the world, Mint employees are committed to undertaking their work according to the core values of service, quality, and integrity.

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) (31 U.S.C. § 5136). The PEF enables the Mint to operate without an annual appropriation. The Mint generates revenue through the sale of circulating coins to the Federal Reserve Banks (FRB), numismatic products to the public, and bullion coins to authorized purchasers. Revenue in excess of amounts required by the PEF is transferred to the United States Treasury (Treasury) General Fund.

The Mint operates six facilities and employs nearly 1,600 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 coin and medal designs is performed in Philadelphia. Production of numismatic products, including bullion coins, 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 the Mint Headquarters in Washington, D.C.

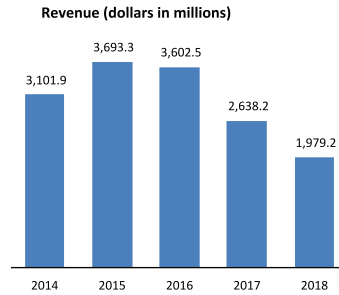
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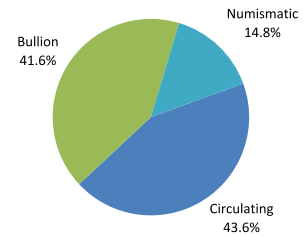
THE UNITED STATES MINT AT A GLANCE

UNITED STATES MINT (MINT)

The men and women of the Mint manufacture and distribute circulating coins, precious metal and collectible coins, and national medals to meet the needs of the United States. The Mint has the following lines of operation: Circulating, Bullion, and Numismatic.

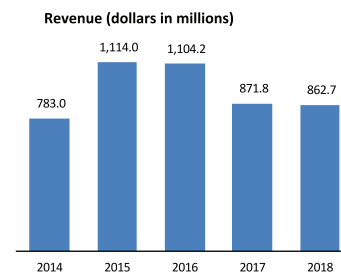


Revenue by Line of Business (percent of total)

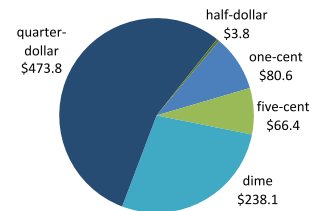


CIRCULATING COINAGE

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.

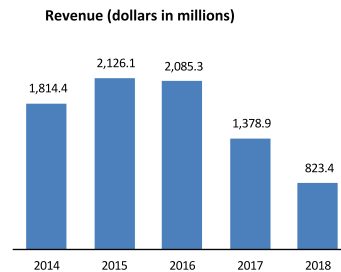


Revenue by Denomination (dollars in millions)

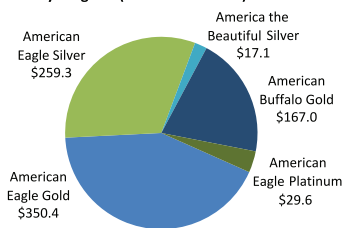


BULLION COINS

The Mint is the world's largest producer of gold and silver bullion coins. The bullion coin 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.

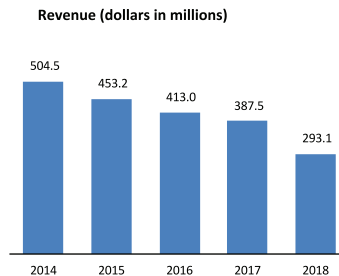


Revenue by Program (dollars in millions)

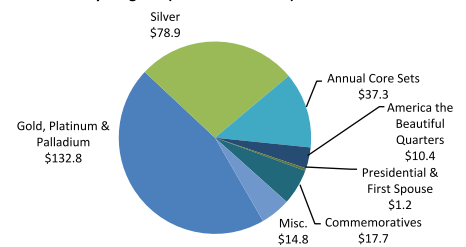


NUMISMATIC PRODUCTS

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.



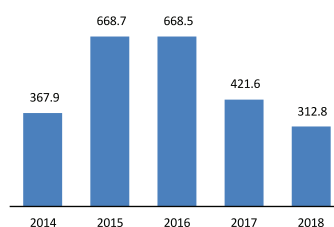
Revenue by Program (dollars in millions)



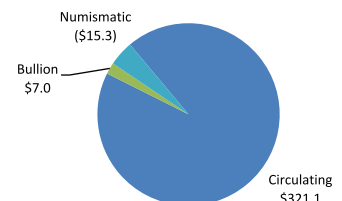
SEIGNIORAGE AND NET INCOME

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.

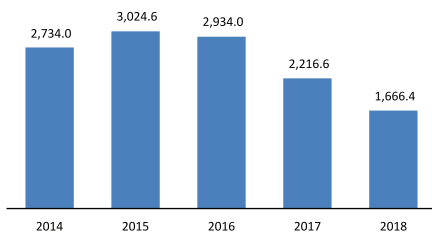
Seigniorage and Net Income (dollars in millions, before protection cost)



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



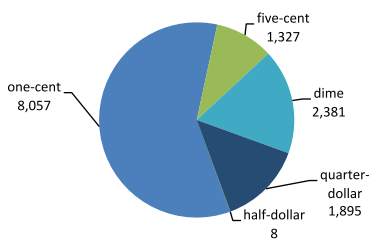
Gross Cost (dollars in millions)



2018 PERFORMANCE

FY 2018 revenue was \$1,979.2 million, a decrease of 25.0 percent compared to last year. Cost of goods sold (COGS) decreased 26.7 percent to \$1,513.4 million. Selling, general, and administrative (SG&A) expenses decreased 0.2 percent from last year. Total seigniorage and net income before Protection expenses decreased 25.8 percent to \$312.8 million compared to last year, reflecting the impact of decreased demand in all three business lines.

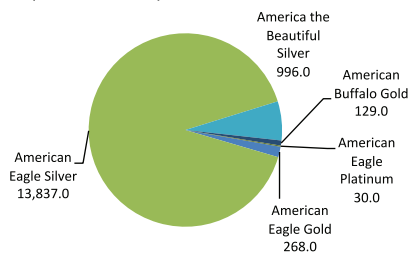
Shipments (millions of coins)



CIRCULATING COINAGE

Circulating coin shipments decreased 2.8 percent to 13,668 million coins in FY 2018, driven by decreases in pennies. Circulating revenue decreased 1.0 percent to \$862.7 million because of lower quarter-dollar shipments. Seigniorage decreased 18.0 percent to \$321.1 million. Seigniorage per dollar issued decreased to \$0.37 from \$0.45 last year.

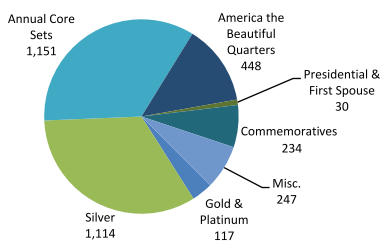
Sales (millions of ounces)



BULLION COINS

Demand for bullion coins slowed in FY 2018 compared to last year. The Mint sold 15.2 million ounces of gold, silver, and platinum bullion coins, a decrease of 9.5 million ounces from last year. Total bullion coin revenue decreased 40.3 percent to \$823.4 million in FY 2018, primarily due to a 41.5 percent decrease in gold bullion coin revenue from lower demand. Silver revenue decreased 39.8 percent. Bullion coin net income decreased 35.8 percent to \$7.0 million and bullion coin net margin increased to 0.9 percent compared to 0.8 percent last year.

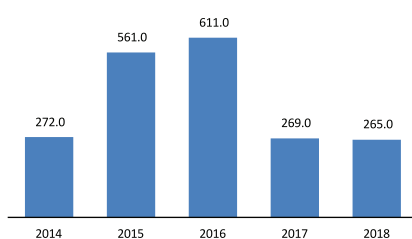
Sales (thousands of units sold)



NUMISMATIC PRODUCTS

Numismatic sales decreased 14.4 percent to 3.3 million units in FY 2018. Numismatic revenues decreased 24.4 percent to \$293.1 million due to decreases in Presidential and First Spouse products. Numismatic net income decreased 179.7 percent to \$(15.3) million (before protection expenses). Numismatic net margin decreased to (5.2) percent compared to 5.0 percent last year.

Transfer to the Treasury General Fund (dollars in millions)



TRANSFER TO THE GENERAL FUND

In FY 2018, the Mint transferred \$265 million to the Treasury General Fund from the United States Mint Public Enterprise Fund. The Mint transferred \$265 million of seigniorage as a non-budget transfer. In the first quarter, the Mint did not make a budget transfer from FY 2017 numismatic program results.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CIRCULATING COINAGE FOR THE NATION'S COMMERCE

CIRCULATING

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

The Mint produces and issues circulating coins to the FRB in quantities to support their service to commercial banks and other financial institutions. These financial institutions then meet the coinage needs 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.

CIRCULATING RESULTS

FY 2018 circulating coin shipments to the FRB decreased by 0.4 billion units (2.8 percent) to a total 13.7 billion coins compared to last year. Although the year saw increases in nickels, the large decrease in pennies, followed by dimes and quarter-dollar shipments resulted in decreased revenue compared to last year.

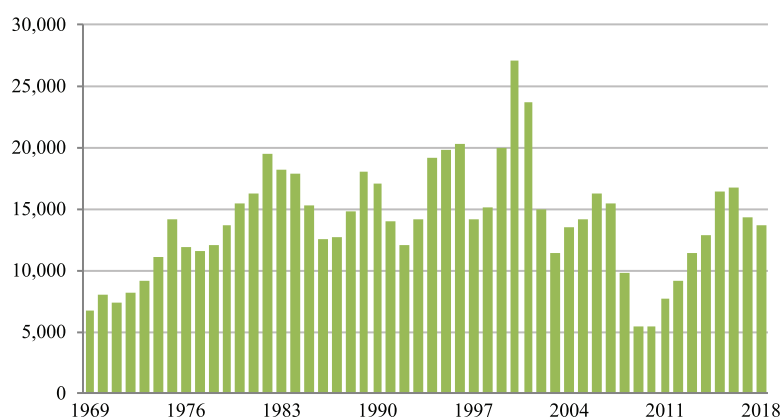
The overall shipment mix remained stable across the denominations since last year. As a percentage of total shipments, pennies lost 1.0 percentage point to account for 58.9 percent of the mix in FY 2018. All other denominations stayed approximately constant as a percentage of total FY 2018 shipments: nickels, dimes, quarter-dollars, and half-dollars were 9.7 percent, 17.4 percent, 13.9, and 0.1 percent of the mix, respectively.

FY 2018 circulating revenue was \$862.7 million, 1.0 percent lower than last year, driven by a \$7.6 million (1.6 percent) decrease in quarter-dollar revenue. FY 2018 circulating seigniorage was \$321.1 million, 18.0 percent lower than last year, because of higher metal costs. The resulting seigniorage per dollar issued was \$0.37, \$0.08 below \$0.45 from last year.

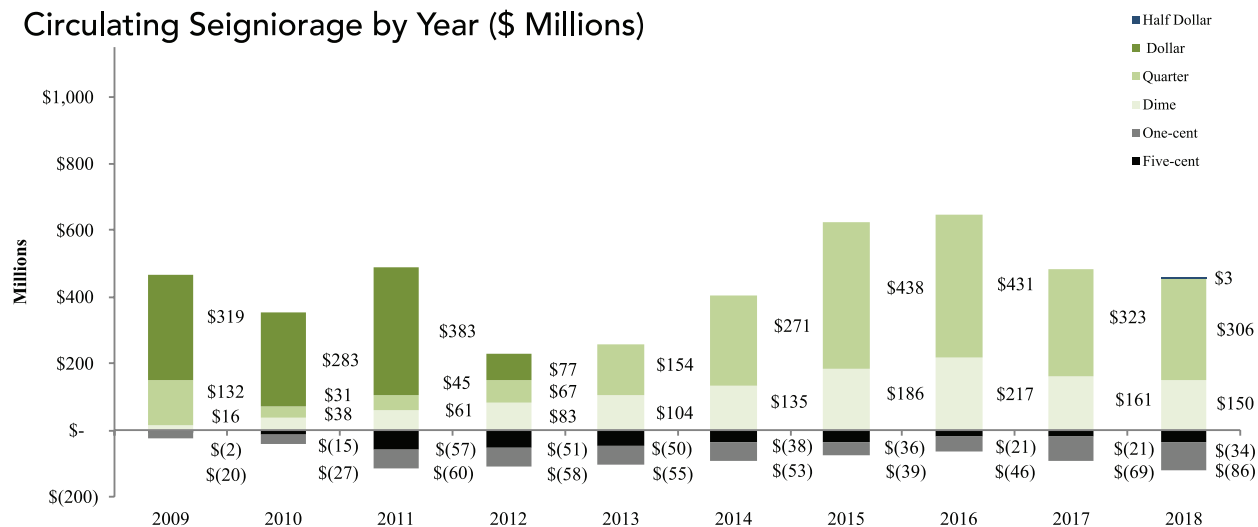
FY 2018 unit costs increased for all denominations compared to last year. The unit cost for both pennies (2.06 cents) and nickels (7.53 cents) remained above face value for the thirteenth consecutive fiscal year. Higher metal costs and higher unit costs generated a larger FY 2018 net loss (\$119.0 million) for these two denominations compared to FY 2017 (\$89.8 million).

Compared to last year, FY 2018 average spot prices for nickel increased 28.7 percent to \$13,141.41 per tonne, average copper prices rose 15.6 percent to \$6,683.11, and average zinc prices increased 13.2 percent to \$3,073.86.

Total Circulating Coin Production (coins in millions)



Circulating Seigniorage by Year (\$ Millions)



Shows seigniorage generated by denomination for the last nine years.

CIRCULATING

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

	2018	2017	2016	2015	2014	2017 to 2018
Coin Shipments	13,668	14,068	16,308	16,151	13,037	(2.8%)
Value of Shipments	\$862.7	\$871.8	\$1,104.2	\$1,114.0	\$783.0	(1.0%)
Gross Cost	\$541.6	\$480.3	\$525.5	\$573.1	\$493.9	12.8%
Cost of Goods Sold	\$480.3	\$418.1	\$468.5	\$520.0	\$435.4	14.9%
Selling, General & Administrative	\$61.3	\$62.2	\$57.0	\$53.1	\$58.5	(1.4%)
Seigniorage	\$321.1	\$391.5	\$578.7	\$540.9	\$289.1	(18.0%)
Seigniorage per \$1 Issued	\$0.37	\$0.45	\$0.52	\$0.49	\$0.37	(17.8%)

UNIT COST OF PRODUCING AND DISTRIBUTING COINS BY DENOMINATION

2018	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half-Dollar
Cost of Goods Sold	\$0.0178	\$0.0659	\$0.0323	\$0.0778	\$0.0526
Selling, General & Administrative	\$0.0025	\$0.0085	\$0.0045	\$0.0099	\$0.0132
Distribution to FRB	\$0.0003	\$0.0009	\$0.0005	\$0.0010	\$0.0000
Total Unit cost	\$0.0206	\$0.0753	\$0.0373	\$0.0887	\$0.0658

2017	One-Cent	Five-Cent	Dime	Quarter-Dollar
Cost of Goods Sold	\$0.0156	\$0.0564	\$0.0284	\$0.0711
Selling, General & Administrative	\$0.0024	\$0.0088	\$0.0045	\$0.0103
Distribution to FRB	\$0.0002	\$0.0008	\$0.0004	\$0.0010
Total Unit cost	\$0.0182	\$0.0660	\$0.0333	\$0.0824

2016	One-Cent	Five-Cent	Dime	Quarter-Dollar
Cost of Goods Sold	\$0.0131	\$0.0551	\$0.0269	\$0.0672
Selling, General & Administrative	\$0.0017	\$0.0071	\$0.0034	\$0.0080
Distribution to FRB	\$0.0002	\$0.0010	\$0.0005	\$0.0011
Total Unit cost	\$0.0150	\$0.0632	\$0.0308	\$0.0763

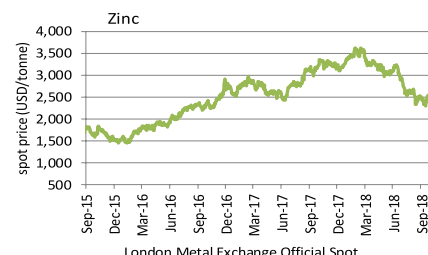
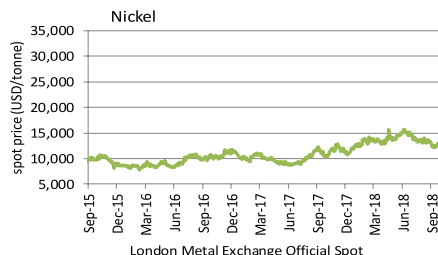
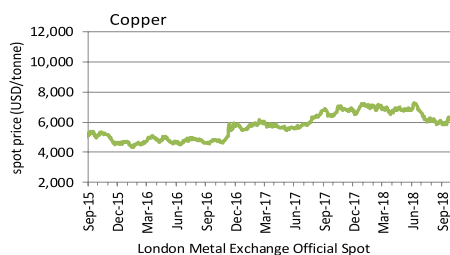
SHIPMENTS, COSTS, AND SEIGNIORAGE BY DENOMINATION
(coins and dollars in millions except seigniorage per \$1 issued)

2018	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half Dollar	Mutilated & Other	Total
Coin Shipments	8,057	1,327	2,381	1,895	8	-	13,668
Value of Shipments	\$80.6	\$66.4	\$238.1	\$473.8	\$3.8	-	\$862.7
Gross Cost	\$166.1	\$99.9	\$88.6	\$168.2	\$0.5	\$18.3	\$541.6
Cost of Goods Sold	\$145.7	\$88.6	\$77.9	\$149.4	\$0.4	\$18.3	\$480.3
Selling, General & Administrative	\$20.4	\$11.3	\$10.7	\$18.8	\$0.1	-	\$61.3
Seigniorage	\$(85.5)	\$(33.5)	\$149.5	\$305.6	\$3.3	\$(18.3)	\$321.1
Seigniorage per \$1 Issued	\$(1.06)	\$(0.50)	\$0.63	\$0.64	\$0.87	-	\$0.37

2017	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half Dollar	Mutilated & Other	Total
Coin Shipments	8,426	1,306	2,410	1,926	-	-	14,068
Value of Shipments	\$84.3	\$65.3	\$240.8	\$481.4	-	-	\$871.8
Gross Cost	\$153.1	\$86.3	\$80.3	\$158.7	-	\$1.9	\$480.3
Cost of Goods Sold	\$133.0	\$74.8	\$69.5	\$138.9	-	\$1.9	\$418.1
Selling, General & Administrative	\$20.1	\$11.5	\$10.8	\$19.8	-	-	\$62.2
Seigniorage	\$(68.8)	\$(21.0)	\$160.5	\$322.7	-	\$(1.9)	\$391.5
Seigniorage per \$1 Issued	\$(0.82)	\$(0.32)	\$0.67	\$0.67	-	-	\$0.45

2016	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half Dollar	Mutilated & Other	Total
Coin Shipments	9,114	1,578	3,134	2,482	-	-	16,308
Value of Shipments	\$91.1	\$78.9	\$313.4	\$620.8	-	-	\$1,104.2
Gross Cost	\$137.1	\$99.7	\$96.4	\$189.4	-	\$2.9	\$525.5
Cost of Goods Sold	\$121.9	\$88.5	\$85.7	\$169.5	-	\$2.9	\$468.5
Selling, General & Administrative	\$15.2	\$11.2	\$10.7	\$19.9	-	-	\$57.0
Seigniorage	\$(46.0)	\$(20.8)	\$217.0	\$431.4	-	\$(2.9)	\$578.7
Seigniorage per \$1 Issued	\$(0.50)	\$(0.26)	\$0.69	\$0.69	-	-	\$0.52

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



PRECIOUS METAL BULLION COINS FOR INVESTORS

BULLION COINS

The Mint's bullion coin program provides the public a simple and tangible means to acquire precious metal coins at a slight premium to spot market metal prices. Investors purchase bullion coins not only for their intrinsic metal value, but also because the United States government guarantees each coin's metal weight, content, and purity.

The Mint produces and issues gold, silver, platinum, and palladium bullion coins to authorized purchasers through the American Buffalo, America the Beautiful Silver Bullion Coin™, and the American Eagle 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 bullion coins at the prevailing market price, adjusting for any premium the authorized purchaser applies.

BULLION RESULTS

In FY 2018, the Mint sold 15.2 million ounces of bullion, a decrease of 9.5 million ounces or 38.3 percent compared to FY 2017. Because of lower bullion demand, FY 2018 bullion coin program revenue and net income decreased compared to FY 2017. Revenue totaled \$823.4 million, down 40.3 percent from \$1,378.9 million last year. Net income decreased 35.8 percent to \$7.0 million from \$10.9 million, driven by American Eagle Gold bullion earnings, which decreased \$6.9 million (59.0 percent).

The volatility of the bullion market continued to impact FY 2018 results. Total demand for bullion decreased from FY 2017 levels due in large part to declines in silver bullion coin ounces. Additionally, gold demands did not recover from its dramatic FY 2017 slowdown. The decrease in total bullion revenue was proportionate to these volume declines.

GOLD BULLION COIN RESULTS

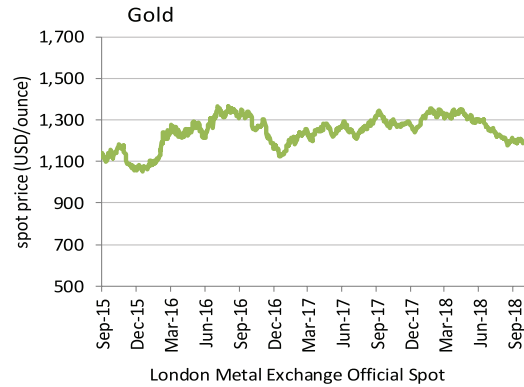
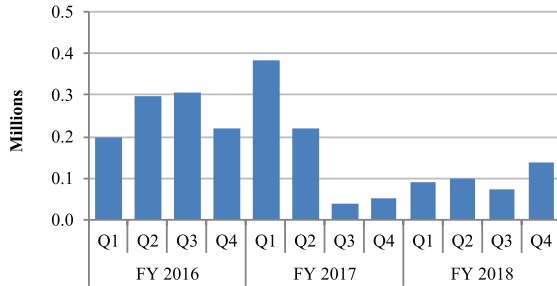
Bullion coin program results are highly dependent on trends in commodity market prices. These commodity prices are, in turn, dependent on variables such as global supply constraints, perceived strength as a safe-haven asset, currency exchange markets, and earnings potential from other commodities or investments.

The declines in gold bullion ounces that began in the second quarter of FY 2017 continued throughout FY 2018. Without the benefit of last year's strong first quarter, the results were even lower volumes than last year. FY 2018 sales decreased 296 thousand ounces (42.7 percent) to 397 thousand ounces, with a 50.6 percent decrease in American Eagle Gold Bullion Coin ounces sold compared to last year.

Gold bullion revenue decreased by 41.5 percent to \$517.4 million because of decreases of 12.0 percent in American Buffalo and 49.6 percent in American Eagle revenue, respectively.

Precious Metal Daily Official Spot Price
(prices per troy ounce in dollars)

Total Gold Bullion Coin Sales (ounces sold in millions)



BULLION COINS
(dollars in millions)

	2018	2017	2016	2015	2014	2017 to 2018
						% Change
Gold oz. sold (thousands)	397	693	1,018	1,018	702	(42.7%)
Silver oz. sold (thousands)	14,833	23,988	44,125	48,727	38,968	(38.2%)
Platinum oz. sold (thousands)	30	20	20	3	14	50.0%
Palladium oz. sold (thousands)	-	15	-	-	-	
Sales Revenue	\$823.4	\$1,378.9	\$2,085.3	\$2,126.1	\$1,814.4	(40.3%)
Gross Cost	\$816.4	\$1,368.0	\$2,030.0	\$2,065.1	\$1,786.4	(40.3%)
Cost of Goods Sold	\$799.7	\$1,342.7	\$2,003.9	\$2,038.5	\$1,760.9	(40.4%)
Selling, General & Administrative	\$16.7	\$25.3	\$26.1	\$26.6	\$25.5	(34.0%)
Net Income	\$7.0	\$10.9	\$55.3	\$61.0	\$28.0	(35.8%)
Bullion Net Margin	0.9%	0.8%	2.7%	2.9%	1.5%	12.5%

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

2018	American Eagle Gold	American Buffalo Gold	Sub-Total Gold	American Eagle Silver	America the Beautiful Silver	Sub-Total Silver	American Eagle Platinum	American Eagle Palladium	Total
Ounces Sold (thousands)	268	129	397	13,837	996	14,833	30	-	15,260
Sales Revenue	\$350.4	\$167.0	\$517.4	\$259.3	\$17.1	\$276.4	\$29.6	-	\$823.4
Gross Cost	\$345.6	\$164.8	\$510.4	\$256.1	\$17.0	\$273.1	\$32.9	-	\$816.4
Cost of Goods Sold	\$343.5	\$164.5	\$508.0	\$243.5	\$15.8	\$259.3	\$32.4	-	\$799.7
Selling, General & Administrative	\$2.1	\$0.3	\$2.4	\$12.6	\$1.2	\$13.8	\$0.5	-	\$16.7
Net Income	\$4.8	\$2.2	\$7.0	\$3.2	\$0.1	\$3.3	\$(3.3)	-	\$7.0
Bullion Net Margin	1.4%	1.3%	1.4%	1.2%	0.6%	1.2%	(11.1%)	-	0.9%

2017	American Eagle Gold	American Buffalo Gold	Sub-Total Gold	American Eagle Silver	America the Beautiful Silver	Sub-Total Silver	American Eagle Platinum	American Eagle Palladium	Total
Ounces Sold (thousands)	543	150	693	23,100	888	23,988	20	15	24,716
Sales Revenue	\$694.9	\$189.7	\$884.6	\$441.9	\$17.2	\$459.1	\$20.6	\$14.6	\$1,378.9
Gross Cost	\$683.2	\$186.9	\$870.1	\$441.4	\$18.1	\$459.5	\$22.5	\$15.9	\$1,368.0
Cost of Goods Sold	\$679.6	\$186.3	\$865.9	\$421.6	\$17.4	\$439.0	\$22.2	\$15.6	\$1,342.7
Selling, General & Administrative	\$3.6	\$0.6	\$4.2	\$19.8	\$0.7	\$20.5	\$0.3	\$0.3	\$25.3
Net Income	\$11.7	\$2.8	\$14.5	\$0.5	\$(0.9)	\$(0.4)	\$(1.9)	\$(1.3)	\$10.9
Bullion Net Margin	1.7%	1.5%	1.6%	0.1%	(5.2%)	(0.1%)	(9.2%)	(8.9%)	0.8%

2016	American Eagle Gold	American Buffalo Gold	Sub-Total Gold	American Eagle Silver	America the Beautiful Silver	Sub-Total Silver	American Eagle Platinum	American Eagle Palladium	Total
Ounces Sold (thousands)	819	199	1,018	42,446	1,679	44,125	20	-	45,163
Sales Revenue	\$1,033.8	\$244.1	\$1,277.9	\$755.2	\$29.6	\$784.8	\$22.6	-	\$2,085.3
Gross Cost	\$1,012.9	\$239.9	\$1,252.8	\$725.0	\$28.5	\$753.5	\$23.7	-	\$2,030.0
Cost of Goods Sold	\$1,009.1	\$239.3	\$1,248.4	\$704.3	\$27.7	\$732.0	\$23.5	-	\$2,003.9
Selling, General & Administrative	\$3.8	\$0.6	\$4.4	\$20.7	\$0.8	\$21.5	\$0.2	-	\$26.1
Net Income	\$20.9	\$4.2	\$25.1	\$30.2	\$1.1	\$31.3	\$(1.1)	-	\$55.3
Bullion Net Margin	2.0%	1.7%	2.0%	4.0%	3.7%	4.0%	(4.9%)	-	2.7%

Coinciding with lower gold volume and revenue, FY 2018 gold bullion net income decreased \$7.5 million (51.7 percent), driven by a \$6.9 million (59.0 percent) decrease in American Eagle Gold Bullion Coins. American Buffalo Gold Coin earnings decreased by \$0.6 million (21.4 percent).

The FY 2018 average daily spot price of gold was \$1,280.34 per ounce, up 3.0 percent from \$1,243.16 last year.

SILVER BULLION COIN RESULTS

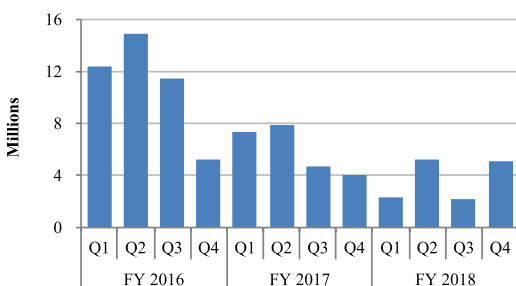
Silver bullion sales started the fiscal year well below FY 2017 and never caught up. Although the final quarter of the fiscal year began to show an upward trend, it was too little to recover from the earlier declines. Total silver bullion ounces sold decreased 9,155 thousand ounces (38.2 percent) to 14,833 thousand ounces with an 40.1 percent decrease in American Eagle Silver Bullion Coin ounces sold compared to last year.

Lower volumes meant that FY 2018 silver revenue decreased by 39.8 percent. American Eagle revenue decreased by \$182.6 million (41.3 percent), and America the Beautiful revenue decreased by \$0.1 million (0.6 percent).

Net income from silver bullion coins increased 925.0 percent primarily because of a \$2.7 million increase in American Eagle earnings. America the Beautiful Silver Bullion Coins also experienced a small increase of \$1.0 million (111.1 percent) in earnings compared to last year.

The FY 2018 average daily spot price of silver was \$16.25 per ounce, down 5.4 percent from \$17.17 compared to the same period last year.

Total Silver Bullion Coin Sales (ounces sold in millions)



Precious Metal Daily Official Spot Price
(prices per troy ounce in dollars)



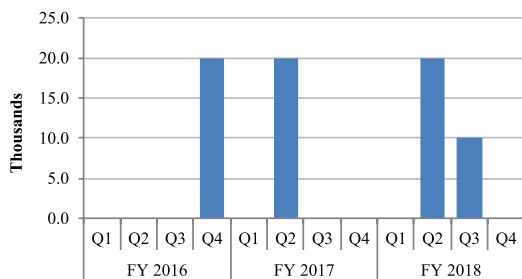
PLATINUM BULLION COIN RESULTS

The Mint began accepting orders for 2018 American Eagle Platinum Bullion Coins on February 12, 2018, and this initial inventory of 20 thousand ounces was sold out in two days. A final 10 thousand platinum bullion coins were released on May 14, 2018, and these again sold out on May 18.

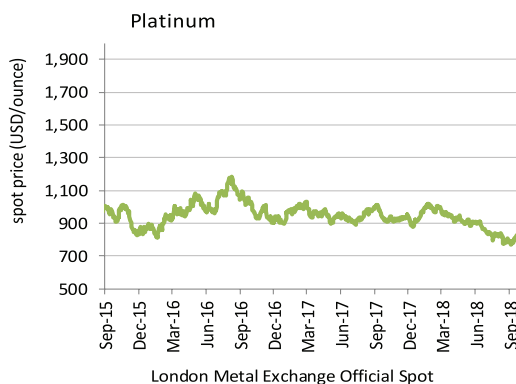
The second release of American Eagle Platinum Bullion Coins resulted in 50.0% more ounces being sold over the course of the fiscal year, with revenue increasing to \$29.6 million, or 43.7% higher than last year. This program generated a net loss of \$3.3, which was 73.7% lower than FY 2017.

The FY 2018 average daily spot price of platinum was \$903.90 per ounce, down 5.3 percent from \$954.46 per ounce in the same period last year.

Total Platinum Bullion Coin Sales (ounces sold in thousands)



Precious Metal Daily Official Spot Price
(prices per troy ounce in dollars)





Sharon McPike, Office of Corporate Communications and Sandy Macadoff, Chief of Procurement.

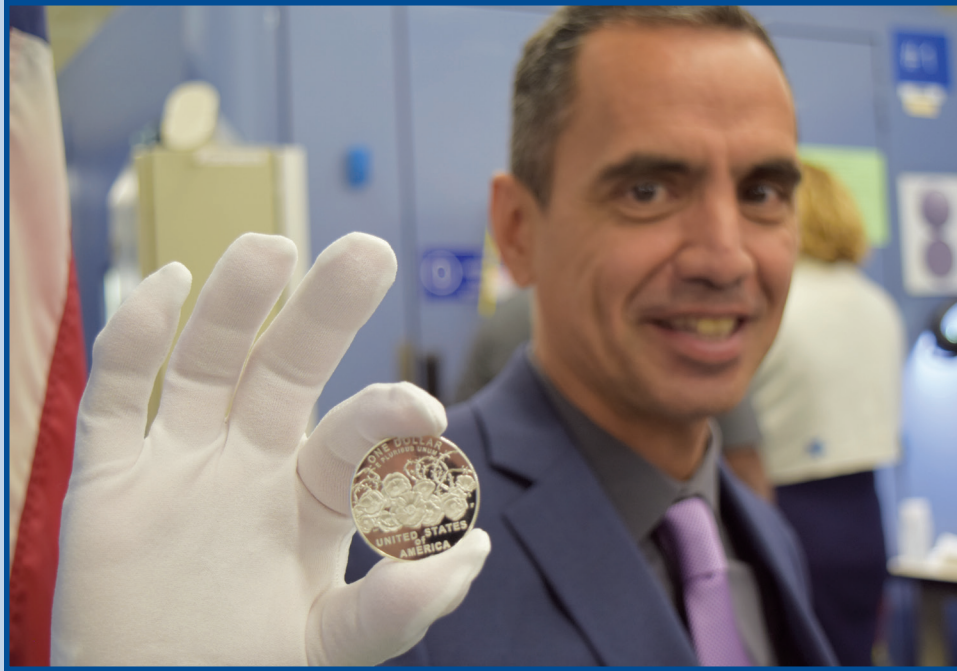
BREAST CANCER AWARENESS

Each year thousands of women and men are diagnosed with breast cancer. Thanks to earlier detection, increased awareness, and improved treatment, death rates from this disease have been decreasing since about 1989. Clinical advances resulting from research have led to increased survival rates.

The Breast Cancer Awareness Commemorative Coin Act (Public Law 114-148), signed into law on April 29, 2016, recognizes the many Americans who are impacted by the disease and the effort to prevent it through research. The Breast Cancer Awareness Commemorative Coin Program includes a gold, silver, and clad coin, with the gold version being the first gold coin in the U.S. with a pink hue. The law also required a competition to select common obverse (heads) and reverse (tails) designs emblematic of the fight against breast cancer.

In response to a Call for Artists, many talented American artists applied for the opportunity to submit designs for the new coin.

The winning design in the Breast Cancer Awareness Commemorative Coin Design Competition was created by United States Mint Artistic Infusion Program Artist Emily Damstra.



Leroy Transfield, Artist.

WORLD WAR I CENTENNIAL SILVER DOLLAR COINS

In 2018, the Mint released the World War I Centennial Silver Dollar (Public Law 113-212) in commemoration of the centennial of America's involvement in World War I. To complement this commemorative coin, and because of the significance of World War I to all five branches of the U.S. Armed Forces, the Mint also produced silver medals honoring the Army, Navy, Coast Guard, Air Service, and Marine Corps. Mint personnel worked extensively with military historians to ensure that the designs were not only historically accurate, but also properly honored the bravery and sacrifice of our military during World War I, while representing the core missions of each branch. The coins were developed as companion pieces to the commemorative silver dollar as a way to tell a more complete story through the voices of the individual service branches. They also provided a means for collectors to have a deeper personal connection to the World War I centennial commemoration, whether through a family member who served or because he or she serves our country today.

NUMISMATIC PRODUCTS FOR THE PUBLIC

NUMISMATIC

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 the Mint's 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 the Mint's customer base and foster sales while controlling costs and keeping prices as low as practicable.

NUMISMATIC RESULTS

Numismatic product sales decreased to 3.3 million units in FY 2018 compared to 3.9 million units in FY 2017. The largest driver was a fall in the Presidential and First Spouse medal category. Presidential and First Spouse medal units were 86.2 percent lower than last year, due to the Presidential \$1 Coin Program ending its 10-year run in calendar year 2016 along with the First Spouse Coin Program.

Numismatic revenue was also lower than last year. FY 2018 numismatic revenue was \$293.1 million, a \$94.4 million (24.4 percent) decrease from FY 2017. There was a \$83.4 million decrease in revenue from gold, platinum, and palladium products due to two products from last year which did not have equivalents this year: the 2016 Walking Liberty Half Dollar Centennial Gold Coin, which generated \$1.1 million and the 2017 American Liberty 24K Gold One Ounce Coin, which generated \$7.4 million.

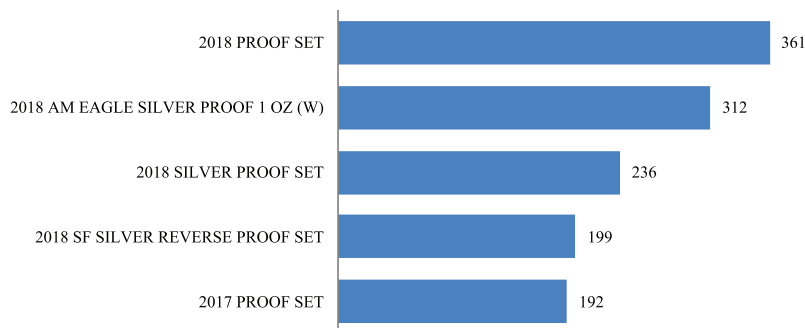
The 2018 United States Mint Proof Set and the 2018 American Eagle Silver One Ounce Proof Coin were the most popular sellers (in terms of units) this year, selling a combined 673 thousand units. Sales for these products were 1.6 percent lower than they were last year.

Gold, platinum, and palladium numismatic products generated the largest share of revenue (45.3 percent) compared to the other numismatic products. This category generated \$132.8 million in numismatic revenue, compared to \$160.3 million revenue generated by the other categories. Annual recurring sets recorded a \$22.9 million net loss in FY 2018.

The numismatic net margin decreased to (5.2) percent in FY 2018 from 5.0 percent in FY 2017. FY 2018 numismatic COGS decreased by 22.8 percent to \$233.4 million, driven by the lower units. SG&A expenses increased 14.0 percent this year.

Top Selling Products for the Fiscal Year

(units sold in thousands)





NEW THREE-YEAR PLATINUM PROOF COIN SERIES MARKS A FIRST FOR THE MINT

In March 2018, the Mint launched a three-year platinum proof coin series that will continue through 2020. The three-year program, titled “Preamble to the Declaration of Independence Platinum Proof Coin Series,” will feature newly-designed one ounce proof coins struck in 99.95 percent platinum.

Since its inception in 1997, the American Eagle One Ounce Platinum Proof Coin has shared a common obverse (heads) that featured a portrait of Liberty. As the American Eagle Platinum Proof Coin Program enters its third decade, this marks the first time the Mint has issued a series featuring all new obverse designs created concurrently by one designer, as well as a new, common reverse (tails) design.

Created by Mint Artistic Infusion Program (AIP) Designer Justin Kunz, obverse designs in this series represent Kunz’s interpretation of life, liberty, and the pursuit of happiness, the core American principles in the Preamble to the Declaration of Independence. The reverse design depicting an eagle in flight, by AIP Designer Patricia Lucas-Morris, will remain the common reverse throughout the series.

NUMISMATIC (dollars in millions)

	2018	2017	2016	2015	2014	% Change 2017 to 2018
Units Sold (Thousands)	3,341	3,905	4,159	5,379	5,725	(14.4%)
Sales Revenue	\$293.1	\$387.5	\$413.0	\$453.2	\$504.5	(24.4%)
Gross Cost	\$308.4	\$368.3	\$378.5	\$386.4	\$453.7	(16.3%)
Cost of Goods Sold	\$233.4	\$302.5	\$316.6	\$322.3	\$386.3	(22.8%)
Selling, General & Administrative	\$75.0	\$65.8	\$61.9	\$64.1	\$67.4	14.0%
Net Income & Seigniorage	\$(15.3)	\$19.2	\$34.5	\$66.8	\$50.8	(179.7%)
Numismatic Net Margin	(5.2%)	5.0%	8.4%	14.7%	10.1%	(204.0%)
Seigniorage Portion	\$5.9	\$10.2	\$25.6	\$26.0	\$28.1	(42.2%)

Net Income & Seigniorage figures are before protection costs. Seigniorage portion results from the sale of circulating coins (boxes, bags, and rolls) directly to the public through the numismatic channels.

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

2018	Gold and Platinum, Palladium Coin Products	Silver Coin Products	Annual Core Sets*	Quarter Products	Presidential and First Spouse Medals	Commemorative	Miscellaneous	Total
Units Sold (Thousands)	117	1,114	1,151	448	30	234	247	3,341
Sales Revenue	\$132.8	\$78.9	\$37.3	\$10.4	\$1.2	\$17.7	\$14.8	\$293.1
Gross Cost	\$114.0	\$76.1	\$60.2	\$18.7	\$0.9	\$17.8	\$20.7	\$308.4
Cost of Goods Sold	\$110.5	\$53.3	\$32.7	\$10.2	\$0.5	\$12.2	\$14.0	\$233.4
Selling, General & Administrative	\$3.5	\$22.8	\$27.5	\$8.5	\$0.4	\$5.6	\$6.7	\$75.0
Net Income & Seigniorage	\$18.8	\$2.8	\$(22.9)	\$(8.3)	\$0.3	\$(0.1)	\$(5.9)	\$(15.3)
Numismatic Net Margin	14.2%	3.5%	(61.4%)	(79.8%)	25.0%	(0.6%)	(39.9%)	(5.2%)
Seigniorage Portion	-	-	-	\$2.2	\$0.8	-	\$2.9	\$5.9
2017	Gold and Platinum Coin Products	Silver Coin Products	Annual Core Sets*	Quarter Products	Presidential and First Spouse Medals	Commemorative	Miscellaneous	Total
Units Sold (Thousands)	194	1,140	1,259	483	218	190	421	3,905
Sales Revenue	\$216.2	\$74.2	\$41.8	\$11.1	\$12.4	\$11.4	\$20.4	\$387.5
Gross Cost	\$183.1	\$62.1	\$59.1	\$14.8	\$10.9	\$12.5	\$25.8	\$368.3
Cost of Goods Sold	\$176.7	\$46.7	\$35.9	\$8.9	\$7.5	\$9.3	\$17.5	\$302.5
Selling, General & Administrative	\$6.4	\$15.4	\$23.2	\$5.9	\$3.4	\$3.2	\$8.3	\$65.8
Net Income & Seigniorage	\$33.1	\$12.1	\$(17.3)	\$(3.7)	\$1.5	\$(1.1)	\$(5.4)	\$19.2
Numismatic Net Margin	15.3%	16.3%	(41.4%)	(33.3%)	12.1%	(9.6%)	(26.5%)	5.0%
Seigniorage Portion	-	-	-	\$2.0	\$5.4	-	\$2.8	\$10.2
2016	Gold and Platinum Coin Products	Silver Coin Products	Annual Core Sets*	Quarter Products	Presidential and First Spouse Medals	Commemorative	Miscellaneous	Total
Units Sold (Thousands)	332	656	1,278	503	808	289	293	4,159
Sales Revenue	\$233.7	\$42.7	\$47.7	\$11.9	\$36.4	\$22.9	\$17.7	\$413.0
Gross Cost	\$192.6	\$31.7	\$71.8	\$16.9	\$24.1	\$21.7	\$19.7	\$378.5
Cost of Goods Sold	\$185.0	\$23.9	\$50.3	\$11.3	\$14.6	\$17.8	\$13.7	\$316.6
Selling, General & Administrative	\$7.6	\$7.8	\$21.5	\$5.6	\$9.5	\$3.9	\$6.0	\$61.9
Net Income & Seigniorage	\$41.1	\$11.0	\$(24.1)	\$(5.0)	\$12.3	\$1.2	\$(2.0)	\$34.5
Numismatic Net Margin	17.6%	25.8%	(50.5%)	(42.0%)	33.8%	5.2%	(11.3%)	8.4%
Seigniorage Portion	-	-	-	\$2.5	\$20.1	-	\$3.0	\$25.6

*Annual Core Sets are the United States Mint Silver Proof Set, United States Mint Proof Set, and United States Mint Uncirculated Coin Set.

COMMEMORATIVE COINS

Congress authorizes commemorative coins that celebrate and honor American people, places, events, and institutions. Although these coins are legal tender, they are not minted for general circulation. Each commemorative coin is produced by the Mint in limited quantity and is only available for a limited time. As well as commemorating important aspects of American history and culture, these coins help raise money for important causes.

In FY 2018, two commemorative coin programs were released – the World War I Centennial Commemorative Coin Program and the Breast Cancer Awareness Commemorative Coin Program.

The 2018 World War I Centennial Silver Dollar had revenue of \$10.2 million with surcharges of \$1.4 million through September 30. This program runs through calendar year 2018 and final surcharges will be totaled December 31. The surcharges support United States Foundation for the Commemoration of the World Wars, to assist the World War I Centennial Commission in commemorating the centenary of World War I.

The 2018 Breast Cancer Awareness Commemorative Coin had revenue of \$8.8 million with surcharges of \$1.0 million through September 30. This program runs through calendar year 2018, and final surcharges will be totaled December 31. The surcharges support the Breast Cancer Research Foundation.

CONGRESSIONAL GOLD MEDALS

The United States Mint produces a variety of medals to commemorate significant historical events or sites and to honor those whose superior deeds and achievements have enriched U.S. history or the world. This year, the Mint produced three Congressional Gold Medals.

- Filipino Veterans of World War II - During the Philippine campaigns from July 1941 through December 1946, over 260,000 Filipinos, Filipino-Americans, and Americans served under United States Army Forces in the Far East (USAFFE) command. Though the Filipinos who served were initially promised full veterans' benefits, that decision was reversed in 1946, and these soldiers were never properly recognized for their service. This medal is one small way to appropriately acknowledge and thank these veterans for their efforts and sacrifices during World War II.
- Office of Strategic Services (OSS) - The OSS was America's first effort to implement a system of strategic intelligence during World War II and provided the basis for the modern-day American intelligence and special operations communities. The final design selected reflects the secrecy of the OSS and provided a welcome challenge to the Sculpting and Engraving team to ensure that the final medal reflected the artist's vision.
- Senator Bob Dole - Senator Dole served his home state of Kansas in Congress for 36 years. During his political career, he was widely known for his bipartisanship, which was especially evident during his work in reforming Social Security and securing passage of the Americans with Disabilities Act in 1990.



CELEBRATING 50 YEARS OF PROOF SETS AT SAN FRANCISCO

From 1858 through 1964, all Mint Proof Sets were manufactured and packaged at the Mint in Philadelphia. Following a coin shortage, Mint Director Eva Adams announced on September 1, 1967, that proof coin production and sales would resume on January 1, 1968 – the first time since December 1964. As a result, proof coins would now be made at the San Francisco Assay Office, and for the first time in history, Mint Marks (S) would appear on proof coins.

In celebration of the Mint's 50th anniversary of producing Mint proof sets at San Francisco, the Mint released a stunning two-lens silver reverse proof set on July 23, 2018. The 2018 Mint Silver Reverse Proof Set™ contains 10 coins, each bearing the "S" mint mark of the Mint at San Francisco. It features the 2018-dated Native American \$1 coin, Kennedy half dollar, America the Beautiful Quarters® Program coins, Roosevelt dime, Jefferson nickel and Lincoln penny—all in reverse proof finishes. The half-dollar, quarters, and dime are minted in 90-percent silver. The mintage limit was 200,000.

PEF EARNINGS AND TRANSFERS TO THE TREASURY GENERAL FUND

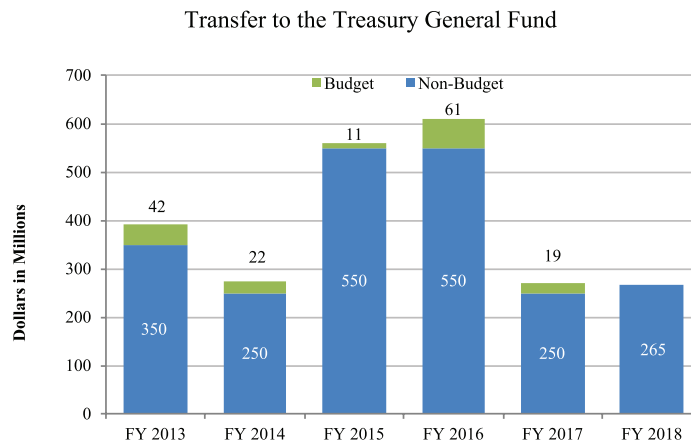
As required by 31 U.S.C. § 5136, the Mint deposits all receipts from operations and programs into the PEF.

Periodically, the Mint transfers amounts in the PEF determined to be in excess of amounts required to support ongoing operations and programs. The circulating, bullion, and numismatic program data exclude costs for the protection of custodial assets activity. Consolidated earnings are discussed below to provide a status of the entirety of the PEF compared to prior periods.

FY 2018 Protection costs decreased by 0.7 percent to \$45.2 million compared to \$45.5 million last year. FY 2018 PEF earnings after protection costs decreased to \$267.6 million compared to \$376.1 million last year.

The Mint made one transfer to the Treasury General Fund this fiscal year totaling \$265 million. In FY 2017, the Mint transferred \$269 million. The Mint can make two types of transfers. Non-budget transfers from the PEF consist of seigniorage, which is not treated as a budgetary receipt to the Government, but as a means of financing. Budget transfers to the Treasury General Fund from the PEF usually consist of numismatic net income and can be treated as a budgetary receipt to the Government.

In December 2017, the Mint did not make a budget transfer from numismatic and bullion earnings to the Treasury General Fund, compared to \$19 million transferred the previous year. On September 30, 2018, the Mint made a non-budget transfer of \$265 million to the Treasury General Fund, compared to \$250 million that was transferred last year.



FOSTER A SAFE, FLEXIBLE, DIVERSE, AND ENGAGED WORKFORCE

The Mint employees are at the heart of the organization's success; we therefore strive to foster a workforce that is safe, flexible, diverse, and engaged. Ensuring the safety of the workforce is paramount. The Mint continues to promote employee awareness of safety protocols, improve training opportunities, and ensure compliance with applicable regulations and standards.

UNITED STATES MINT ADVANCES CUSTOMER INTERACTIONS – WASTEWATER

The Denver Mint's wastewater operations team delivered extraordinary customer service to meet the needs of internal and external customers. The Mint's dedicated team worked wholeheartedly and tirelessly processing waste and reverse osmosis (RO) water while meeting all environmental regulations to render services exceeding customer expectations during installation of a new automated wastewater treatment system. Their dedicated service earned the coveted Metro Wastewater Reclamation District 2017 Gold Award for perfect compliance with industrial wastewater discharge permits, and directly impacted the Mint's Quality, Delivery and Cost to produce circulating and numismatic coins and dies.

2017 HURRICANE SEASON RESPONSE

The 2017 hurricane season was one for the record books. Hurricane Irma was the strongest Atlantic hurricane ever recorded. Hurricane Maria devastated Puerto Rico's electrical grid and deposited 30 inches of rain in one day, and some towns experienced the destruction of 80-90% of their structures. The 2017 season was the costliest in history, at close to \$300 billion (USD) in damages. So devastating was the 2017 Atlantic hurricane season, that four of the hurricane names were retired – Harvey, Irma, Maria, and Nate. Emergency Support Function #13 (ESF#13), part of the National Response Framework, provides Federal public safety and security assistance to local, state, tribal, territorial, and Federal organizations overwhelmed by disasters. The United States Mint Police act as the ESF#13 Liaison for the Department of the Treasury. The Mint Police personnel coordinated the mustering, briefing, and deployment of personnel from Treasury's Enforcement Bureaus through the partnerships with the Treasury Law Enforcement Council (TLEC), in particular the Bureau of Engraving and Printing Police (BEP), Treasury Inspector General for Tax Administration (TIGTA), Internal Revenue Service - Criminal Investigation Division (IRS-CI), Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Treasury Office of Inspector General (TOIG). Mint Police personnel worked with the Department of Justice and Treasury partners for 63 consecutive days, preparing four Quick Response Teams (QRT) to respond to hurricanes in Texas, Florida, and Puerto Rico. The Mint Police briefed the developments on the ground in Puerto Rico and the United States Virgin Islands in the wake of Hurricanes Irma and Maria, including operations and the efforts of the Mint Headquarters and field personnel through expedited production and distribution management to meet the increased need for cash and coin due to the devastated electronic infrastructure.

COINING DIVISION ACCOMPLISHMENTS

The Mint's Coining Division at the San Francisco Mint not only produces some of the world's most beautiful and unique proof coins, medals, and commemoratives, but is also the largest producer of proof coins in the world. The Coining Division is composed of three departments: Material Treatment where the coin blanks are softened, rimmed, and burnished; Die Polishing where the dies are polished, laser frosted, and coated; and the Pressroom where blanks and dies come together to create coins, medals, and commemoratives. The San Francisco Coining Division has 65 employees who have a combined Mint service experience of 1,281 years (over 12 centuries!) and an average service time of 20 years per employee. Coining Division employees have collectively received 35 Rittenhouse Awards for Excellence, which exemplifies the team's commitment.

The coins produced run a wide breadth of products that vary in materials, designs, denominations, and types such as Silver Proof, Clad Proof, Edge-Lettered Dollars, Silver Commemoratives, Silver Medals, and Bullion. Some of the varied and special 2018 products that the San Francisco Coining Division has produced are:

- The Birth Sets
- The Happy Birthday Sets
- The Silver and Clad Quarter Proof Sets
- The Silver and Clad 10-Coin Proof Sets
- The Limited Edition Silver Sets
- The San Francisco Mint 50th Anniversary Silver Reverse Proof Sets
- The Breast Cancer Awareness Commemorative Coins
- The World War I Marine Corps Medals
- The American Eagle Proof Coins
- The Circulating Quarters

EMPLOYEE ENGAGEMENT – EQUAL EMPLOYMENT OFFICE

The EEO office is committed to helping create a workplace free from harassment and discrimination. Towards this end, the EEO office is constantly looking for new ways to proactively engage employees and promote respect and civility. One of the frequent causes of disruption in the workplace is gossip. In December 2017, the San Francisco EEO office created and conducted new training to highlight the dangers of rumors and gossip, and to remind employees about the policy. In April, the EEO office created and conducted a training discussion on some topics that are addressed on the Federal Employee Viewpoint Survey. These topics and more were addressed in the training, and employees had their questions answered. The goal of the training was achieved by increasing clarity and transparency on topics which matter to the workforce.

ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

The Mint is responsible for establishing and maintaining effective internal control 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 Government Accountability Office (GAO)'s Standards for Internal Control in the Federal Government. The Mint is operating in accordance with the procedures and standards prescribed by the Comptroller General and OMB guidelines.

The systems of management control for the Mint organization 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 compliance with all relevant requirements;
- Continuity of operations planning in critical areas is sufficient to reduce risk to reasonable levels;
- Financial management systems are in compliance with Federal financial systems requirements, (i.e., FMFIA Section 4 and FFMIA);
- Complete and accurate data is reported on USASpending.gov; and
- Controls and policies are in place to prevent fraud and inappropriate use of government charge cards.

For all Mint responsibilities, unmodified assurance is provided herein that the above listed management control objectives, taken as a whole, were achieved by our organization during FY 2018. Specifically, this assurance is provided in accordance with Sections 2 and 4 of the FMFIA. The Mint further assures that its financial management systems comply with the requirements imposed by the FFMIA.

The 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. The Mint conducted the required Treasury assessment of the effectiveness of its internal controls over financial reporting in accordance with OMB Circular A-123, Management's Responsibility for Internal Control. Based on the results of this assessment, the Mint can provide unmodified assurance that its internal control over financial reporting as of June 30, 2018, was operating effectively. No material weaknesses were found in the design or operation of the internal control over financial reporting. In addition, the Mint is committed to maintaining effective internal control, as demonstrated by the following actions:

- Annual audits of the Mint's financial statements pursuant to the Chief Financial Officer Act, as amended, including a) information revealed in preparing the financial statements, b) auditors 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 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 and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).
- Reviews and reporting in compliance with the Federal Information Security Management Act (FISMA).

The 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 DEPUTY CHIEF FINANCIAL OFFICER

I am very proud to present the United States Mint Fiscal Year 2018 Annual Report. It is my pleasure to have this opportunity to report that the Mint's independent auditors have once again rendered an unmodified, or "clean", audit opinion on our financial statements. I would be remiss if I did not take the time to express a heartfelt thank you to all of the dedicated men and women of the United States Mint for their hard work and attention to detail toward making Fiscal Year 2018 yet again an overall success.

The statements presented herein comply 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.

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

As the financial statements show, the Mint continues to maintain good fiscal health. Continued efforts to control costs, increase efficiency, and strategically reserved resources have provided a solid foundation that enables the Mint to be flexible when meeting coin demand, as well as responding to our customers. Over the past several years, the Mint's continued efforts in lean practices, management controls, and cash management have positively affected the Mint's fiscal results. These measures have proven significant during the past fiscal year while revenue decreased throughout the Mint's business lines.

Circulating coin shipments decreased 2.8 percent to 13,668 million coins in FY 2018. Shipments for all denominations decreased compared to last year. Circulating revenue decreased 1.0 percent to \$862.7 million. Seigniorage decreased 18.0 percent to \$321.1 million. Seigniorage per dollar issued decreased to \$0.37 from \$0.45 last year.

Bullion coins are bought by precious metal dealers and sold to consumers who desire precious metals as part of an investment portfolio. The demand for bullion coins is greatly influenced by the performance of other investment options, such as equities markets or currency markets, and generally respond to fluctuations of the economy. As such, demand for bullion coins continued to decline in FY 2018 compared to last year. The Mint sold 15.2 million ounces of gold, silver, and platinum bullion coins, a decrease of 9.5 million ounces from last year. Total bullion coin revenue decreased 40.3 percent to \$823.4 million in FY 2018, primarily due to a 41.5 percent decrease in gold bullion and a 39.8 percent decrease in silver bullion coin revenues from lower demand. Bullion coin net income decreased 35.8 percent to \$7 million and bullion coin net margin increased to 0.9 percent compared to 0.8 percent last year.

FY 2018 demand for Numismatic products decreased 14.4 percent to 3.3 million units in FY 2018. Numismatic revenues decreased 24.4 percent to \$293.1 million. Numismatics experienced a net loss of \$15.3 million (before protection expenses), which is a 179.7 percent decrease compared to last year. As a result, numismatic net margin decreased to (5.2) percent compared to 5.0 percent last year. Although the performance of the Mint's numismatic products was lower than prior years, the program had successes from the sale of its commemorative coins which incorporate surcharges for the recipient organizations which are selected by Congress.



Kristie McNally
United States Mint
Deputy Chief Financial Officer

On January 17, 2018, the World War I Centennial Commemorative Coin program was launched in commemoration of the centennial of America's involvement in World War I, and to honor the more than four million men and women from the United States who served. The design for both the obverse (heads) and reverse (tails) of these commemorative coins was selected by the Secretary of the Treasury based on the winning design from a juried competition.

The Mint launched the Breast Cancer Awareness Commemorative Coin program on March 15, 2018, which recognizes the many Americans who are impacted by the disease and the effort to prevent it through research. Authorized by law in April 2016, the Breast Cancer Awareness Commemorative Coin Program includes a gold, silver, and clad coin, with the gold version being the first gold coin in the U.S. with a pink hue.

We are proud that the Mint continues to be a fiscally sound and self-sustaining bureau that includes returning \$265 million in seigniorage to the Treasury General Fund to reduce the United States' interest on debt. We will continue to adhere to sound fiscal principles, look for ways to improve the financial results of operations, and invest wisely in support of our mission to serve our customers.

A handwritten signature in black ink that reads "Kristie McNally". The signature is written in a cursive, flowing style.

Kristie McNally, Deputy Chief Financial Officer



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

Independent Auditors' Report

Inspector General
Department of the Treasury

Director
United States Mint

Report on the Financial Statements

We have audited the accompanying financial statements of the United States Mint, which comprise the balance sheets as of September 30, 2018 and 2017, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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, in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in accordance with Office of Management and Budget (OMB) Bulletin No. 19-01, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-01 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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, 2018 and 2017, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis (including Analysis of Systems, Controls and Legal Compliance, and Limitations of the Financial Statements) 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Director's Letter, Organizational Profile, Our Mission and Core Value, The United States Mint at a Glance, Message from the Deputy Chief Financial Officer, and Appendix 1: FY 2018 Coin and Medal Products are presented for purposes of additional analysis and are 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.

Other Reporting Required by Government Auditing Standards

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2018, we considered the United States Mint's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the United States Mint's internal control. 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in Exhibit I that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the United States Mint's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 19-01.

The United States Mint's Response to the Findings

The United States Mint's response to the findings identified in our audit is described in Exhibit I. The United States Mint's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the United States Mint's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, DC
December 7, 2018

Controls Over Access to Financial Management Systems Need to be Strengthened

Effective controls over access to programs and data are intended to prevent unauthorized users from performing tasks not assigned to them and to log and monitor unscrupulous, unauthorized, or inappropriate activity that could lead to a compromise of the confidentiality, integrity, and availability of the data residing in the information system.

During fiscal year 2018, certain information technology (IT) control deficiencies relating to system access to the network and certain United States Mint's (Mint) systems continued to exist compared to prior year in the following areas:

1. Documentation supporting new access approval for certain applications and network users were unavailable. Our testing identified certain instances in the network and one system where new user access approval forms were not retained.
2. The periodic review and recertification of access and assigned roles and privileges for application users, including the maintenance of related supporting documentation, were not consistently performed. Our testing identified certain instances where users that no longer required system access still retained access and a certain other instance where the quarterly access review for the users was not performed for two quarters of the fiscal year. We also noted the Mint does not have written policies and procedures in place that defines the annual access review process for one of the Mint's systems.
3. Removal of access for certain separated application and network users were not performed timely. Our testing identified certain instances where inactive and terminated user accounts were not timely disabled.
4. The documentation and finalization of Security Assessment and Authorization (SA&A) process for a financial system and the network needed improvement. Specifically, the Authority-to Operate (ATO) was not current and the System Security Plans (SSPs) were missing information specified by the National Institute of Standards and Technology (NIST), Special Publication (SP) 800-18, *Guide for Developing Security Plans for Federal Information Systems*.

The *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, Principle No. 11, *Design Activities for the Information System*, states, in part, that "management designs control activities over the information technology infrastructure to support the completeness, accuracy, and validity of information processing by information technology [...] Management designs control activities for security management of the entity's information system for appropriate access by internal and external sources to protect the entity's information system [...] Security management includes access rights across various levels of data, operating system (system software), network, application, and physical layers. Management designs control activities over access to protect an entity from inappropriate access and unauthorized use of the system."

In addition, the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, Principle No. 17, *Evaluate Issues and Remediate Deficiencies*, states, in part, that "management should remediate identified internal control deficiencies on a timely basis."

The deficiencies exist because (1) the Mint did not enforce documented system-specific and bureau-wide policies and procedures and NIST and Treasury requirements consistently for the systems managed by the Mint or hosted by service organizations; (2) certain Mint system-specific or bureau-wide policies and procedures did not require the documentation and maintenance of supporting control documentation or review

evidence; and (3) the Mint did not implement corrective actions to remediate prior year conditions and associated causes.

Ineffective controls over access to programs and data, increases the risk of unauthorized access to the systems, which could lead to a compromise in data confidentiality, integrity, and availability.

Recommendations

We recommend that Mint management:

1. Implement controls to ensure that new or modified user accounts are approved in accordance with Mint policies and procedures, and NIST and Treasury requirements. Documentation supporting such approval should be maintained.
2. Establish written policies and procedures to require the review and recertification of all accounts, roles, and job functions for employees and contractors in applications hosted or managed by the Mint or by service organizations, and the maintenance of documentation supporting such review and recertification.
3. Enforce termination and transfer procedures to remove system access of terminated or transferred employees and contractors in a timely manner from the network and applications hosted or managed by the Mint or by service organizations.
4. Implement SA&A packages for the network and applications that have current ATOs and SSPs that include all of the information specified by NIST requirements.

Management's Response:

Management concurs with these findings and stated that:

1. The Information Technology Directorate is creating and implementing Corrective Action Plans for each impacted system, including leading quarterly account management reviews, to be signed off by all process owners (ITD, HCD, Manufacturing, NAB).
2. The Information Technology Directorate is collaborating with process owners educating them on the new process and documenting/updating policies, procedures, roles and responsibilities.
3. The Information Technology Directorate will assess workload increases associated with implementation and, where needed, increase contractor resources appropriately.

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

As of September 30, 2018 and 2017

(dollars in thousands)	2018	2017
Assets		
Intragovernmental:		
Fund Balance with Treasury (Note 3)	\$1,120,347	\$818,889
Accounts Receivable, Net (Note 4)	82	-
Advances and Prepayments (Note 5)	2,906	1,858
Total Intragovernmental Assets	1,123,335	820,747
Custodial Gold and Silver Reserves (Note 6)	10,493,740	10,493,740
Accounts Receivable, Net (Note 4)	9,037	11,195
Derivative, Asset (Note 20)	11,043	-
Inventory (Notes 7)	377,694	671,947
Supplies	16,741	14,948
Property, Plant and Equipment, Net (Note 8)	195,876	187,663
Advances and Prepayments (Note 5)	1	1
Total Non-Intragovernmental Assets	\$11,104,132	\$11,379,494
Total Assets (Notes 2 and 14)	\$12,227,467	\$12,200,241
Heritage Assets (Note 9)		
Liabilities		
Intragovernmental:		
Accounts Payable	\$185	\$273
Accrued Workers' Compensation and Benefits	7,900	7,918
Due to the General Fund	1	-
Total Intra-governmental Liabilities	8,086	8,191
Custodial Liability to Treasury (Note 6)	10,493,740	10,493,740
Accounts Payable	47,137	30,828
Derivative, Liability (Note 20)	-	5,520
Surcharges payable (Note 3)	4,280	3,685
Accrued Payroll and Benefits	17,987	18,231
Other Actuarial Liabilities	31,184	30,982
Unearned Revenues	898	962
Total Non-Intragovernmental Liabilities	\$10,595,226	\$10,583,948
Total Liabilities (Notes 10 and 14)	\$10,603,312	\$10,592,139
Commitments and Contingencies (Notes 12 and 13)		
Net Position		
Cumulative Results of Operations - Funds from Dedicated Collections (Note 14)	1,624,155	1,608,102
Total Liabilities and Net Position	\$12,227,467	\$12,200,241

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, 2018 and 2017

(dollars in thousands)	2018	2017
Numismatic Production and Sales		
Gross Cost	\$1,122,835	\$1,733,591
Less Earned Revenue	(1,108,655)	(1,753,474)
Net Program Cost (Revenue)	\$14,180	(\$19,883)
 Numismatic Production and Sales of Circulating Coins		
Gross Cost	1,912	2,439
Less Earned Revenue (Note 16)	(1,912)	(2,439)
Net Program Cost (Revenue)	-	-
 Circulating Production and Sales		
Gross Cost	541,416	480,446
Less Earned Revenue (Note 16)	(541,416)	(480,446)
Net Program Cost (Revenue)	-	-
 Net Cost (Revenue) Before Protection of Assets	 \$14,180	 (\$19,883)
 Protection of Assets		
Protection Costs	45,218	45,519
Less Earned Revenue	-	-
Net Cost of Protection of Assets	\$45,218	\$45,519
Net Cost (Revenue) from Operations (Notes 14 and 15)	\$59,398	\$25,636

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, 2018 and 2017

(dollars in thousands)	2018	2017
Cumulative Results of Operations		
Net Position, Beginning of Year - Funds from Dedicated Collections	\$1,608,102	\$1,490,935
Financing Sources:		
Transfers to the Treasury General Fund Budget	-	(19,000)
Transfers to the Treasury General Fund Non-Budget	(265,000)	(250,000)
Other Financing Sources (Seigniorage) (Note 16)	327,040	401,680
Imputed Financing Sources (Note 11)	13,411	10,123
Total Financing Sources	75,451	142,803
Net Cost from Operations	(59,398)	(25,636)
Net Position, End of Year - Funds from Dedicated Collections (Note 14)	\$1,624,155	\$1,608,102

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, 2018 and 2017

(dollars in thousands)	2018	2017
Budgetary Resources		
Unobligated balance from prior year budget authority, net	\$430,798	\$299,582
Spending Authority from Offsetting Collections	1,704,884	2,386,730
Total Budgetary Resources	\$2,135,682	\$2,686,312
Memorandum (non-add) Entries:		
Net adjustments to unobligated balance brought forward, Oct. 1	14,877	(1,149)
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Note 17)	\$1,424,770	\$2,270,391
Unobligated balance, end of year	710,912	415,921
Apportioned, unexpired accounts	710,910	415,887
Unapportioned, unexpired accounts	2	34
Total Budgetary Resources	\$2,135,682	\$2,686,312
Outlays, Net		
Outlays, net (total)	(301,458)	(109,930)
Distributed offsetting receipts	(1)	(1)
Agency Outlays, Net	(\$301,459)	(\$109,931)

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

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended September 30, 2018 and 2017

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 to serve the American people by manufacturing and distributing circulating, precious metal and collectible coins, national medals, and providing security over assets entrusted to us. 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 United States 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 (FRBs). Additionally, the Mint sells certain circulating products directly to the public as numismatic items. Activities related to protection of United States gold and silver reserves are funded by the 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 bureau. 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 United States gold and silver reserves. Separate Schedules of Custodial Deep Storage Gold and Silver Reserves have been prepared for the deep storage portion of the United States gold and silver reserves for which the Mint serves 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 are 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 FRBs. Revenue from the sale of circulating coins is recognized when the product is shipped to the FRBs. Revenue from the sale of circulating coins to the FRBs 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 a financing source and not considered as revenue.

Other Financing Sources (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 another Federal entity in a leased building in Washington, D.C. A commercial vendor subleases a portion of the first floor space of the same building.

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 bureau 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 owed 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 120 days past due. However, the Mint will continue collection action on those accounts that are more than 120 days past due, as specified by the *Debt Collection Improvement Act of 1996*.

INVENTORIES

Inventories of circulating and numismatic coinage are valued at the lower of either cost or market. 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 and bagged and ready for sale or shipment to the public or the FRB).

UNITED STATES CUSTODIAL GOLD AND SILVER RESERVES

United States gold and silver reserves consist of both “deep storage” and “working stock” gold and silver.

Deep Storage is defined as that portion of the United States 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 United States 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 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 received or 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:

Item	Depreciation
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

Public laws authorizing commemorative coin and medal programs often require that the sales price of each coin include an amount called a surcharge. A surcharge is an authorized collection and payment of funds to a qualifying organization 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 public law, 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. Recipient organizations must also prove compliance with Title VI of the Civil Rights Act of 1964 and other applicable civil rights laws. A recipient organization has two years from the end of the program to meet the matching funds requirement.

FUNDS FROM DEDICATED COLLECTIONS

Pursuant to 31 U.S.C. § 5136, the PEF was established as the sole funding source for Mint activities. The PEF meets the requirements of a fund from dedicated collections as defined in Statement of Federal Financial Accounting Standards (SFFAS) No. 43, *Funds from Dedicated Collections: Amending SFFAS No. 27, Identifying and Reporting Earmarked Funds*. As non-entity and non-PEF assets, the United States gold and silver bullion reserves are not considered to be funds from dedicated collections.

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 request for reimbursement 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

United States 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 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 COSTS AND EXPENSES (MUTILATED AND UNCURRENT)

Other costs and expenses consist primarily of returns of mutilated or uncurrent coins to the Mint. Coins that are bent or partial, but readily and clearly identifiable as genuine U.S. coins are classified as 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 FRBs. The FRBs then seek replacement coins from the Mint. All mutilated or uncurrent coins received by the Mint are defaced and subsequently 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 may transfer amounts determined to be in excess of the amounts required for bureau 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 a non-budget receipt to the Treasury General Fund. Non-budget means that these funds cannot be used for currently funded programs or to reduce the annual budget deficit. Instead, they are used solely as a financing source (i.e., they reduce the amount of cash that Treasury has to borrow to pay interest on the national debt).

Revenue generated from the sale of numismatic products is transferred to the Treasury General Fund as a 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 bureau receives all financing from the public and the FRBs, 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 budget transfers to the Treasury General Fund.

DERIVATIVE FINANCIAL INSTRUMENTS

The Mint engages in an economic hedging program to avoid the effects of fluctuating silver costs as a result of the changes in market prices.

The derivatives used for economic hedging in this program do not qualify for hedge accounting. At the time of purchase of silver inventory used in the production of silver coins, the Mint economically hedges its silver inventory using a silver forward derivative contract. The silver forward derivative contract is recorded in the Balance Sheets at fair value, with changes in fair value recorded in "Gross Cost" in the Statements of Net Cost. The silver forward derivative contract is settled as silver coins are sold to authorized purchasers, and a gain or loss is recognized, which is expected to substantially offset the gain or loss on the fluctuation in price of the silver inventory during that time the forward position remains open.

Each transaction with the trading partner carries a small transaction fee; the fees net to a cost of one-quarter cent per ounce. The Mint incurred \$82 thousand in hedging fees in FY 2018, compared to \$121 thousand incurred in FY 2017.

RECLASSIFICATIONS

In FY 2018, changes to the presentation of the Statements of Budgetary Resources and Note 10, Liabilities Not Requiring Budgetary Resources were made, in accordance with guidance provided in OMB Circular A-136 and, as such, activity and balances reported in the FY 2017 Statement of Budgetary Resources and FY 2017 information in Note 10, Liabilities Not Requiring 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)	2018	2017
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	1,733,727	1,706,501
Total Assets	\$12,227,467	\$12,200,241

Non-entity assets are those that are held and managed by the Mint on behalf of the U.S. government but are not available for use by the Mint. United States 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 consist of:

(dollars in thousands)	2018	2017
Status of Fund Balance with Treasury		
Unobligated Balance Available	\$710,912	\$415,921
Obligated Balance, Not Yet Disbursed	409,435	402,968
Non -Budgetary FBWT	-	-
Total	<u>\$1,120,347</u>	<u>\$818,889</u>

The Mint does not receive appropriated budget authority. The Fund Balance with Treasury is entirely available for use to support Mint operations. At September 30, 2018 and 2017, the revolving fund balance included \$4.3 million and \$3.7 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)	2018	2017
Intragovernmental		
Accounts Receivable	\$82	-
Total Intragovernmental Accounts Receivable	<u>\$82</u>	<u>-</u>
With the Public		
Accounts Receivable	\$9,257	\$11,485
Allowance	(220)	(290)
Total Public Accounts Receivable	<u>\$9,037</u>	<u>\$11,195</u>
Total Accounts Receivable	<u>\$9,119</u>	<u>\$11,195</u>

The FY 2018 Intragovernmental accounts receivable balance of \$82 thousand was for services performed for another Federal Agency. In FY 2017, the Mint had no Intragovernmental accounts receivable. Receivables with the public at September 30, 2018 are \$9.3 million, of which \$8.0 million is owed by fabricators for scrap, webbing, and mutilated coin. The remaining \$1.3 million is owed by the public for numismatic products. This compares to receivables with the public at September 30, 2017, of \$11.5 million, of which \$8.6 million was owed by fabricators for scrap and webbing, in addition to the \$2.9 million 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 120 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)	2018	2017
Intragovernmental	\$2,906	\$1,858
With the Public	1	1
Total Other Assets	<u>\$2,907</u>	<u>\$1,859</u>

In FY 2018, the Mint had an Intragovernmental advances and prepayment balance of approximately \$2.9 million, which primarily represented payments made to the United States Postal Service for product delivery services as of September 30, 2018, compared to approximately \$1.9 million paid at September 30, 2017. Advances with the public for both FY 2018 and 2017 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 United States 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 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:

	2018	2017
Gold - Deep Storage:		
Inventories (FTO)	245,262,897	245,262,897
Market Value (\$ per FTO)	\$1,187.25	\$1,283.10
Market Value (\$ in thousands)	\$291,188,374	\$314,696,823
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)	\$1,187.25	\$1,283.10
Market Value (\$ in thousands)	\$3,304,377	\$3,571,148
Statutory Value (\$ in thousands)	\$117,514	\$117,514
Silver - Deep Storage:		
Inventories (FTO)	7,075,171	7,075,171
Market Value (\$ per FTO)	\$14.31	\$16.86
Market Value (\$ in thousands)	\$101,246	\$119,287
Statutory Value (\$ in thousands)	\$9,148	\$9,148
Silver-Working Stock		
Inventories (FTO)	8,924,829	8,924,829
Market Value (\$ per FTO)	\$14.31	\$16.86
Market Value (\$ in thousands)	\$127,714	\$150,473
Statutory Value (\$ in thousands)	\$11,539	\$11,539
Total Market Value of Custodial Gold and Silver Reserves (\$ in thousands)	\$294,721,711	\$318,537,731
Total Statutory Value of Custodial Gold and Silver Reserves (\$ in thousands)	\$10,493,740	\$10,493,740

7. INVENTORY

The components of inventories at September 30 are summarized below:

(dollars in thousands)	2018	2017
Raw Materials	\$111,858	\$171,225
Work-In-Process	126,289	268,883
Inventory held for current sale	139,547	231,839
Total Inventory	<u>\$377,694</u>	<u>\$671,947</u>

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, 2018 and 2017, the inventory includes \$144 million and \$443 million, respectively, which are the market values of the silver hedged. Additional information can be found in Note 20. Work-in-process consists of semi-finished materials.

The Mint leases platinum and palladium to avoid the effects of fluctuating metal costs as a result of the changes in market prices. The Mint leases platinum for a fee of 1.2 percent of the asset's value and leases palladium for fees that range between four and 10 percent. The Mint takes physical possession of the metal to manufacture the bullion coins. Upon sale to the customer, the Mint purchases the metal from the lessor on the same day for the same market price. In FY 2018 and FY 2017, the Mint paid \$535 thousand and \$507 thousand in leasing fees for platinum. In FY 2018 and FY 2017, the Mint paid \$890 thousand and \$438 thousand in leasing fees for palladium.

8. PROPERTY, PLANT, AND EQUIPMENT, NET

Components of property, plant and equipment are as follows:

SEPTEMBER 30, 2018			
(dollars in thousands)	Asset Cost	Accumulated Depreciation and Amortization	Total Property, Plant and Equipment, Net
Land	\$2,529	-	\$2,529
Structures, Facilities and Leasehold Improvements	229,642	(152,437)	77,205
Computer Equipment	19,590	(17,137)	2,453
ADP Software	4,774	(4,551)	223
Construction-In-Progress	16,657	-	16,657
Machinery and Equipment	338,610	(241,801)	96,809
Total Property, Plant and Equipment, Net	<u>\$611,802</u>	<u>(\$415,926)</u>	<u>\$195,876</u>

SEPTEMBER 30, 2017			
(dollars in thousands)	Asset Cost	Accumulated Depreciation and Amortization	Total Property, Plant and Equipment, Net
Land	\$2,529	\$ -	\$2,529
Structures, Facilities and Leasehold Improvements	223,903	(145,377)	78,526
Computer Equipment	17,868	(15,455)	2,413
ADP Software	4,774	(4,402)	372
Construction-In-Progress	13,500	-	13,500
Machinery and Equipment	321,749	(231,426)	90,323
Total Property, Plant and Equipment, Net	<u>\$584,323</u>	<u>(\$396,660)</u>	<u>\$187,663</u>

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 FY 2018 and FY 2017 were \$28.6 million and \$28.7 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 their historic, natural, cultural, educational, or artistic value, or significant architectural characteristics. For example, the Mint's historical artifacts include, among other things, examples of furniture and equipment used in the Mint's 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's facilities 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. The following chart represents the Mint's various collections and historical artifacts.

	Quantity of Collections Held September 30	
	2018	2017
Coin Collections		
Pattern Pieces/Prototypes	1	1
Coin Specimens	1	1
Quality Samples	1	1
Exotic Metal Coin Samples	1	1
Total	4	4

	Quantity of Collections Held September 30	
	2018	2017
Historical Artifacts		
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 REQUIRING BUDGETARY RESOURCES

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

(dollars in thousands)	2018	2017
Custodial Gold Reserves (Deep Storage)	\$10,355,539	\$10,355,539
Custodial Silver Reserves (Deep Storage)	9,148	9,148
Working Stock Inventory-Gold	117,514	117,514
Working Stock Inventory-Silver	11,539	11,539
Total Liabilities Not Requiring Budgetary Resources	\$10,493,740	\$10,493,740
Total Liabilities Covered by Budgetary Resources	109,572	98,399
Total Liabilities	\$10,603,312	\$10,592,139

Liabilities not requiring budgetary resources represent the Mint's custodial liabilities to the Treasury that are entirely offset by United States gold and silver reserves held by the Mint on behalf of the federal government.

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 \$18,500 for calendar year 2018 (a \$6,000 catch-up contribution can be given by participants age 50 and older in addition to the \$18,500 contribution). 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 responsibilities 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 37.4 percent of basic pay for CSRS-covered employees and 16.2 percent of basic pay for FERS-covered employees were in use for FY 2018. The CSRS and FERS factors were 32.8 percent and 14.7 percent, respectively, in FY 2017.

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)	2018	2017
Social Security System	\$7,685	\$7,789
Civil Service Retirement System	535	587
Federal Employees Retirement System (Retirement and Thrift Savings Plan)	15,824	16,277
Total Retirement Plans and Other Post-Employment Costs	\$24,044	\$24,653

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 \$7,151 and \$5,412 per employee enrolled in the Federal Employees Health Benefits Program in FY 2018 and FY 2017, 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 2018 and FY 2017.

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)	2018	2017
Health Benefits	\$9,092	\$7,226
Life Insurance	25	26
Pension Expense	3,688	1,869
Total Imputed Retirement and Postemployment Costs	<u>\$12,805</u>	<u>\$9,121</u>

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 Mint. Entries are made in accordance with FASAB Interpretation No. 2. For FY 2018 there were no payments by the Judgment Fund on behalf of the Mint. For FY 2017, the Judgment Fund paid \$332 thousand on behalf of the Mint for the clean-up of an EPA Superfund site. The EPA Superfund payment was part of a multi-year court order, which requires that the Mint and four other federal agencies pay for cleaning up the site. Payments are made by the Judgment Fund when the judge in the case determines that the site owner has submitted valid bills for clean-up work. Also during FY 2018 and FY 2017, the Mint received unreimbursed services (imputed financing) from another federal agency in the amount of approximately \$606 thousand and \$670 thousand, respectively.

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 Mint leases copiers and other office equipment from commercial vendors and vehicles from GSA. With the exception of the commercial lease on an office building in Washington, D.C., all leases are one-year, or one-year with renewable option years. The Headquarters building lease in Washington, D.C. has a term of 20 years with no renewal option years.

	Non-Federal Leases
Future Projected Payments:	
FY 2019	9,716,188
FY 2020	9,766,885
FY 2021	9,119,581
FY 2022	9,347,570
FY 2023	9,581,259
After 5 Years	<u>148,691,114</u>
Total Future Operating Lease Payments	\$196,222,597

THE MINT AS LESSOR

The Mint sublets office space at cost to another Federal entity in the leased Headquarters building in Washington, D.C. As of September 30, 2018, the Mint sublets approximately 4,500 square feet of office space to the U.S. Marshals Service. This sublease is an operating lease 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.

	Non-Federal
Future Projected Receipts:	Building Sub-Lease
FY 2019	404,460
Total Future Operating Lease Receipts	\$404,460

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.

The Mint is also involved in employment related legal actions (e.g., matters alleging discrimination and other claims before federal courts, the Equal Employment Opportunity Commission, and the Merit Systems Protection Board) for which an unfavorable outcome is reasonably possible, but for which an estimate of potential loss cannot be determined at this time. In the opinion of management, the ultimate resolution of these actions will not have a material adverse effect on the Mint's financial position or the results of its operations.

14. FUNDS FROM DEDICATED COLLECTIONS

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 funds from dedicated collections as defined in SFFAS No. 43, *Funds from Dedicated Collections: Amending SFFAS No. 27, Identifying and Reporting Earmarked Funds*. As non-entity and non-PEF assets, the United States gold and silver reserves are not included in the funds from dedicated collections.

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) 2018 2017

Numismatic Production and Sales

Cost:

Intragovernmental:

Cost of Goods Sold	\$12,563	\$15,153
Selling, General and Administrative	17,253	16,391
Imputed Costs	6,303	4,934
Total Intragovernmental Costs	36,119	36,478

Public:

Cost of Goods Sold	1,012,482	1,622,818
Selling, General and Administrative	74,234	74,295
Total Public Cost	1,086,716	1,697,113

Gross Cost	\$1,122,835	\$1,733,591
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Revenue:

Intragovernmental:

Rent Revenues	288	264
Other Intragovernmental Revenues	138	97
Total Intragovernmental Revenues	426	361

Public:

Rent Revenues	450	447
Other Public Revenue	1,107,779	1,752,666
Total Public Revenues	1,108,229	1,753,113

Total Earned Revenue	1,108,655	1,753,474
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Net Program Cost (Revenue)	\$14,180	\$(19,883)
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Numismatic Production and Sales of Circulating Coins

Cost:

Intragovernmental:

Selling, General and Administrative	\$42	\$44
Total Intragovernmental Costs	42	44

Public:

Cost of Goods Sold	1,690	2,194
Selling, General and Administrative	180	201
Total Public Cost	1,870	2,395

Gross Cost	1,912	2,439
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Revenue:

Public	1,912	2,439
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Total Earned Revenue	1,912	2,439
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Net Program Cost (Revenue)	\$ -	\$ -
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(dollars in thousands)	2018	2017
Circulating Production and Sales		
Cost:		
Intragovernmental:		
Cost of Goods Sold	\$5,574	\$3,803
Selling, General and Administrative	14,566	14,359
Imputed Costs	7,108	5,189
Total Intragovernmental Costs	27,248	23,351
Public:		
Cost of Goods Sold	449,121	407,328
Selling, General and Administrative	46,708	47,865
Other Costs and Expenses (Mutilated and Uncurrent)	18,339	1,902
Total Public Cost	514,168	457,095
Gross Cost	541,416	480,446
Revenue:		
Other Intragovernmental Revenues	17	-
Public	541,399	480,446
Total Earned Revenue	541,416	480,446
Net Program Revenue	\$ -	\$ -
Net Cost (Revenue) Before Protection of Assets	\$14,180	\$(19,883)
Protection of Assets		
Intragovernmental:		
Protection Cost	\$7,201	\$7,049
Public:		
Protection Cost	\$38,017	38,470
Net Cost of Protection of Assets	\$45,218	\$45,519
Net Cost (Revenue) from Operations	\$59,398	\$25,636

16. EARNED REVENUE AND OTHER FINANCING SOURCES (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 No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, provides requirements related to the recognition 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 Sources" 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)	2018	2017
Revenue - FRB	\$541,416	\$480,446
Seigniorage - FRB	321,120	391,514
Total Circulating Coins	<u>\$862,536</u>	<u>\$871,960</u>
Revenue - with the public	\$1,912	\$2,439
Seigniorage - with the public	5,920	10,166
Total Numismatic sales of Circulating Coins	<u>\$7,832</u>	<u>\$12,605</u>
Total Seigniorage	<u>\$327,040</u>	<u>\$401,680</u>

17. APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

The Mint receives apportionments of its resources from OMB. An apportionment is an OMB-approved plan to use budgetary resources. An apportionment typically limits the obligations an agency may incur for specified time periods, programs, activities, projects, objects, or any combination thereof. All Mint obligations are classified as reimbursable, as they are financed by offsetting collections received in return for goods and services provided. OMB uses several categories to distribute budgetary resources. Category B apportions budgetary resources by program, project, activities, objects or a combination of these categories. The Mint had only category B apportionments in FY 2018 and FY 2017.

The following chart reflects the amount of reimbursable obligations incurred against amounts apportioned under categories B apportionments.

(dollars in thousands)	2018	2017
Category B		
Total Operating Expenses	\$1,385,696	\$2,230,845
Numismatic Capital	10,365	10,311
Circulating and Protection Capital	28,709	29,235
Total Apportionment Categories of Obligations Incurred	\$1,424,770	\$2,270,391

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 FY 2018 is expected to be published in February 2019 and made available through OMB. Therefore, the analysis presented here is for the prior year (FY 2017) "actual" figures published in the President's budget in February 2018. The following chart displays the comparison of the FY 2017 SBR and the actual FY 2017 balances included in the FY 2018 President's Budget. The differences between the FY 2017 SBR and the President's Budget are as a result of the Mint recording an obligation for the headquarters building lease that represents the total payments expected to arise under the full term of the lease agreement for financial reporting purposes, as required by OMB Circular No. A-11, Preparation, Submission, and Execution of the Budget, after submission of the trial balance to the Treasury Information Executive Repository (TIER).

(rounded to millions)

	September 30, 2017		Difference
	Statement of Budgetary Resources	President's Budget	
United States Public Enterprise Fund			
Budgetary Resources	\$2,686	\$2,821	(\$135)
New Obligations Incurred and Upward Adjustments	\$2,270	\$2,204	\$66
Net Outlays	\$110	\$110	(\$0)

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 the Secretary of the Treasury determines to be in excess of the amount required by the PEF shall be transferred to the Treasury for deposit as miscellaneous receipts. At September 30, 2018 and 2017, the Mint transferred excess receipts to the Treasury General Fund of \$265 million and \$269 million, respectively.

20. DERIVATIVE FINANCIAL INSTRUMENTS

At September 30, 2018 and 2017, the fair value of the silver forward contracts were an asset of \$11 million and a liability of \$5.5 million, respectively, which are located in "Derivative, Asset" and "Derivative, Liability", respectively, in the Balance Sheets. The Mint recorded net gains of \$23.4 million on its silver forward contract in FY 2018, compared to net gains of \$28.4 million in FY 2017, located in "Gross Cost" in the Statements of Net Cost.

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

For the Years Ended September 30,

(dollars in thousands)	2018	2017
Resources Used to Finance Activities:		
Budgetary Resources Obligated		
Obligations Incurred	\$1,424,770	\$2,270,391
Less: Spending Authority from Offsetting Collections and Recoveries	1,719,762	2,404,580
Less: Offsetting Receipts	1	1
Net Obligations	(\$294,993)	(\$134,190)
Other Resources		
Transfers to the Treasury General Fund Budget	-	(19,000)
Transfers to the Treasury General Fund Non-Budget	(265,000)	(250,000)
Imputed Financing from Costs Absorbed by Others	13,411	10,123
Other Financing Sources (Seigniorage)	327,040	401,680
Net Other Resources Used to Finance Activities	\$75,451	\$142,803
Total Resources Used to Finance Activities	(\$219,542)	\$8,613
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	(\$8,495)	\$74,478
Resources that fund Expenses Recognized in Prior Periods	-	-
Budgetary Offsetting Collections and Receipts That Do Not Affect Net Cost of Operations - Other	(1)	(1)
Resources that Finance the Acquisition of Assets or Liquidation of Liabilities	464,530	510,947
Other	(3,262)	(19,000)
Total Resources Used to Finance Items Not Part of the Net Cost of Operations	\$452,772	\$566,424
Total Resources Used to Finance the Net Cost of Operations	(\$672,314)	(\$557,811)
Components Requiring or Generating Resources in Future Periods		
Increase in Exchange Revenue Receivable from the Public	-	\$(486)
Total Components of Net Cost of Operations that will Require or Generate Resources in Future Periods	-	\$(486)
Components not Requiring or Generating Resources in the Current Period		
Depreciation and Amortization	\$28,569	\$28,681
Revaluation of Assets	(10,605)	5,672
Other	713,748	549,580
Total Components of Net Revenue from Operations that will not require or Generate Resources	\$731,712	\$583,933
Total Components of Net Revenue from Operations that will not require or Generate Resources in the Current Period	\$731,712	\$583,447
Net Cost (Revenue) from Operations	\$59,398	\$25,636

22. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Budgetary resources obligated for undelivered orders paid as of September 30, 2018 were \$2,906 for Federal and \$0.8 for non-Federal. Undelivered orders unpaid as of September 30, 2018 were \$3,026 for Federal and \$290,384 for non-Federal. Undelivered orders as of September 30, 2017 were \$116,030.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

INTRODUCTION

This section provides the Required Supplementary Information as prescribed by the OMB Circular A-136, *Financial Reporting Requirements*, SFFAS No. 29, *Heritage Assets and Stewardship Land* and SFFAS No. 42, *Deferred Maintenance and Repairs: Amending SFFAS Nos. 6, 14, 29 and 32*.

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.

DEFERRED MAINTENANCE

Deferred maintenance and repairs is maintenance and repair activity that was not performed when it should have been, or was scheduled to be, and is put off or delayed for a future period. In fiscal years 2018 and 2017, the Mint had no deferred maintenance costs to report on vehicles, buildings, structures, and equipment owned by the Mint. There is also no deferred maintenance on heritage assets, which includes the Denver, West Point, San Francisco, and Fort Knox buildings.

APPENDIX I: FY 2018 COIN AND MEDAL PRODUCTS

AMERICA THE BEAUTIFUL QUARTERS® PROGRAM

GEORGE ROGERS CLARK NATIONAL HISTORICAL PARK QUARTER – INDIANA

Released for Sale: November 13, 2017

Description: The George Rogers Clark National Historical Park quarter is the fifth in 2017 and the 40th overall in the America the Beautiful Quarters Program. George Rogers Clark National Historical Park was named a national park in 1966. The park is located within the city limits of Vincennes, Indiana, adjacent to the Wabash River. The 26.17-acre site contains the George Rogers Clark Memorial, which commemorates the achievements of Lieutenant Colonel George Rogers Clark and his frontiersmen during the American Revolution. Following Clark's capture of British posts at Kaskaskia and Cahokia (in the Illinois territory along the Mississippi River) in 1778, he led his small contingent of men in a daunting mid-winter march of 157 miles that culminated in the surrender of the British garrison at Fort Sackville on February 25th, 1779. The event effectively limited British control of the region and was instrumental in the subsequent establishment of the Northwest Territory and American expansion west of the Appalachians. The design features George Rogers Clark leading his men through the flooded plains approaching Fort Sackville.



PICTURED ROCKS NATIONAL LAKESHORE QUARTER – MICHIGAN

Released for Sale: February 5, 2018

Description: The Pictured Rocks National Lakeshore quarter is the first of 2018 and 41st overall in the America the Beautiful Quarters Program. Established in 1966 as our first national lakeshore, Michigan's Pictured Rocks National Lakeshore is a narrow strip of a park that hugs the Lake Superior coast for more than 40 miles. The shoreline consists of 200-foot-high colorful sandstone cliffs, numerous beaches, and 300-foot-tall sand dunes. The shoreline is bordered by boreal and eastern hardwood forests with numerous waterfalls, streams, and lakes. There is abundant wildlife, including black bears, deer, and porcupine, with bald eagles and peregrine falcons dotting the skies. The design depicts Chapel Rock and the white pine tree that grows atop.



APOSTLE ISLANDS NATIONAL LAKESHORE QUARTER – WISCONSIN

Released for Sale: April 9, 2018

Description: The Apostle Islands National Lakeshore quarter is the second of 2018 and 42nd overall in the America the Beautiful Quarters Program. Wisconsin's Apostle Islands National Lakeshore was established in 1970 to protect "certain significant islands, shoreline, and light stations of the U.S. and their related geographic, scenic, historic, and scientific values." The park includes 21 islands in Lake Superior and a 12-mile-long strip of mainland shoreline encompassing more than 69,000 acres. The park features pristine stretches of sand beaches and coves; spectacular sea caves; remnant old-growth upper forests; a diverse population of birds, mammals, amphibians, and fish; and the largest collection of national register lighthouses and lighthouse complexes in the National Park system. The design depicts the sea caves at Devils Island with the lighthouse in the background and a kayaker paddling in the foreground.



VOYAGEURS NATIONAL PARK QUARTER – MINNESOTA

Released for Sale: June 11, 2018

Description: The Voyageurs National Park quarter is the third of 2018 and 43rd overall in the America the Beautiful Quarters Program. Voyageurs National Park was established in 1975 "to preserve . . . the outstanding scenery, geological conditions, and waterway system" inherent to the park. Visitors can see and touch rocks half as old as the world, immerse themselves in the sights and sounds of a boreal forest, view the dark skies, or ply the interconnected water routes.



The park protects 218,054 acres of land, with 84,000 acres of that being water. In essence, this park is miles of undeveloped shoreline, with hundreds of islands and numerous large lakes.

The combination of rocky shorelines, the meeting of southern boreal and northern hardwood forests, and the open water creates a distinct home for bald eagles, loons, black bears, moose, and wolves. The design depicts a common loon with a rock cliff in the background.

CUMBERLAND ISLAND NATIONAL SEASHORE QUARTER – GEORGIA

Released for Sale: August 27, 2018

Description: The Cumberland Island National Seashore quarter is the fourth of 2018 and the 44th overall in the United States Mint America the Beautiful Quarters Program. Cumberland Island National Seashore in Georgia was established in 1972 to maintain the primitive, undeveloped character of one of the largest and most ecologically diverse barrier islands on the Atlantic coast. There are almost 18 miles of pristine beach open to the public for recreational activities like swimming and walking. The island is also known to have one of the largest oak maritime forests remaining in the U.S., providing an unparalleled visitor experience. The design depicts a snowy egret posing on a branch on the edge of a salt marsh, ready for flight.



2018 AMERICAN EAGLE COIN PROGRAM

2018 PREAMBLE TO THE DECLARATION OF INDEPENDENCE AMERICAN EAGLE PLATINUM PROOF COIN – “LIFE”

Released for Sale: January 25, 2018

Description: The new Preamble to the Declaration of Independence American Eagle Platinum Proof Coin Series will feature a newly designed one ounce platinum proof coin composed of 99.95 percent platinum for three years—2018, 2019, and 2020. The obverse design of the first coin in the series features “Life” personified by Lady Liberty teaching a small child to sow seeds in a field. The sword she carries symbolizes the power to defend life. The furrowed earth represents the forethought and labor required to sustain life. The tree and stream represent nature, suggesting the need to be good stewards of an environment that sustains life. The reverse design (common to all three coins in the series) depicts an eagle in flight with an olive branch in its talons.



2018 AMERICAN EAGLE GOLD PROOF COIN

Released for Sale: March 1, 2018

Description: American Eagle Gold Proof Coins are manufactured in four sizes—one ounce, half-ounce, quarter-ounce, and one-tenth ounce. They are available individually or in a four-coin set. The obverse design features a rendition of Augustus Saint-Gaudens’ full-length figure of Lady Liberty with flowing hair, holding a torch in her right hand and an olive branch in her left. The reverse features a male eagle carrying an olive branch flying above a nest containing a female eagle and her hatchlings.



2018 AMERICAN EAGLE PALLADIUM PROOF COIN

Released for Sale: September 6, 2018

Description: In 2018, the United States Mint released its first numismatic palladium coin. Each coin contains one ounce of .9995 palladium. The obverse design features a high-relief likeness of “Winged Liberty” from the “Mercury Dime” obverse by famed American coin designer and medallic artist Adolph A. Weinman. The reverse design features a high-relief version of Weinman’s 1907 American Institute of Architects (AIA) Gold Medal reverse, which includes an eagle and a branch. In developing the coin, the United States Mint was able to use the original reverse plaster of the AIA gold medal. This is the first time Weinman’s AIA design has wappeared on an American coin.



2018 AMERICAN EAGLE SILVER PROOF COIN

Released for Sale: January 4, 2018

Description: Each American Eagle Silver Proof Coin contains one troy ounce of 99.9 percent pure silver. The obverse design is based on Adolph A. Weinman’s 1916 “Walking Liberty” half dollar, widely considered one of the most beautiful American coins ever minted. It features Lady Liberty in full stride, enveloped in folds of the flag, with her right hand extended and branches of laurel and oak in her left. The reverse features a heraldic eagle with shield, an olive branch in the right talon and arrows in the left.



2018 AMERICAN BUFFALO GOLD COIN

Released for Sale: May 10, 2018

Description: The American Buffalo Gold Proof Coin is the first 24-karat gold proof coin ever struck by the U.S. Mint. Containing one ounce of .9999 fine gold, these lustrous coins are among the world's purest gold coins. They were authorized by Congress in 2005 and first minted in June 2006. The designs are based on the original 1913 Type I Buffalo nickel designed by James Earle Fraser. The obverse features a profile representation of a Native American, and the reverse features an American Buffalo.



2018 NATIVE AMERICAN \$1 COIN

Released for Sale: February 15, 2018

Description: This year's reverse theme commemorates the contributions of Jim Thorpe to American sports and culture. The design depicts Jim Thorpe, while the foreground highlights his achievements in football and as an Olympian.

Jim Thorpe was born circa May 28, 1887, near current-day Prague, Oklahoma. An All-American in football at the Carlisle Indian School, he won the pentathlon and decathlon at the 1912 Olympics before his gold medals were revoked on a technicality. Thorpe played professional baseball and football, and sought an acting career after retiring from sports.



2018 COMMEMORATIVE COIN PROGRAM

2018 WORLD WAR I CENTENNIAL SILVER DOLLAR

Released for Sale: January 17, 2018

Description: The World War I American Veterans Centennial Commemorative Coin Act (Public Law 113-212) authorized the minting and issuance of proof and uncirculated silver dollars in commemoration of the centennial of America's involvement in World War I and to honor the more than 4 million men and women from the U.S. who served in the war. In accordance with the Act, the designs for both the obverse and reverse were selected by the Secretary of the Treasury based on a juried competition. The obverse design, titled "Soldier's Charge," depicts an almost stone-like soldier gripping a rifle. Barbed wire twines in the lower right hand side of the design. The reverse, titled "Poppies in the Wire," features abstract poppies mixed in with barbed wire. Surcharges in the amount of \$10 per coin sold are authorized to be paid to the United States Foundation for the Commemoration of the World Wars to assist the World War I Centennial Commission in commemorating the centenary of World War I.



2018 BREAST CANCER AWARENESS COMMEMORATIVE COIN

Released for Sale: March 15, 2018

Description: The Breast Cancer Awareness Commemorative Coin Act (Public Law 114-148) authorized the minting and issuance of proof and uncirculated gold, silver, and clad coins in recognition of the fight against breast cancer and to honor all those affected by the disease. The \$5 gold coin has a pink hue, marking the first time the United States Mint produced a coin of this composition. The designs were selected by the Secretary of the Treasury based on a juried competition. The obverse design features two women. The older woman has her hands on her chest and a relieved expression on her face. The younger woman, with a scarf on her head, holds one hand over her chest and the other raised in a fist as if she is ready to fight. A butterfly flies above the two women. The reverse features a Tiger Swallowtail butterfly in flight, a symbol of hope. In October 2018, as part of Breast Cancer Awareness Month, a special coin and medal set will be offered for sale. The coin will feature a proof half dollar and a breast cancer awareness postage stamp.



2018 PRESIDENTIAL SILVER MEDALS—WASHINGTON AND ADAMS

2018 PRESIDENTIAL SILVER MEDALS

Released for Sale: August 16, 2018

Description: These medals were produced in 99.9 percent silver and have a matte finish. They are the first in a new series of silver medals replicating the Presidential Bronze Medals. The obverse designs of the George Washington and John Adams Presidential Silver Medals feature their traditional profiles. The reverses of both medals feature the inscription "PEACE AND FRIENDSHIP," symbolized by two hands clasped. On the cuff of the left wrist are three stripes with buttons, each button carrying the American eagle; the other wrist is bare. Above the hands, the pipe of peace and the tomahawk are crossed over each other. Presidential Medals date back to the earliest days of the Republic and were often presented to American Indian chiefs and other leaders at events like treaty signings. Thomas Jefferson, James Madison, James Monroe, and John Quincy Adams Presidential Silver Medals will be released quarterly in 2019.



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