Audit Report

OIG-21-011

FINANCIAL MANAGEMENT

Audit of the United States Mint's Financial Statements for Fiscal Years 2020 and 2019

December 8, 2020

Office of Inspector General
Department of the Treasury

ACCESSIBILITY NOTICE

The attachment to our report, the United States Mint's 2020 Annual Report, does not conform to the requirements of Section 508 of the Rehabilitation Act of 1973, as amended, because the Mint has not yet created the web version of its 2020 Annual Report.

Once available[1], we will replace their report.

[1] On https://www.usmint.gov/about/reports

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

December 8, 2020

**MEMORANDUM FOR DAVID J. RYDER, DIRECTOR
UNITED STATES MINT**

FROM: James Hodge /s/
Director, Financial Audit

SUBJECT: Audit of the United States Mint's Financial Statements for Fiscal Years 2020 and 2019

We hereby transmit the attached subject report. Under a contract monitored by our office, KPMG LLP (KPMG), a certified independent public accounting firm, audited the United States Mint's (Mint) balance sheets as of September 30, 2020 and 2019, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended, and provided a report on internal control over financial reporting, and on compliance with laws, regulations, and contracts tested. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, and the Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency, *Financial Audit Manual*.

In its audit of the Mint, KPMG found

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

KPMG also issued a management letter dated December 7, 2020, discussing certain matters involving deficiencies in information technology controls that were identified during the audit but not required to be included in the auditors' report. This letter will be transmitted separately.

In connection with the contract, we reviewed KPMG's report and related documentation and inquired of its representatives. Our review, as differentiated

from an audit performed in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on the Mint's financial statements or conclusions about the effectiveness of internal control or compliance with laws and regulations. KPMG is responsible for the attached auditors' report dated December 7, 2020, and the conclusions expressed therein. However, our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards.

If you wish to discuss this report, please contact me at (202) 927-0009, or a member of your staff may contact Ade Bankole, Manager, Financial Audit, at (202) 927-5329.

Attachment

UNITED STATES MINT

2020 ANNUAL REPORT

LIBERTY
IN GOD WE TRUST
2020
OF AMERICA • E PLURIBUS UNUM • FIVE DOLLARS
OF AMERICA • E PLURIBUS UNUM • ONE DOLLAR
UNITED STATES OF AMERICA • E PLURIBUS UNUM • HALF DOLLAR
2020 BASKETBALL HALL OF FAME KIDS
PRESERVING HISTORY
THE THRILL OF THE GAME

David J. Ryder
Director
United States Mint

DIRECTOR'S LETTER

It is my honor to present the United States Mint's 2020 Annual Report. I am incredibly proud of the talent, dedication, and ingenuity of the Mint's workforce. During FY2020, the Mint team provided outstanding service to our Nation by shipping 15.5 billion circulating coins and producing more than 24.7 million ounces of bullion. To put these numbers in perspective, during FY2019 the Mint shipped 12.5 billion circulating coins and produced 18.8 million ounces of bullion.

The Mint also strengthened its reputation as a leader in manufacturing and innovative coin design while delivering strong financial results. The Mint's bullion program had a particularly strong year, generating $2.1 billion in revenue and $46.2 million in net earnings. This success was complemented by the performance of our numismatic program which sold more than 3.4 million units, resulting in 346.6 million in revenue and $12.4 million in net earnings. The Mint's numismatic earnings were significantly higher than earnings realized during FY2019. This is a tribute to the Mint's improved marketing/pricing strategies and greater operating efficiencies. The success of the bullion and numismatic programs, combined with seigniorage generated by our circulating coin program, allowed the Mint to transfer $40 million to the United States Treasury General Fund.

Perhaps most impressively, the Mint achieved these extraordinary results amidst a global pandemic. Since the onset of COVID-19, I have emphasized that the health and safety of Mint employees is my top priority. To ensure the safety of our workforce, and prevent an outbreak at any of our facilities, the Mint implemented enhanced workplace cleaning procedures, required the use of face coverings at each Mint location, and instituted procedures to ensure appropriate social distancing while at work.

The safety procedures implemented by the Mint in response to COVID-19 were new in 2020. But what allowed these new procedures to be incorporated smoothly was the Mint's existing "culture of safety." Well prior to COVID-19, the Mint made safety the first metric evaluated in our performance reviews. In 2020, the Mint's Total Recordable Case Rate (TRCR - the primary metric used to measure workplace safety) was 1.3, compared to a TRCR of 6.0 for the comparable private sector industry. This represents the Mint's lowest (best) TRCR on record.

Many of our operating practices have changed, as has the physical layout of our facilities. Physical barriers, Plexiglas screens, flexible schedules, increased telework, videoconferencing, and directional traffic flows on production floors and office hallways are just some of the changes that have contributed to the practice of safe social distancing and allowed the Mint to maintain production during the pandemic.

One impact of the pandemic was a sharp increase in the demand for circulating coins. Changes in spending patterns by American consumers greatly reduced the volume of circulating coins returned to the Federal Reserve Banks (FRB) by merchants, banks, and private coin recyclers. To meet their needs for circulating coins, the FRB and many of their customers turned to the Mint. The Mint responded by increasing our production of circulating coins to the highest monthly level since FY2001. The Mint continues to coordinate closely with the FRB to ensure Americans have a sufficient supply of circulating coins.

During 2020, the Mint introduced our first-ever colorized coins – part of the Basketball Hall of Fame Commemorative Coin Program. In addition to colorized offerings, all Basketball Hall of Fame coins were also curved, with the obverse concave and the reverse convex.

The Mint honored a pivotal moment in our Nation's history through the designs for the 2020 Women's Suffrage Centennial Commemorative Coin Program. This program commemorated the ratification of the 19th Amendment to the Constitution of the United States, giving women in the United States the right to vote. This year the Mint also introduced several other new coins that reflect America's history and values, including a Presidential Dollar Coin honoring George H.W. Bush and a First Spouse Gold Coin honoring Barbara Bush, as well as four new coins in our American Innovation $1 Coin Series.

It has long been the Mint's privilege to produce Congressional Gold Medals, the highest civilian honor bestowed by Congress. During 2020, I was deeply honored to participate in the ceremony awarding the Congressional Gold Medal to Stephen Michael Gleason. This Congressional Gold Medal recognized Mr. Gleason's work as an advocate for people with Amyotrophic Lateral Sclerosis. The Mint also produced Congressional Gold Medals to commemorate the crew of the *USS Indianapolis* and the Chinese American Veterans of World War II. The Mint is honored to play a role in honoring their heroic service.

Next year, the Mint will celebrate the 35th anniversary of the American Eagle Coin Program, an icon in the bullion, numismatic, and art worlds. To honor this anniversary and to celebrate the success of our flagship coin program, the Mint will redesign the reverses of our American Eagle Gold and Silver Coins. The excitement in anticipation of this redesign continues to build in the numismatic community, and I look forward to unveiling these brilliant new designs next year.

I consider the coins and medals made by the Mint to be miniature works of art. These coins and medals are the product of steadfast efforts of talented artists and sculptors who are masters of their craft, production staff who display exceptional attention to detail, as well as the support staff who are dedicated to executing the Mint's mission.

It is an honor to serve as the Director of the United States Mint. I look forward to our agency's journey forward as we continue to produce coins and medals that capture the heart and imagination of the American public.

Sincerely,

David J. Ryder
Director
United States Mint

ORGANIZATIONAL PROFILE

David J. Ryder
Director

Patrick Hernandez
Deputy Director

John Schorn
Chief Counsel

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

David Croft
Associate Director
for Manufacturing

Matthew Holben
Associate Director
for Sales and Marketing

Kristie McNally
Chief Financial Officer

Francis O'Hearn
Chief Information Officer

Michael Wenzler
Chief Human
Capital Officer

Dennis O'Connor
Chief, Mint Police

Jennifer Warren
Director of Legislative
& Intergovernmental Affairs

Thomas Johnson
Acting Deputy Chief
Administrative Officer

Ashley Reid
Equal Employment
Opportunity Officer

April Stafford
Chief, Design Management

Eric Anderson
Executive Secretary

Todd Martin
Acting Chief, Office of
Corporate Communications

Robert Kurzyna
Superintendent,
Philadelphia Mint

Ellen McCullom
Superintendent,
West Point Mint

Randall Johnson
Superintendent,
Denver Mint

David Jacobs
Superintendent,
San Francisco Mint

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 approximately 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 are 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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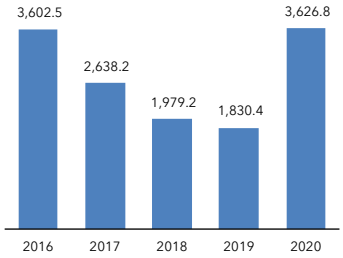
THE UNITED STATES MINT AT A GLANCE (UNAUDITED)

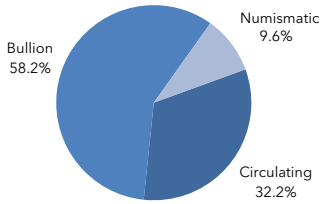
UNITED STATES MINT (MINT)

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 (dollars in millions)



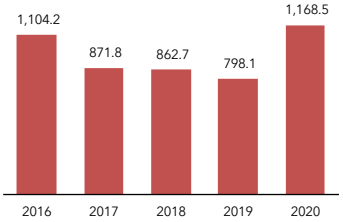
Revenue by Line of Business (percent of total)



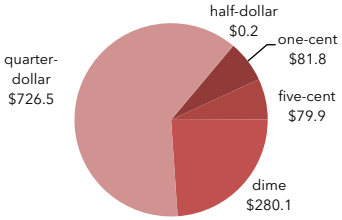
CIRCULATING COINAGE

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

Revenue (dollars in millions)



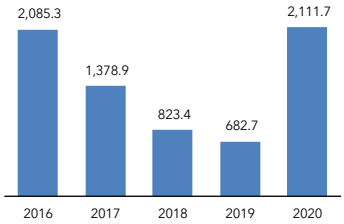
Revenue by Denomination (dollars in millions)



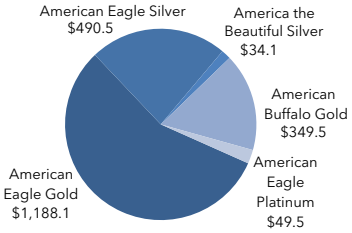
BULLION COINS

The Mint is the world's largest producer of gold and silver bullion coins. The bullion 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 (dollars in millions)



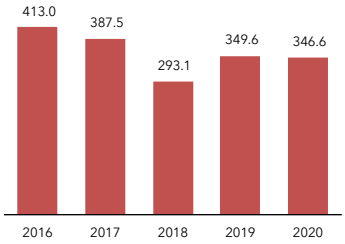
Revenue by Program (dollars in millions)



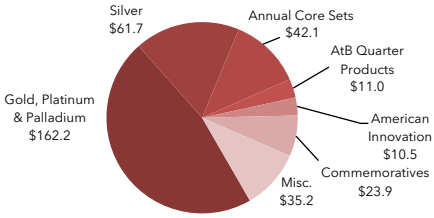
NUMISMATIC PRODUCTS

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

Revenue (dollars in millions)



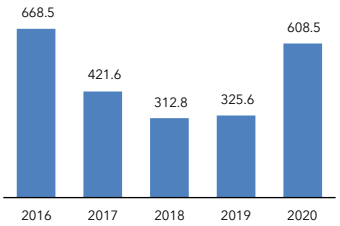
Revenue by Program (dollars in millions)



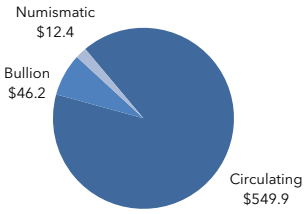
SEIGNIORAGE AND NET INCOME

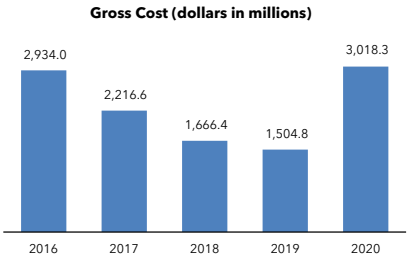
Seigniorage is the difference between the face value and cost of producing circulating coinage. The Mint transfers seigniorage to the Treasury General Fund to help finance national debt. Net income from bullion and numismatic operations can also fund Federal programs.

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



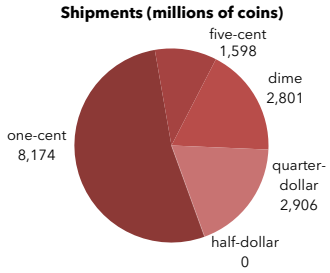
Seigniorage and Net Income by Line of Business (dollars in millions, before protection cost)





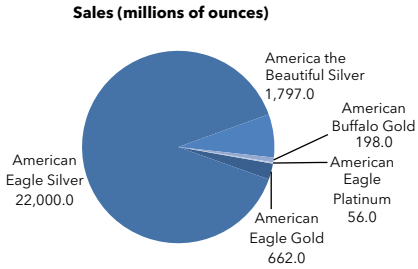
2020 PERFORMANCE

FY 2020 revenue was $3,626.8 million, an increase of 98.1 percent compared to last year. Cost of goods sold (COGS) increased 111.9 percent to $2,848.1 million. Selling, general and administrative (SG&A) expenses increased 5.9 percent to $170.2 million from last year. Total seigniorage and net income before Protection expenses increased 86.9 percent to $608.5 million compared to last year, reflecting the impact of increased circulating and bullion demand.



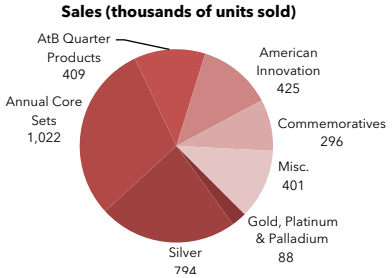
CIRCULATING COINAGE

Circulating coin shipments increased 24.2 percent to 15,479 million coins in FY 2020, driven by increased shipments in all denominations. Circulating revenue increased 46.4 percent to $1,168.5 primarily because of increased nickel, dime and quarter-dollar shipments. Seigniorage increased 72.8 percent to $549.9 million. Seigniorage per dollar issued increased to $0.47 from $0.40 last year.



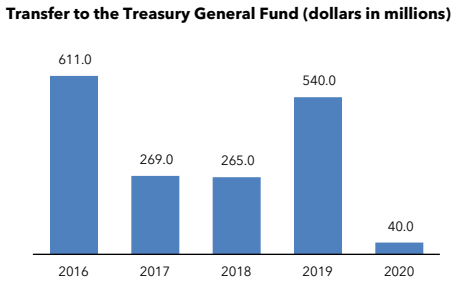
BULLION COINS

Demand for bullion coins increased in FY 2020 compared to last year. The Mint sold 24,713.0 million ounces of gold, silver and platinum bullion coins, an increase of 5,897.0 million ounces from last year. Total bullion revenue increased 209.3 percent to $2,111.7 million in FY 2020, primarily due to a 375.4 percent increase in gold bullion coin revenues. Bullion coin net income increased 725.0 percent to $46.2 million and bullion coin net margin increased to 2.2 percent compared to 0.8 percent last year.



NUMISMATIC PRODUCTS

Numismatic sales decreased 20.9 percent to 3.4 million units in FY 2020. Numismatic revenues decreased 0.9 percent to $346.6 million due to a $23.0 million increase in gold & platinum coin products offset by a $34.3 million decrease in commemorative product revenues. Numismatic net income increased 629.4 percent to $12.4 million (before protection expenses). Numismatic net margin increased to 3.6 percent compared to 0.5 percent last year.



TRANSFER TO THE GENERAL FUND

In FY 2020, the Mint transferred $40 million to the Treasury General Fund from the United States Mint Public Enterprise Fund. The Mint transferred $40 million of seigniorage as a non-budget transfer. The Mint did not make a budget transfer in the first quarter of FY 2020.

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 2020 circulating coin shipments to the Federal Reserve Bank increased by 3.0 billion units (24.2 percent) to a total 15.5 billion coins compared to last year. The year saw increases in all denominations; large increases in nickel, dime, and quarter-dollar shipments; increased revenue and seigniorage compared to last year.

The overall shipment mix remained relatively stable for nickels and dimes compared to last year, the relative mix of quarter-dollars increased, and the mix of pennies decreased.

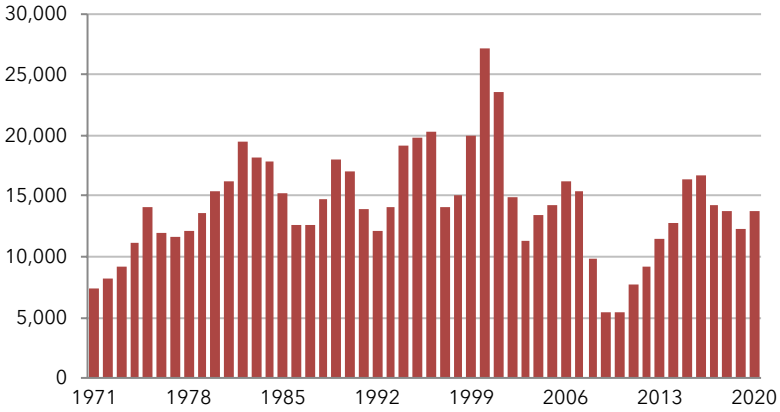
As a percentage of total shipments, pennies lost 5.9 percentage points to account for 52.8 percent of the mix in FY 2020, and nickels gained 1.1 percentage points to account for 10.3 percent of the mix. Shipments of quarter-dollars increased 4.5 percentage points to account for 18.8 percent of the mix, and dimes increased 0.3 points as a percentage of total FY 2020 shipments, making up 18.1 percent of the total mix.

FY 2020 circulating revenue was $1,168.5 million, 46.4 percent higher than last year, driven by a $280.7 million (63.0 percent) increase in quarter-dollar revenue, a $38.7 percent increase in five-cent coin revenue, and an increase of 26.5 percent in dime revenue. FY 2020 circulating seigniorage was $549.9 million, 72.8 percent higher than last year, mainly due to increased quarter-dollar, dime, and nickel shipment volumes. The resulting seigniorage per dollar issued was $0.47, exceeding both $0.40 from last year and FY 2011 levels prior to the $1 coin suspension.

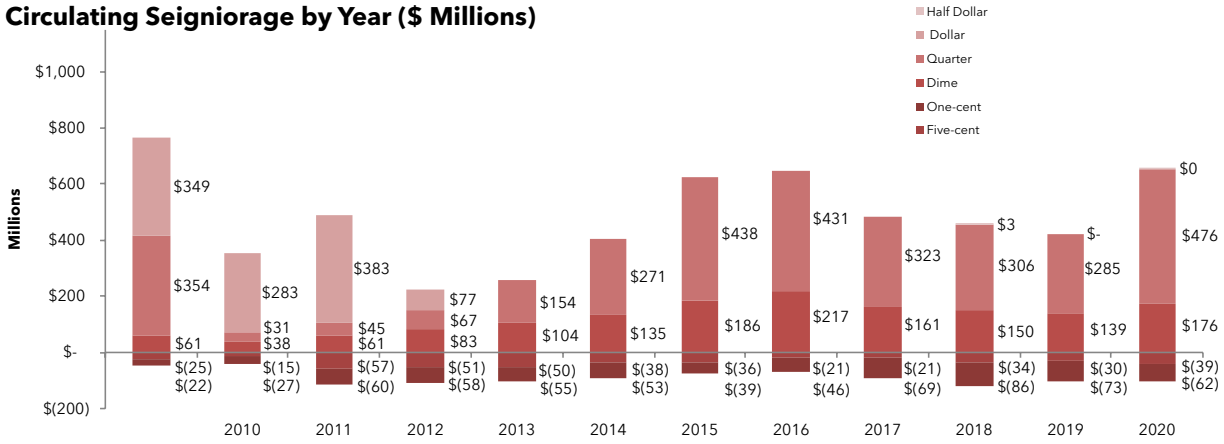
FY 2020 unit costs decreased for all circulating denominations except the dime compared to last year. The penny's unit cost fell by 11.6 percent and the nickels unit cost fell by 2.6 percent. The unit cost for both pennies (1.76 cents) and nickels (7.42 cents) remained above face value for the fifteenth consecutive fiscal year.

Compared to last year, FY 2020 average spot prices for nickel increased 5.6 percent to $13,666.51 per tonne, whereas average copper prices decreased 3.6 percent to $5,856.52 per tonne, and average zinc prices decreased 15.4 percent to $2,206.15 per tonne.

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)

	2020	2019	2018	2017	2016	% Change 2019 to 2020
Coin Shipments	15,479	12,466	13,668	14,068	16,308	24.2%
Value of Shipments	$1,168.5	$798.1	$862.7	$871.8	$1,104.2	46.4%
Gross Cost	$618.6	$479.8	$541.6	$480.3	$525.5	28.9%
Cost of Goods Sold	$549.3	$416.1	$480.3	$418.1	$468.5	32.0%
Selling, General & Administrative	$69.3	$63.7	$61.3	$62.2	$57.0	8.8%
Seigniorage	$549.9	$318.3	$321.1	$391.5	$578.7	72.8%
Seigniorage per $1 Issued	$0.47	$0.40	$0.37	$0.45	$0.52	17.5%

UNIT COST OF PRODUCING AND DISTRIBUTING COINS BY DENOMINATION

2020	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half-Dollar
Cost of Goods Sold	$0.0151	$0.0653	$0.0326	$0.0760	$0.2500
Selling, General & Administrative	$0.0022	$0.0080	$0.0042	$0.0091	$-
Distribution to FRB	$0.0003	$0.0009	$0.0005	$0.0011	$-
Total Unit cost	$0.0176	$0.0742	$0.0373	$0.0862	$0.2500

2019	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half-Dollar
Cost of Goods Sold	$0.0168	$0.0659	$0.0317	$0.0777	$-
Selling, General & Administrative	$0.0029	$0.0095	$0.0051	$0.0114	$-
Distribution to FRB	$0.0002	$0.0008	$0.0005	$0.0010	$-
Total Unit cost	$0.0199	$0.0762	$0.0373	$0.0901	$-

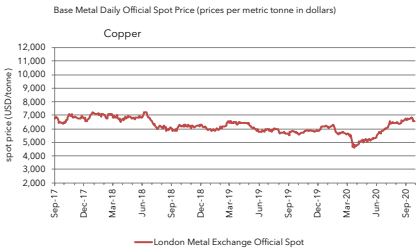
2018	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half-Dollar
Cost of Goods Sold	$0.0178	$0.0659	$0.0323	$0.0778	$0.0526
Selling, General & Administrative	$0.0025	$0.0085	$0.0045	$0.0099	$0.0132
Distribution to FRB	$0.0003	$0.0009	$0.0005	$0.0010	$0.0000
Total Unit cost	$0.0206	$0.0753	$0.0373	$0.0887	$0.0658

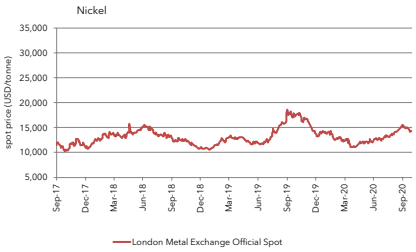
SHIPMENTS, COSTS, AND SEIGNIORAGE BY DENOMINATION
(coins and dollars in millions except seigniorage per $1 issued)

2020	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half Dollar	Mutilated & Other	Total
Coin Shipments	8,174	1,598	2,801	2,906	$-	$-	15,479
Value of Shipments	$81.8	$79.9	$280.1	$726.5	$0.2	$-	$1,168.5
Gross Cost	$144.0	$118.7	$104.5	$250.2	$0.1	$1.1	$618.6
Cost of Goods Sold	$125.7	$105.9	$92.6	$223.9	$0.1	$1.1	$549.3
Selling, General & Administrative	$18.3	$12.8	$11.9	$26.3	$-	$-	$69.3
Seigniorage	$(62.2)	$(38.8)	$175.6	$476.3	$0.1	$(1.1)	$549.9
Seigniorage per $1 Issued	$(0.76)	$(0.49)	$0.63	$0.66	$0.50	$-	$0.47

2019	One-Cent	Five-Cent	Dime	Quarter-Dollar	Half Dollar	Mutilated & Other	Total
Coin Shipments	7,315	1,153	2,215	1,783	$-	$-	12,466
Value of Shipments	$73.2	$57.6	$221.5	$445.8	$-	$ -	$798.1
Gross Cost	$145.8	$87.9	$82.7	$160.6	$-	$2.8	$479.8
Cost of Goods Sold	$124.9	$76.9	$71.3	$140.2	$-	$2.8	$416.1
Selling, General & Administrative	$20.9	$11.0	$11.4	$20.4	$-	$-	$63.7
Seigniorage	$(72.6)	$(30.3)	$138.8	$285.2	$-	$(2.8)	$318.3
Seigniorage per $1 Issued	$(0.99)	$(0.53)	$0.63	$0.64	$-	$-	$0.40

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





THE CORONAVIRUS (COVID-19) IMPACT ON THE UNITED STATES MINT

The pandemic had a direct impact on the Mint's operations and production levels. As a result, circulating coin demand soared and bullion coin demand increased dramatically. The Mint processed a reapportionment request late in the year for additional budgetary resources for metal purchases necessary to meet increased demand as a result of COVID-19. The request was for an additional $1.2 billion, and was approved by Treasury and OMB. The Mint used approximately 74% of this increase in funds, as demand began to level off in September. Since COVID-19 is still very much an unknown pandemic, it is difficult to exactly estimate our future budgetary needs.

Mint employees proactively tackled the many challenges posed by the novel coronavirus including instituting numerous safety measures for employees. The Mint achieved a FY 2020 Total Recordable Case Rate (TRCR) of 1.29.

The Mint successfully responded to the unanticipated and unprecedented demand for circulating coins to meet increased Federal Reserve demand. The Mint produced a record monthly production of nearly 11 billion coins during the last six months of the fiscal year to meet demand. In FY 2020 the Mint shipped 15.5 billion coins, its highest circulating shipments since FY 2016.

Another challenge the Mint tackled was responding to the record demand for bullion coins. Bullion demand surged from March – September, with a record 24,713.0 million ounces sold due to the surge in demand from COVID-19. Bullion revenue also reached the highest level in the last five years at $2,111.7 million.

As a result, the Mint's net income before protection expenses increased 86.9 percent over last year, topping $608.5 million.

UNITED STATES MINT RELEASES FINAL COIN IN PREAMBLE TO THE DECLARATION OF INDEPENDENCE PLATINUM PROOF COIN SERIES

This year, the Mint released the final coin in the three-year Preamble to the Declaration of Independence Platinum Proof Coin Series. The coin's design represents the theme Pursuit of Happiness. Previous coins released in the series represent Life (2018) and Liberty (2019).

The obverse (heads) design of the 2020 coin depicts Lady Liberty harvesting the fruits of her labor with a young girl at play nearby. The overflowing cornucopia she carries is a symbol of the physical, intellectual, and spiritual bounty only liberty makes possible—the good things that nourish the body, enliven the mind, and satisfy the soul. The home, orchard, and silo represent American hopes, values, and aspirations and bring to a close the narrative told throughout the backgrounds of the series—from furrowed earth, to prairies and mountains, and finally to an agrarian field. The stubble field alludes to the ingenuity and exertion required to claim liberty's promise.

Obverse inscriptions are "E PLURIBUS UNUM," "IN GOD WE TRUST," "Happiness," "2020," and "LIBERTY." The inscription "Happiness" is a facsimile of the handwritten word from the Declaration of Independence and includes the long "s," a letterform that was typical of its time but is no longer in common use.

The common reverse (tails) design for coins in this series depicts an eagle in flight with an olive branch in its talons. Inscriptions are "UNITED STATES OF AMERICA," "$100," "1 OZ.," and ".9995 PLATINUM."

The Preamble to the Declaration of Independence Platinum Proof Coin Series 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 design. Mint Artistic Infusion Program (AIP) designer Justin Kunz created the obverse designs, while Mint Sculptor-Engraver Michael Gaudioso sculpted the 2020 obverse design. AIP designer Patricia Lucas-Morris created the common reverse design, which former Mint Sculptor-Engraver Don Everhart sculpted.

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 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 2020, the Mint sold 24.7 million ounces of bullion, an increase of 5.9 million ounces or 31.4 percent compared to FY 2019. Because of increased demand for gold bullion, FY 2020 bullion coin revenue and net income increased compared to FY 2019. Revenue totaled $2,111.7 million, up 209.3 percent from $682.7 million last year. Net income increased 725.0 percent to $46.2 million from $5.6 million, driven by an increase in American Eagle gold and American Eagle silver bullion revenue, which increased 407.5 percent and 64.5 percent, respectively.

In FY 2020, total demand for bullion rose from FY 2019 levels driven by increases in gold bullion coin ounces sold, resulting in an increase in bullion revenue 209.3 percent above this time last year. Demand for gold surged in FY 2020 as a result of uncertainty caused by the COVID-19 pandemic. Gold ounces sold were 256.8 percent higher than in FY 2019, leading to an increase in gold bullion revenue of 375.4 percent.

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.

As a result of the uncertainty in the stock market caused by the COVID-19 pandemic, demand for gold bullion ounces rose significantly in FY 2020 compared to FY 2019. Sales increased 619.0 thousand ounces (256.8 percent) to 860.0 thousand ounces, with a 280.5 percent increase in American Eagle gold bullion coin ounces sold.

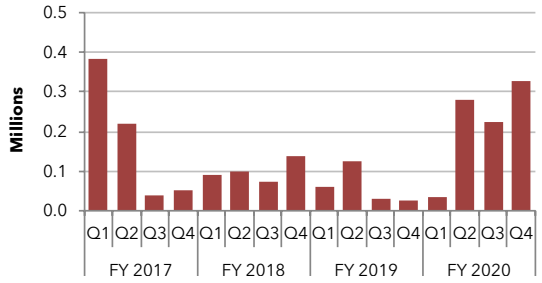
Gold bullion revenue increased by 375.4 percent to $1,537.6 million because of increases of 407.5 percent in American Eagle revenue and 291.4 percent in American Buffalo revenue, respectively. FY 2020 total gold bullion net income increased by $25.9 million to $31.5 million (462.5 percent) above the $5.6 million in FY 2019. American Buffalo gold earnings increased by $5.4 million to $6.5 million compared to $1.1 million in FY 2019. American Eagle gold earnings increased by $20.5 million to $25.0 million compared to $4.5 million in FY 2019.

The FY 2020 average daily spot price of gold was $1,672.06 per ounce, up 25.8 percent from $1,329.04 last year.

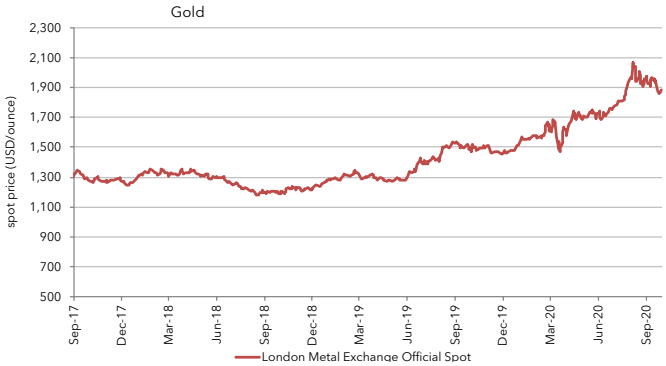
BULLION COINS
(dollars in millions)

	2020	2019	2018	2017	2016	% Change 2019 to 2020
Gold oz. sold (thousands)	860	241	397	693	1,018	256.8%
Silver oz. sold (thousands)	23,797	18,535	14,833	23,988	44,125	28.4%
Platinum oz. sold (thousands)	56	40	30	20	20	40.0%
Palladium oz. sold (thousands)	-	-	-	15	-	-
Sales Revenue	$2,111.7	$682.7	$823.4	$1,378.9	$2,085.3	209.3%
Gross Cost	$2,065.5	$677.1	$816.4	$1,368.0	$2,030.0	205.1%
Cost of Goods Sold	$2,043.5	$662.9	$799.7	$1,342.7	$2,003.9	208.3%
Selling, General & Administrative	$22.0	$14.2	$16.7	$25.3	$26.1	54.9%
Net Income	$46.2	$5.6	$7.0	$10.9	$55.3	725.0%
Bullion Net Margin	2.2%	0.8%	0.9%	0.8%	2.7%	175.0%

Total Gold Bullion Coin Sales (ounces sold in millions)



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



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

2020	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)	662	198	860	22,000	1,797	23,797	56	-	24,713
Sales Revenue	$1,188.1	$349.5	$1,537.6	$490.5	$34.1	$524.6	$49.5	-	$2,111.7
Gross Cost	$1,163.1	$343.0	$1,506.1	$471.2	$33.1	$504.3	$55.1	-	$2,065.5
Cost of Goods Sold	$1,158.8	$342.1	$1,500.9	$456.8	$31.7	$488.5	$54.1	-	$2,043.5
Selling, General & Administrative	$4.3	$0.9	$5.2	$14.4	$1.4	$15.8	$1.0	-	$22.0
Net Income	$25.0	$6.5	$31.5	$19.3	$1.0	$20.3	$(5.6)	-	$46.2
Bullion Net Margin	2.1%	1.9%	2.0%	3.9%	2.9%	3.9%	(11.3%)	-	2.2%

2019	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)	174	67	241	16,985	1,550	18,535	40	-	18,816
Sales Revenue	$234.1	$89.3	$323.4	$298.1	$26.6	$324.7	$34.6	-	$682.7
Gross Cost	$229.6	$88.2	$317.8	$293.7	$26.4	$320.1	$39.2	-	$677.1
Cost of Goods Sold	$228.3	$87.9	$316.2	$282.8	$25.3	$308.1	$38.6	-	$662.9
Selling, General & Administrative	$1.3	$0.3	$1.6	$10.9	$1.1	$12.0	$0.6	-	$14.2
Net Income	$4.5	$1.1	$5.6	$4.4	$0.2	$4.6	$(4.6)	-	$5.6
Bullion Net Margin	1.9%	1.2%	1.7%	1.5%	0.8%	1.4%	(13.3%)	-	0.8%

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%

SILVER BULLION COIN RESULTS

Silver bullion ounces sold increased 5,262.0 thousand ounces (28.4 percent) to 23,797.0 thousand ounces in FY 2020, with a 29.5 percent increase in American Eagle silver bullion coin ounces sold and a 15.9 percent increase in America the Beautiful silver bullion compared to last year.

Net income from silver bullion coins increased 341.3 percent due to a $14.9 million increase (338.6%) in American Eagle silver earnings. America the Beautiful silver bullion coins experienced a $0.8 million increase (400.0 percent) in earnings compared to last year.

Higher volumes of silver bullion ounces sold meant that FY 2020 silver revenue increased by 61.6 percent. American Eagle silver revenue increased by $192.4 million (64.5 percent), and America the Beautiful silver bullion revenue increased by $7.5 million (28.2 percent).

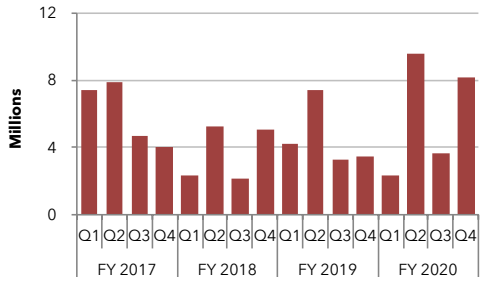
The FY 2020 average daily spot price of silver was $18.78 per ounce, up 21.2 percent from $15.50 compared to the same period last year.

PLATINUM BULLION COIN RESULTS

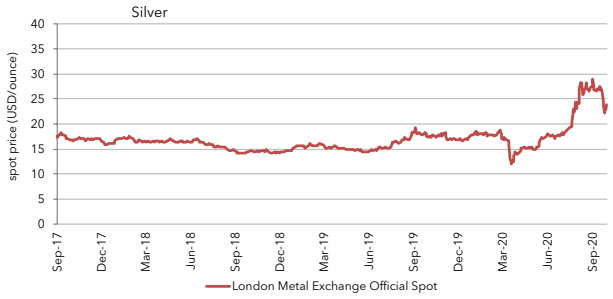
American Eagle Platinum coins sold increased 40.0 percent above the 40,000 ounces sold during FY 2019. As a result, revenue from platinum bullion in FY 2020 reached $49.5 million, 43.1 percent higher than FY 2019 platinum bullion revenue. The platinum bullion program incurred a $5.6 million loss during FY 2020.

The FY 2020 average daily spot price of platinum was $875.26 per ounce, up 3.8 percent from $842.97 per ounce in the same period last year.

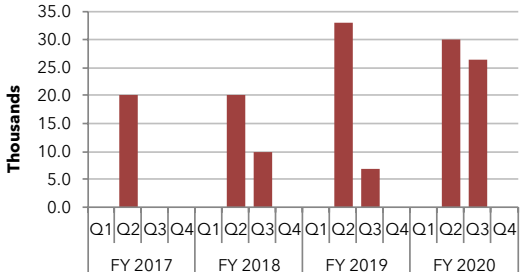
Total Silver Bullion Coin Sales (ounces sold in millions)



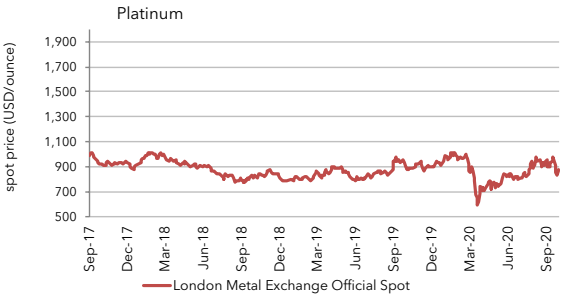
Precious Metal Daily Official Spot Price
(prices per troy ounce in dollars)



Total Platinum Bullion Coin Sales (ounces sold in thousands)



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



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 3.4 million units in FY 2020 compared to 4.3 million units in FY 2019. The largest driver was decreased sales volume in the commemorative coin product categories and the annual core coin product categories. Commemorative coin product sales were 57.3 percent less than last year. The Basketball Hall of Fame coin series was issued in June 2020 accounting for 68.9 percent of commemorative product sales, contributing 5.9 percent of overall numismatic units sold during FY 2020.

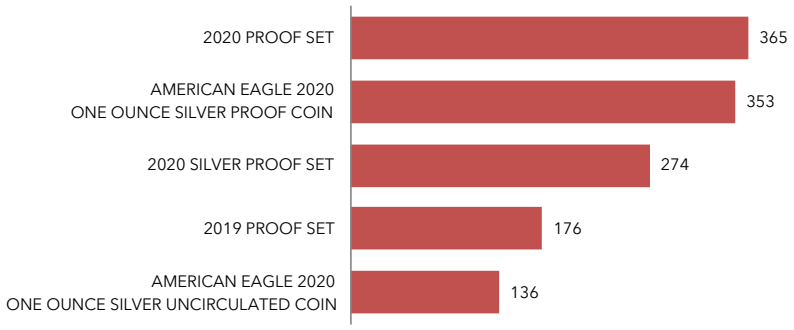
In addition, the annual core set unit sales were 21.0 percent lower than last year. All of the 2020 annual core sets decreased in sales compared to their 2019 counter parts, contributing 18.6 percent to the overall numismatic units sold in FY 2020.

Numismatic revenue was relatively flat compared to last year. FY 2020 numismatic revenue was $346.6 million, a $3.0 million (0.9 percent) decrease from FY 2019.

The 2020 United States Mint Proof Set and the 2020 American Eagle Silver One Ounce Proof Coin were the most popular sellers (in terms of units) this year, selling a combined 718.0 thousand units. Sales for these products were 1.0 percent lower than they were last year.

Gold and platinum numismatic products generated the largest share of revenue (46.8 percent) during FY 2020 compared to the other numismatic products. This category generated $162.2 million in numismatic revenue compared to $184.4 million revenue generated by the other categories. Net income for FY 2020 increased 629.4 percent compared to FY 2019. Although the annual recurring sets category recorded an $11.7 million net loss in FY 2020, FY 2020 numismatic net margin was positive, increasing to 3.6 percent from 0.5 percent in FY 2019. FY 2020 numismatic COGS decreased 3.7 percent by $9.8 million, driven by the decrease in unit sales. SG&A expenses decreased by 4.7 percent this year.

Top Selling Products Fiscal Year
(units sold in thousands)



UNITED STATES MINT DIRECTOR DAVID J. RYDER VISITS THE AMERICAN NUMISMATIC ASSOCIATION'S NATIONAL MONEY SHOW

On February 27, 2020, United States Mint Director David J. Ryder marked the official opening of the American Numismatic Association's (ANA) National Money Show with a ribbon-cutting ceremony at the Cobb Galleria Centre in Atlanta, GA.

Numismatists from all over the country were in attendance at one of the largest, most educational coin shows in the country. As the auditorium began to fill, it was evident that the Mint's booth is still considered the most popular and favorable in the coin collecting community.

One of the biggest highlights at the Mint's booth was the release of the 2020 United States Mint Proof Set® that included a specially packaged premium nickel from the West Point Mint. Director Ryder greeted customers as lines formed steadily just before the product's release at noon. Many numismatists took the opportunity to meet with the Director and get their newly purchased sets signed.

The Mint's booth also featured many other products and attractions. Mighty Minter™ Layla the Peahen made a few guest appearances and passed out Mint Collector Cards at the Young Collectors Forum that included over 40 Boy Scouts. The Mint also passed out coloring books, pencils, planchets, stickers and additional educational resources to children participating in the "Treasure Trivia" game, where children visited the Mint's booth to ask numismatic-related trivia questions.

The ANA National Money Show is one of the largest coin-related platforms that has allowed the Mint to successfully connect with its customers for over 20 years.

NUMISMATIC
(dollars in millions)

	2020	2019	2018	2017	2016	% Change 2019 to 2020
Units Sold (Thousands)	3,435	4,270	3,341	3,905	4,159	(19.6%)
Sales Revenue	$346.6	$349.6	$293.1	$387.5	$413.0	(0.9%)
Gross Cost	$334.2	$347.9	$308.4	$368.3	$378.5	(3.9%)
Cost of Goods Sold	$255.3	$265.1	$233.4	$302.5	$316.6	(3.7%)
Selling, General & Administrative	$78.9	$82.8	$75.0	$65.8	$61.9	(4.7%)
Net Income & Seigniorage	$12.4	$1.7	$(15.3)	$19.2	$34.5	629.4%
Numismatic Net Margin	3.6%	0.5%	(5.2%)	5.0%	8.4%	620.0%
Seigniorage Portion	$9.4	$8.6	$5.9	$10.2	$25.6	9.3%

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)

2020	Gold, Platinum, & Palladium Coin Products	Silver Coin Products	Annual Core Sets*	Quarter Products	Presidential & First Spouse Medals	Commemorative	Miscellaneous	American Innovation	Total
Units Sold (Thousands)	88	794	1,022	409	-	296	401	425	3,435
Sales Revenue	$162.2	$61.7	$42.1	$11.0	-	$23.9	$35.2	$10.5	$346.6
Gross Cost	$127.6	$47.5	$53.8	$18.1	$(0.1)	$22.7	$46.4	$18.2	$334.2
Cost of Goods Sold	$121.3	$32.0	$29.0	$9.7	$(0.1)	$16.4	$36.5	$10.5	$255.3
Selling, General & Administrative	$6.3	$15.5	$24.8	$8.4	-	$6.3	$9.9	$7.7	$78.9
Net Income & Seigniorage	$34.6	$14.2	$(11.7)	$(7.1)	$0.10	$1.2	$(11.2)	$(7.7)	$12.4
Numismatic Net Margin	21.3%	23.0%	(27.8%)	(64.5%)	-	5.0%	(31.8%)	0.0%	3.6%
Seigniorage Portion	-	-	-	$2.1	-	-	$2.9	$4.4	$9.4

2019	Gold, Platinum, & Palladium Coin Products	Silver Coin Products	Annual Core Sets*	Quarter Products	Presidential & First Spouse Medals	Commemorative	Miscellaneous	American Innovation	Total
Units Sold (Thousands)	95	903	1,294	423	-	694	552	309	4,270
Sales Revenue	$139.2	$70.0	$44.2	$10.3	-	$58.2	$21.6	$6.1	$349.6
Gross Cost	$124.8	$53.9	$62.0	$15.4	-	$51.9	$31.2	$8.7	$347.9
Cost of Goods Sold	$121.4	$36.3	$35.5	$8.1	-	$39.3	$19.8	$4.7	$265.1
Selling, General & Administrative	$3.4	$17.6	$26.5	$7.3	-	$12.6	$11.4	$4.0	$82.8
Net Income & Seigniorage	$14.4	$16.1	$(17.8)	$(5.1)	-	$6.3	$(9.6)	$(2.6)	$1.7
Numismatic Net Margin	10.3%	23.0%	(40.3%)	(49.5%)	-	10.8%	(44.4%)	(42.3%)	0.5%
Seigniorage Portion	-	-	-	$2.1	-	-	$3.3	$3.2	$8.6

2018	Gold & Platinum Coin Products	Silver Coin Products	Annual Core Sets*	Quarter Products	Presidential & First Spouse Medals	Commemorative	Miscellaneous	American Innovation	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

**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 2020, two commemorative coin programs were released – the Basketball Hall of Fame Commemorative Coin Program and the Women's Suffrage Centennial Commemorative Coin Program

The 2020 Basketball Hall of Fame commemorative coins had revenue of $18.8 million with surcharges of $1.9 million through September 30. This program runs through calendar year 2020, and final surcharges will be totaled December 31. The surcharges are authorized to be paid to the Naismith Memorial Basketball Hall of Fame to fund an endowment that will enable its increased operations and educational programming.

The 2020 Women's Suffrage commemorative coins had revenue of $3.2 million with surcharges of $0.4 million through September 30. This program runs through calendar year 2020, and final surcharges will be totaled December 31. The surcharges are authorized to be paid to the Smithsonian Institution's American Women's History Initiative for research and creation of exhibits and programs to highlight the history and impact of women in the United States.

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 two Congressional Gold Medals.

Steve Gleason Medal

This medal is a bronze duplicate of the Congressional Gold Medal awarded to Steve Gleason at a ceremony in the U.S. Capitol Building on January 15, 2020, in recognition of his fight to raise ALS awareness. Gleason played seven seasons in the National Football League with the New Orleans Saints before retiring in 2008. Diagnosed with ALS, frequently known as Lou Gehrig's Disease, in 2011, he established "The Gleason Initiative Foundation," also known as "Team Gleason." Its mission is to show that patients can live and thrive after a diagnosis of ALS, a terminal neuro-muscular disease.

USS Indianapolis Medal

The USS Indianapolis, commanded by Captain Charles Butler McVay III, carried 1,195 personnel when it set sail for the island of Tinian on July 16, 1945, to deliver components of the atomic bomb "Little Boy." After completing that mission, minutes after midnight on July 30, 1945, the ship was hit by two torpedoes from a Japanese submarine and sank quickly. After four days in the water, survivors were spotted and a rescue mission was executed. Only 316 men of the crew of 1,195 survived the ordeal and the survivors endured severe burns, exposure to the elements, extreme dehydration and shark attacks. The sacrifice, perseverance, and bravery of the crew of the *USS Indianapolis* should never be forgotten.

UNITED STATES MINT HOSTS CEREMONIAL STRIKE OF 2020 BASKETBALL HALL OF FAME COMMEMORATIVE COIN

On February 25, 2020, United States Mint Director David J. Ryder hosted members and supporters of the Naismith Memorial Basketball Hall of Fame at a ceremonial striking of the 2020 Basketball Hall of Fame Silver Dollar Coin at the Philadelphia Mint. Event participants included Naismith Basketball Hall of Fame President John Doleva; basketball legends Julius Erving and Sheryl Swoopes; and Massachusetts Congressman Richard Neal, who sponsored the legislation (Public Law 115-343) authorizing the Basketball Hall of Fame Commemorative Coin Program.

In recognition of the 60th anniversary of the Naismith Memorial Basketball Hall of Fame, the Mint will produce and issue up to 50,000 $5 gold coins, 400,000 $1 silver coins, and 750,000 half–dollar clad coins. Surcharges collected from coin sales—$35 for each gold coin, $10 for each silver coin, and $5 for each half–dollar coin—are authorized to be paid to the Naismith Memorial Basketball Hall of Fame to fund an endowment that will enable increased operations and educational programming.

All three coins will be dome-shaped and will feature common obverse (heads) and reverse (tails) designs. The common obverse design features three players reaching for the ball in unison, reflecting how the sport of basketball has brought together diverse people around the world through a simple, universal, and unifying athletic experience. Their arms are slightly elongated to emphasize the full exertion of physical and mental energy required to excel in this sport. The rim and net are subtle background design elements complementing the three players. Inscriptions are “LIBERTY,” “IN GOD WE TRUST,” and “2020.”

The common reverse design depicts a basketball about to pass through the net, with the inscriptions of “UNITED STATES OF AMERICA” and “E PLURIBUS UNUM.” Additional inscriptions include “FIVE DOLLARS” on the gold coin, “ONE DOLLAR” on the silver dollar, and “HALF DOLLAR” on the clad coin.

Mint Artistic Infusion Program (AIP) artist Justin Kunz created the obverse design, which was selected from a public competition as required by the authorizing legislation. The common reverse design is by AIP artist Donna Weaver. Mint Medallic Artists Michael Gaudioso and Phebe Hemphill sculpted the designs, respectively.

UNITED STATES MINT ANNOUNCES DESIGN FOR 2020 WOMEN'S SUFFRAGE CENTENNIAL SILVER DOLLAR AND SILVER MEDAL

The 2020 Women's Suffrage Centennial Silver Dollar is authorized by Public Law 116-71 to commemorate the ratification of the 19th Amendment to the Constitution of the United States, giving women the right to vote. Giving millions of female citizens the right to vote profoundly changed our Nation by moving it far closer to its promise of inclusion and equality. Surcharges of $10 per coin sold are authorized to be paid to the Smithsonian Institution's American Women's History Initiative for research and creation of exhibits and programs to highlight the history and impact of women in the United States. The surcharges also assist in creating exhibitions and programs that recognize diverse perspectives on women's history and contributions. The legislation authorizes the Mint to strike and issue up to 400,000 $1 silver coins.

Developed in conjunction with the 2020 Women's Suffrage Centennial Silver Dollar, the limited edition 99 percent silver medal accompanies the silver dollar celebrating the 100th anniversary of the ratification of the 19th Amendment.

Artistic Infusion Program (AIP) artist Christina Hess designed both the obverse (heads) and reverse (tails) of the coin, which were both sculpted by United States Mint Medallic Artist Phebe Hemphill. The obverse of the coin features overlapping profiles of three distinct women. Each woman is wearing a different type of hat to symbolize the many decades the suffrage movement spanned. The figure in the foreground is wearing a cloche hat with an art deco pattern and a button with the year of the 19th Amendment's ratification. The inscriptions "LIBERTY," "$1," and "E PLURIBUS UNUM" encircle the design.

The reverse design shows "2020" being dropped into a ballot box, styled with art deco elements to indicate the artistic style of the era. "VOTES FOR WOMEN" is inscribed inside a circle on the front of the box. The inscriptions "UNITED STATES OF AMERICA" and "IN GOD WE TRUST" are on the ballot box.

The silver medal is only available in the Women's Suffrage Centennial Proof Silver Dollar and Medal Set, with a limited production of 10,000 sets. The medal will be available in bronze beginning sometime in 2021. All costs associated with the production of the medals will be covered by the retail price of these products.

The obverse of the medal, designed by AIP artist Beth Zaiken and sculpted by United States Mint Medallic Artist Renata Gordon, features a child's reaching hand, amid adult women's hands and arms holding up a heavy weight—a kind of "foundation" of stone. Women's suffrage was a struggle that continued across generations, with countless hands turned to the task. "WOMEN'S SUFFRAGE CENTENNIAL" is inscribed.

The reverse of the medal, designed by AIP artist Patricia Lucas-Morris and sculpted by United States Mint Medallic Artist Renata Gordon, honors the Women's Suffrage Movement by juxtaposing the text of the 19th Amendment, ratified in 1920, with the flag of the United States. "1920" is inscribed.

CONGRESSIONAL GOLD MEDALS

STEVE GLEASON RECEIVES CONGRESSIONAL GOLD MEDAL

On January 15, 2020, Congress presented former National Football League player Stephen Michael Gleason with the Congressional Gold Medal – the highest civilian honor given by Congress. The *Steve Gleason Congressional Gold Medal* honors the efforts of Steve Gleason and the Gleason Initiative Foundation, also known as Team Gleason, in finding a solution and raising awareness about the amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig's disease.

The obverse (heads), designed by AIP artist Ronald D. Sanders and sculpted by Medallic artist Phebe Hemphill, features a portrait of Steve Gleason and includes the inscriptions "STEVE GLEASON" and "ACT OF CONGRESS 2019." In the reverse (tails), designed by AIP artist Emily Damstra and sculpted by Medallic artist Eric David Custer, depicts a scene from his childhood in the Pacific Northwest, representing his life of travel and exploration and includes the inscription "KEEP EXPLORING."

Gleason played in 83 games for New Orleans Saints from 2000 to 2006, emerging as a special teams leader and blocking four punts. His final block occurred against Atlanta on September 26, 2006, the night the Superdome reopened for the first time after serving as a shelter for thousands of people remaining in New Orleans when Hurricane Katrina struck almost 13 months earlier. He retired in 2008, and in 2011, Gleason got diagnosed with ALS. Since then, he continues to inspire countless people worldwide through his battle and research with ALS. Gleason helped to organize the ALS Ice Bucket Challenge in 2014, which raised more than $100 million to fight the disease.

At the Congressional Gold Medal presentation, Gleason was escorted by his wife, Michel, and son, Rivers, in the Statuary Hall at the U.S. Capitol Building. Members of Congress, Saints quarterback Drew Brees and family, Saints Owner Gayle Benson, NFL Commissioner Roger Goodell and former Commissioner Paul Tagliabue were among those in attendance. After the ceremony, United States Mint Director David J. Ryder presented the medal to Gleason, his family, and friends.

PEF EARNINGS AND TRANSFERS TO THE TREASURY GENERAL FUND

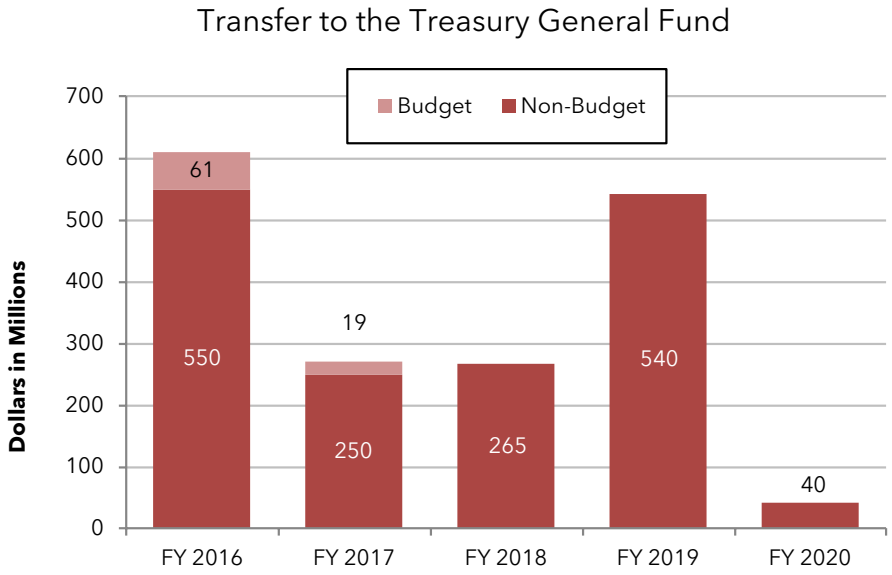
As required by 31 U.S.C. § 5136, the Mint deposits all receipts from operations and programs into the PEF.

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 2020 Protection costs increased by 11.2 percent to $47.8 million compared to $43.0 million last year. FY 2020 PEF earnings after protection costs increased to $560.7 million compared to $282.7 million last year.

The Mint made one transfer to the Treasury General Fund this fiscal year totaling $40 million. The Mint can make two types of transfers to the General Fund. 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 2019, the Mint did not make a budget transfer from numismatic and bullion earnings to the Treasury General Fund. On September 30, 2020, the Mint made a non-budget transfer of $40 million to the Treasury General Fund, compared to $540 that was transferred last year.



THE UNITED STATES MINT EXPANDS ITS EDUCATION OUTREACH EFFORTS

The United States Mint had a banner year with its education outreach. The Mint continued to grow its robust education efforts with new free online games for kids and saw increased traffic to its website and digital channels. The Mint also produced new educational materials and exhibited at education conferences around the country.

Some of the new games that the Mint launched this year include *Map Mania*, which teaches U.S. geography and helps students to learn the 50 states, state capitals, and state trivia based on the America the Beautiful Quarters® and 50 State Quarters Programs; and *Math Jam*, which challenges kids in solving math problems to score points. These popular new additions as well as the game *Coin Stamper* brought the total number of educational kids games up to 14, driving an increase of over 50% in game visits. These efforts also helped to increase traffic to the H.I.P. Pocket Change™ Kids Site by over 21%. The Mint's kids website ranks number four in traffic for educational websites in the Federal government.

In recognition of its efforts, the Mint's Kids site – which features a digital library of U.S. coins and coin programs, educational videos, over 100 free printable coin coloring pages, and hundreds of free online K-12 lesson plans – was nominated as a finalist in November 2019 for Best Public Education Website by the International Association of Currency Affairs' Excellence in Currency 2019 Coin Awards.

Other education highlights this past year include:

- USMint.gov received nearly 20 million site visits in FY20, with over 64 million impressions in Google Search.
- New 3D animation and graphics on the Mint's YouTube channel helped drive an increase in traffic of over 1,200% to 2.7 million views.
- The monthly education newsletter *Lessons That Make Cents* saw an increase of 26% in click-throughs to the website.

Fulfilling its goal to inform and educate the American public, the Mint team produced a 2020 coloring book and four new pencil designs for kids and numismatists, as well as attended numerous conferences and events throughout the country. At the National Council for the Social Studies (NCSS) Annual Conference, Mint representatives distributed hundreds of diverse education materials to educators and engaged with the Federal Reserve, Government Publishing Office (GPO), Bureau of Labor Statistics, and Census Bureau. The Mint also responded to hundreds of education requests, and sent out tens of thousands of educational materials such as coloring books, collector cards, stickers, brochures, and lesson plans.

FOSTER A SAFE, FLEXIBLE, DIVERSE, AND ENGAGED WORKFORCE

In the Mint's constantly evolving business environment, our success begins with the safety, diversity and innovation of our workforce. This year in particular, the COVID pandemic posed specific challenges to keeping employees safe. Since many employees were required to report to work during a time when much of the nation was shutdown, ensuring their safety was our highest priority. To address the challenge, Headquarters and production facilities were updated with modern safety features. Furthermore, in the midst of these unsettling circumstances, we have continued to focus on communications and employee engagement, building trust, and promoting an environment in which everyone is treated fairly and respectfully.

DIVERSITY MANAGEMENT AND CIVIL RIGHTS

The Mint's Diversity Management and Civil Rights (DMCR) Office is responsible for the development and implementation of a model Equal Employment Opportunity (EEO) program that encourages and supports both affirmative employment, diversity and inclusion, and ensures compliance with Federal requirements.

This year, the Headquarters DMCR team established a new partnership with Prince George's Community College (PGCC), a predominately Black institution. The partnership is a collaborative effort with the Mint's Human Capital Directorate (HCD) to educate and inform students about the Mint as an employer of choice. Specifically, the DMCR Headquarters team in collaboration with HCD, presented a workshop on Navigating USAJobs for approximately 25 PGCC student attendees. In the future, the DMCR office plans to sponsor additional virtual workshops on a variety of topics.

ENVIRONMENTAL, SAFETY, HEALTH, ENERGY

COVID Safety Measures

To help protect the Mint's employees during the pandemic, various safety precautions were implemented throughout all the plant sites. For example, at the Denver Mint, extensive social distancing initiatives and other actions were put in place:

- Hand washing posters were displayed in all restrooms. Hand sanitizer stations were installed throughout the building, and hand sanitizing wipes were made readily available to all employees. Employees were encouraged to wipe down work stations and production areas regularly.
- The public tour route was closed.
- Conference bridge lines for teleconferencing and videoconferencing were utilized for all meetings.
- Most non-essential employees were encouraged to telework.
- Truck drivers were restricted to the exterior of the building only.
- Contractors were limited from entering the building to reduce interactions with employees.
- Lines were taped on the floor at six-feet intervals and signs posted to remind employees to socially distance at areas where personnel may congregate (such as at security screening).
- Occupancy limits on elevators were implemented.
- Daily Covid-19 Safety Tip with the DO THE RIGHT THING motto were sent out daily.
- Oncoming shifts were staggered.
- The Tray-Less Challenge was implemented. Eliminating the use of trays at entry and exit points helped limit the number of surfaces being touched.

Denver Safety

The Die Manufacturing Division at the Denver Mint continued its outstanding achievement of performing the duties of the division without recordable incidents or lost time accidents. The division has successfully completed 4,197 days (11 ½ years) without an Occupational Safety and Health Administration (OSHA) recordable incident, and 5,147 days (a little more than 14 years) without a Lost Time Accident (LTA). This is a great demonstration of a safety-conscious work environment that has been maintained for over a decade.

In addition, the Coining Department reached a milestone in January when the division went a year without an LTA or OSHA recordable incident. This accomplishment hasn't happened in 15 years. This was accomplished by daily communications between safety teams, direct supervisors and employee interaction, giving the employee a direct voice and the ability to work on the safety issue most concerning to them.

Lastly, safety in the shipping and receiving dock area is monitored weekly by the established Dock and Fork Lift Safety Council team. The team addresses concerns related to dock operations that relate to Powered Industrial Truck (PIT) operations within the facility. This is a joint effort between Coining and Plant Engineering along with the union to continually improve equipment and PIT operation procedures to best meet the needs of the facility and the safety of the operators. All Denver Mint dock operational procedures are reviewed and updated by the dock operations safety team.

San Francisco Mint Electric Forklifts vs. Internal Combustion Engine Forklifts

The San Francisco Mint's Inventory and Packaging team worked diligently to purchase two electric forklifts. Previously, the Mint had employed the use of two propane fueled Internal Combustion Engine (ICE) forklifts for indoor and outdoor use. However, research revealed that electric forklifts are a better choice, for efficiency and for the environment. Some of the main disadvantages of ICE forklifts are: 1) poor air quality caused by exhaust fumes; 2) the high cost of propane; and, 3) continued maintenance costs. Conversely, electric forklifts are environmentally friendly as they are reliant on batteries and produce no exhaust emissions or fumes. This improves air quality for employees and customers alike. Additionally, there is no possibility of damage to work products from engine exhaust. Other advantages of electric forklifts include: 1) the absence of a fuel tank, which reduces the risk of fires; 2) the smaller size, which makes them easier to handle; and 3) less maintenance, fewer breakdowns and a longer service life. The Mint continuously seeks opportunities to identify and employ safe and more environmentally friendly equipment Mint-wide.

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, Management's Responsibility for Enterprise Risk Management and Internal Control, 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 2020. 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's 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. Based on the results of this assessment, the Mint can provide unmodified assurance that its internal control over financial reporting as of June 30, 2020, 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 Officers 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.

Kristie McNally
United States Mint
Chief Financial Officer

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

As the Chief Financial Officer at the United States Mint, I am very pleased to present the Fiscal Year 2020 Annual Report. I am also proud to report that the Mint's independent auditors have once again rendered an unmodified or "clean" audit opinion on these financial statements. This year was challenging and I would like take this opportunity to issue a heartfelt thank you to all of the dedicated men and women at the United States Mint for their hard work and dedication toward making Fiscal Year 2020 yet again an overall success.

As the financial statements show, the Mint continues to be in good fiscal health. Continued efforts to control costs, increase efficiency, and strategically reserve 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 efforts, combined with innovative products and partnerships, have shown positive results for the Mint during Fiscal Year 2020.

FY 2020 revenue was $3,626.8 million, an increase of 98.1 percent compared to last year. Cost of goods sold (COGS) increased 111.9 percent to $2,848.1 million. Selling, general and administrative (SG&A) expenses increased 5.9 percent to $170.2 million from last year. Total seigniorage and net income before Protection expenses increased 86.9 percent to $608.5 million compared to last year, reflecting the impact of increased circulating and bullion demand.

Circulating coin shipments increased 24.2 percent to 15,479 million coins in FY 2020, driven by increased shipments in all denominations. Circulating revenue increased 46.4 percent to $1,168.5 primarily because of increased nickel, dime and quarter-dollar shipments. Seigniorage increased 72.8 percent to $549.9 million. Seigniorage per dollar issued increased to $0.47 from $0.40 last year.

Demand for bullion coins increased in FY 2020 compared to last year. The Mint sold 24,713.0 million ounces of gold, silver, and platinum bullion coins, an increase of 5,897.0 million ounces from last year. Total bullion revenue

increased 209.3 percent to $2,111.7 million in FY 2020, primarily due to a 375.4 percent increase in gold bullion coin revenues. Bullion coin net income increased 725.0 percent to $46.2 million and bullion coin net margin increased to 2.2 percent compared to 0.8 percent last year.

As the world was threatened by the global pandemic caused by COVID-19, United States Mint leadership took swift action to reduce the risk of Mint employees' exposure to the Novel Coronavirus. Out of an abundance of caution, the Mint temporarily closed public tours of its facilities in Philadelphia and Denver along with their gift shops. Every location purchased face masks for employees to use at work and all employees were required to wear them while at work. Additionally, we implemented "minimum personnel" staffing at each facility to ensure safe social distancing while still allowing production to continue, and allowed employees to use telework to the maximum extent possible. Mint facilities upgraded their security areas to further protect our employees. The Mint continued to fulfill its mission of protecting our nation's strategic assets and producing trusted currency while also taking appropriate precautions in responding limiting the risk of public health risks.

On a more positive note, this year marks the 100th anniversary of the passage of the 19th Amendment, guaranteeing and protecting women's constitutional right to vote. This movement granted millions of female citizens the right to vote and profoundly changed our Nation by moving it far closer to its promise of inclusion and equality. To commemorate this occasion, the Mint produced the Women's Suffrage Centennial Silver Dollar. The coin's designs were inspired by and honor the women pioneers, activists, and others who bravely fought for many years to ensure these rights were recognized and to make the right to vote a reality. It is fitting that the coin designs featured in the program were expertly crafted and engraved by women artists. The Mint takes great pride in offering this coin program and recognizing the important role women play in the history of our nation.

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.

We are proud that the Mint continues to be strong financially and remain dedicated to helping lead the Mint's efforts to operate in the most cost effective manner. 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. These commitments have truly been essential to the Mint's meeting its mission this fiscal year.

Kristie McNally

Kristie McNally, Chief Financial Officer

THE MINT INCORPORATES A UNIQUE DESIGN ELEMENT FOR NEW $1 COIN PROGRAM

In 2020, the Mint issued four $1 coins in its American Innovation™ $1 Coin Program honoring innovation and innovators. The American Innovation $1 Coin Program is a multi-year series that recognizes significant innovations and pioneering efforts of individuals or groups from each of the 50 states and U.S. territories. For this program, the Mint incorporated a unique design element in the form of a privy mark to tie together the disparate designs.

Each coin in the 2020 series features a privy mark in the form of a stylized gear, representing industry and innovation. The distinctive privy mark signifies its importance in the historical $1 coin program. American Innovation $1 Coins feature a common obverse (heads) design depicting a dramatic representation of the Statue of Liberty and the required inscriptions "$1" and "IN GOD WE TRUST."

Privy marks were developed centuries ago to identify the mint and most importantly to assist in the prevention of counterfeiting. Throughout the years, privy marks have been designed to commemorate and honor special events.

The remaining releases in the American Innovation $1 Coin Program will include a different privy mark each year through 2032. Four new $1 coins with distinctive reverse designs will be released each year in the order the States ratified the Constitution of the United States or were admitted to the Union. Once a coin is issued for each State, coins will be released for the District of Columbia and U.S. territories.

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Independent Auditors' Report

Deputy 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, 2020 and 2019, 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. 19-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-03 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.

KPMG LLP, a Delaware limited liability partnership and a member firm of
the KPMG global organization of independent member firms affiliated with
KPMG International Limited, a private English company limited by guarantee.

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, 2020 and 2019, 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 Values, The United States Mint at a Glance, Message from the Chief Financial Officer, and Appendix I: FY 2020 Coin and Metal 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, 2020, we considered the United States Mint's internal control over financial reporting (internal control) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal

control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the United States Mint's financial statements as of and for the year ended September 30, 2020 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. 19-03.

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, 2020

DEPARTMENT OF THE TREASURY UNITED STATES MINT
BALANCE SHEETS

As of September 30, 2020 and 2019

(dollars in thousands)	2020	2019
Assets		
Intragovernmental:		
Fund Balance with Treasury (Note 3)	$1,038,662	$879,289
Advances and Prepayments (Note 5)	2,558	2,823
Total Intragovernmental Assets	1,041,220	882,112
Custodial Gold and Silver Reserves (Note 6)	10,493,740	10,493,740
Accounts Receivable, Net (Note 4)	21,208	11,564
Derivative, Asset (Note 19)	7,379	1,533
Inventory (Note 7)	737,622	365,152
Supplies	20,015	19,618
Property, Plant and Equipment, Net (Note 8)	204,714	196,637
Advances and Prepayments (Note 5)	950	3
Total Non-Intragovernmental Assets	11,485,628	11,088,247
Total Assets (Notes 2 and 14)	$12,526,848	$11,970,359
Heritage Assets (Note 9)		
Liabilities		
Intragovernmental:		
Accounts Payable	$227	$261
Accrued Workers' Compensation and Benefits	8,233	8,068
Due to the General Fund	1	1
Total Intragovernmental Liabilities	8,461	8,330
Custodial Liability to Treasury (Note 6)	10,493,740	10,493,740
Accounts Payable	43,167	24,379
Surcharges payable (Note 3)	3,729	9,741
Accrued Payroll and Benefits	23,086	19,244
Other Actuarial Liabilities	32,380	31,424
Unearned Revenues	9,091	2,610
Deposit Fund Liability	30	30
Total Non-Intragovernmental Liabilities	10,605,223	10,581,168
Total Liabilities (Notes 10 and 14)	$10,613,684	$10,589,498
Commitments and Contingencies (Notes 12 and 13)		
Net Position		
Cumulative Results of Operations - Funds from Dedicated Collections (Note 14)	1,913,164	1,380,861
Total Liabilities and Net Position	$12,526,848	$11,970,359

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, 2020 and 2019

(dollars in thousands)	2020	2019
Numismatic Production and Sales		
Gross Cost	$2,396,952	$1,022,704
Less Earned Revenue	(2,446,177)	(1,021,460)
Net Program Cost (Revenue)	$(49,225)	$1,244
Numismatic Production and Sales of Circulating Coins		
Gross Cost	2,537	2,040
Less Earned Revenue (Note 15)	(2,537)	(2,040)
Net Program Cost (Revenue)	$-	$-
Circulating Production and Sales		
Gross Cost	618,429	479,709
Less Earned Revenue (Note 15)	(618,429)	(479,709)
Net Program Cost (Revenue)	$-	$-
Net Cost (Revenue) Before Protection of Assets	$(49,225)	$1,244
Protection of Assets		
Protection Costs	47,841	43,006
Less Earned Revenue	-	-
Net Cost of Protection of Assets	47,841	43,006
Net Cost (Revenue) from Operations (Note 14)	$(1,384)	$44,250

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, 2020 and 2019

(dollars in thousands)	2020	2019
Cumulative Results of Operations		
Net Position, Beginning of Year - Funds from Dedicated Collections	$1,380,861	$1,624,155
Financing Sources:		
Transfers to the Treasury General Fund Non-Budget	(40,000)	(540,000)
Other Financing Sources (Seigniorage) (Note 15)	559,306	326,901
Imputed Financing Sources (Note 11)	11,613	14,055
Total Financing Sources	530,919	(199,044)
Net Revenue/Cost from Operations	1,384	(44,250)
Net Position, End of Year - Funds from Dedicated Collections (Note 14)	$1,913,164	$1,380,861

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, 2020 and 2019

(dollars in thousands)	2020	2019
Budgetary Resources		
Unobligated balance from prior year budget authority, net	$487,203	$730,755
Spending Authority from Offsetting Collections	3,574,087	1,292,334
Total Budgetary Resources	$4,061,290	$2,023,089
Status of Budgetary Resources		
New Obligations and Upward Adjustments (total) (Note 16)	$3,462,361	$1,555,462
Unobligated balance, end of year	$598,929	$467,627
Apportioned, unexpired accounts	594,346	467,603
Unapportioned, unexpired accounts	4,583	24
Total Budgetary Resources	$4,061,290	$2,023,089
Outlays, Net		
Outlays, net (total)	$(159,373)	$241,089
Distributed offsetting receipts	-	(1)
Agency Outlays, Net	$(159,373)	$241,088

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

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended September 30, 2020 and 2019

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. Two commercial vendors sublease portions 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 19).

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 that 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. Uncurrent coins are worn, but machine-countable, and their genuineness and denominations are still recognizable. The Mint reimburses the entity that sent in the mutilated or uncurrent coins using weight formulas that estimate the face value of these coins.

All mutilated or uncurrent coins received by the Mint are sold to its fabrication contractors to be processed into coils or blanks to be used in future coin production.

TAX EXEMPT STATUS

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

CONCENTRATIONS

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

CONTINGENT LIABILITIES

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

TRANSFERS TO THE TREASURY GENERAL FUND

The Mint 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-half cent per ounce. The Mint incurred $319 thousand in hedging fees in FY 2020, compared to $139 thousand incurred in FY 2019.

CLASSIFIED ACTIVITIES

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

2. NON-ENTITY ASSETS

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

(dollars in thousands)	2020	2019
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	2,033,108	1,476,619
Total Assets	$12,526,848	$11,970,359

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)	2020	2019
Status of Fund Balance with Treasury		
Unobligated Balance Available	$598,929	$467,627
Obligated Balance, Not Yet Disbursed	439,733	411,662
Non-Budgetary FBWT	-	-
Total	$1,038,662	$879,289

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, 2020 and 2019, the revolving fund balance included $3.7 million and $9.7 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)	2020	2019
With the Public		
Accounts Receivable	$21,462	$11,759
Allowance	(254)	(195)
Total Public Accounts Receivable	$21,208	$11,564
Total Accounts Receivable	$21,208	$11,564

In FY 2020 and FY 2019, the Mint had no Intragovernmental accounts receivable. Receivables with the public at September 30, 2020 are $21.5 million, of which $13.2 million is owed by fabricators for scrap, webbing, and mutilated coin. The remaining $8.3 million is owed by the public for numismatic products and the FRB for circulating coin shipments. This compares to receivables with the public at September 30, 2019, of $11.8 million, of which $7.7 million was owed by fabricators for scrap and webbing, in addition to the $4.1 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)	2020	2019
Intragovernmental	$2,558	$2,823
With the Public	950	3
Total Other Assets	$3,508	$2,826

In FY 2020, the Mint had an intragrovernmental advances and prepayment balance of approximately $2.6 million, which primarily represented payments made to the United States Postal Service for product delivery services as of September 30, 2020, compared to approximately $2.8 million paid at September 30, 2019. Advances with the public for FY 2020 represented payments made to the Mint's numismatic distributor for product delivery, while FY 2019 were for 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:

	2020	2019
Gold - Deep Storage:		
Inventories (FTO)	245,262,897	245,262,897
Market Value ($ per FTO)	$1,886.90	$1,485.30
Market Value ($ in thousands)	$462,786,560	$364,288,981
Statutory Value ($ in thousands)	$10,355,539	$10,355,539
Gold - Working Stock:		
Inventories (FTO)	2,783,219	2,783,219
Market Value ($ per FTO)	$1,886.90	$1,485.30
Market Value ($ in thousands)	$5,251,656	$4,133,915
Statutory Value ($ in thousands)	$117,514	$117,514
Silver - Deep Storage:		
Inventories (FTO)	7,075,171	7,075,171
Market Value ($ per FTO)	$23.73	$17.26
Market Value ($ in thousands)	$167,894	$122,117
Statutory Value ($ in thousands)	$9,148	$9,148
Silver-Working Stock		
Inventories (FTO)	8,924,829	8,924,829
Market Value ($ per FTO)	$23.73	$17.26
Market Value ($ in thousands)	$211,786	$154,043
Statutory Value ($ in thousands)	$11,539	$11,539
Total Market Value of Custodial Gold and Silver Reserves ($ in thousands)	**$468,417,896**	**$368,699,056**
Total Statutory Value of Custodial Gold and Silver Reserves ($ in thousands)	**$10,493,740**	**$10,493,740**

7. INVENTORY

The components of inventories at September 30 are summarized below:

(dollars in thousands)	2020	2019
Raw Materials	$347,168	$97,468
Work-In-Process	247,198	129,753
Inventory held for current sale	143,256	137,931
Total Inventory	$737,622	$365,152

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, 2020 and 2019, the inventory includes $505 million and $124 million, respectively, which are the market values of the silver hedged. Additional information regarding the derivative instrument can be found in Note 19. 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 that range between one to six percent of the asset's value and leases palladium for fees that range between one and nine 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 2020 and FY 2019, the Mint paid $1.2 million and $412 thousand in leasing fees for platinum. In FY 2020 and FY 2019, the Mint paid $100 thousand and $1.5 million in leasing fees for palladium.

8. PROPERTY, PLANT, AND EQUIPMENT, NET

Components of property, plant and equipment are as follows:

	SEPTEMBER 30, 2020		
(dollars in thousands)	Asset Cost	Accumulated Depreciation and Amortization	Total Property, Plant and Equipment, Net
Land	$2,528	$-	$2,528
Structures, Facilities and Leasehold Improvements	251,270	(168,698)	82,572
Computer Equipment	18,494	(16,402)	2,092
ADP Software	5,955	(4,625)	1,330
Construction-In-Progress	28,367	-	28,367
Machinery and Equipment	347,993	(260,168)	87,825
Total Property, Plant and Equipment, Net	$654,607	$(449,893)	$204,714

	SEPTEMBER 30, 2019		
(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	247,805	(160,239)	87,566
Computer Equipment	16,791	(15,623)	1,168
ADP Software	4,774	(4,699)	75
Construction-In-Progress	10,415	-	10,415
Machinery and Equipment	345,377	(250,493)	94,884
Total Property, Plant and Equipment, Net	$627,691	($431,054)	$196,637

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 2020 and FY 2019 were $26.9 million and $27.2 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	
Coin Collections	2020	2019
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	
Historical Artifacts	2020	2019
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)	2020	2019
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
Other	30	30
Total Liabilities Not Requiring Budgetary Resources	$10,493,770	$10,493,770
Total Liabilities Covered by Budgetary Resources	119,914	95,728
Total Liabilities	$10,613,684	$10,589,498

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 received goods and services from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by the Mint are recognized as imputed cost in the Statement of Net Cost, and are offset by imputed revenue in the Statement of Changes in Net Position. Such imputed costs and revenues relate to business-type activities, employee benefits, and claims to be settled by the Treasury Judgment Fund. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

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 $19,500 for calendar year 2020 (a $6,500 catch-up contribution can be made by participants age 50 and older in addition to the $19,500 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 38.5 percent of basic pay for CSRS-covered employees and 16.7 percent of basic pay for FERS-covered employees were in use for FY 2020. The CSRS and FERS factors were 38.4 percent and 16.9 percent, respectively, in FY 2019.

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)	2020	2019
Social Security System	$8,645	$7,947
Civil Service Retirement System	348	387
Federal Employees Retirement System		
(Retirement and Thrift Savings Plan)	20,165	16,470
Total Retirement Plans and Other Post-Employment Costs	$29,158	$24,804

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 $8,038 and $7,268 per employee enrolled in the Federal Employees Health Benefits Program in FY 2020 and FY 2019, 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 2020 and FY 2019.

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)	2020	2019
Health Benefits	$10,202	$9,103
Life Insurance	25	26
Pension Expense	1,077	4,360
Total Imputed Retirement and Postemployment Costs	$11,304	$13,489

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 2020, there were no payments by the Judgment Fund on behalf of the Mint. For FY 2019, the Judgment Fund paid $259 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 2020 and FY 2019, the Mint received unreimbursed services (imputed financing) from another federal agency in the amount of approximately $309 thousand in both years, 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.

Future Projected Payments:	Non-Federal Leases
FY 2021	$10,516,527
FY 2022	10,524,292
FY 2023	10,728,425
FY 2024	9,844,181
FY 2025	10,070,055
After 5 Years	128,804,012
Total Future Operating Lease Payments	$180,487,492

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, 2020, 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 agreements to sublet space in the Headquarters building to two commercial tenants. In response to COVID-19, the Mint agreed on a rent concession with one of its commercial tenants to defer certain lease payments to future years.

Future Projected Receipts:	Non-Federal Building Sub-Lease
FY 2021	$679,950
FY 2022	746,557
FY 2023	755,971
FY 2024	796,240
FY 2025	383,645
After 5 Years	1,251,420
Total Future Operating Lease Payments	$4,613,783

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 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. The Mint is also involved in two matters pending litigation, both related to the Mint's Mutilated Coin Redemption Program. In total, the two cases could have potential losses of approximately $10 million. The possibility of the Mint sustaining a loss in either of these cases is reasonably possible. 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. 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 Statements of Net Cost and Seigniorage from the Statements of Changes in Net Position for the years ended September 30:

(dollars in thousands)	2020	2019
Revenue - FRB	$618,429	$479,709
Seigniorage - FRB	549,914	318,278
Total Circulating Coins	$1,168,343	$797,987
Revenue - with the public	$2,537	$2,040
Seigniorage - with the public	9,392	8,623
Total Numismatic sales of Circulating Coins	$11,929	$10,663
Total Seigniorage	$559,306	$326,901

16. 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 2020 and FY 2019.

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

(dollars in thousands)	2020	2019
Category B		
Total Operating Expenses	$3,422,169	$1,517,144
Numismatic Capital	10,417	10,139
Circulating and Protection Capital	$29,775	$28,179
Total Apportionment Categories of Obligations Incurred	$3,462,361	$1,555,462

17. 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 with actual numbers for FY 2020 is expected to be published in February 2021 and made available through OMB. Therefore, the analysis presented here is for the prior year (FY 2019) "actual" figures published in the President's budget in February 2020. The following chart displays the comparison of the FY 2019 SBR and the actual FY 2019 balances included in the FY 2021 President's Budget. The differences between the FY 2019 SBR and the President's Budget on the Net Outlays line is due to rounding.

(rounded to millions)	September 30, 2019		
United States Public Enterprise Fund	Statement of Budgetary Resources	President's Budget	Difference
Budgetary Resources	$2,023	$2,023	$-
New Obligations Incurred and Upward Adjustments	$1,555	$1,555	$-
Net Outlays	$241	$242	$(1)

18. 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, 2020 and 2019, the Mint transferred excess receipts to the Treasury General Fund of $40 million and $540 million, respectively.

19. DERIVATIVE FINANCIAL INSTRUMENTS

At September 30, 2020 and 2019, the fair value of the silver forward contracts were an asset of $7.4 million and $1.5 million, respectively, which are located in "Derivative, Asset", in the Balance Sheets. The Mint recorded net losses of $72.0 million on its silver forward contract in FY 2020, compared to net gains of $11.8 million in FY 2019, located in "Gross Cost" in the Statements of Net Cost. At September 30, 2020 and 2019, the margin call transactions with the broker were net payments of $90 million and $5 million, respectively.

20. RECONCILIATION OF NET COST TO NET OUTLAYS

The Reconciliation of Net Cost to Net Outlays depicts the difference between budgetary and proprietary accounting information. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Proprietary accounting is intended to provide a picture of the U.S. government's financial operations and financial position, so it presents information on an accrual basis in accordance with U.S. GAAP, which includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of Net Outlays (presented on a budgetary basis) and the Net Cost (presented on an accrual basis) provides an explanation of the relationship between budgetary and proprietary accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and proprietary accounting. The analysis below illustrates this reconciliation by listing the key difference between net cost and net outlays:

Contra seigniorage in the reconciliation is a result of the difference between the seigniorage generated in FY 2020 and the non-budget transfer to the Treasury General Fund. The non-budget transfer to the Treasury General Fund did not result in a cost, but did result in an outlay. This number is negative as a result of transferring less seigniorage to the Treasury General Fund than was generated in FY 2020.

	September 30, 2020		
(dollars in thousands)	Intra-governmental	With the Public	Total FY 2020
Net Cost (Revenue) from Operations (SNC)	$85,375	$(86,759)	$(1,384)
Components of Net Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(26,931)	(26,931)
Property, plant, and equipment disposal & reevaluation	-	(192)	(192)
Increase/(decrease) in assets:			
Accounts receivable	-	9,644	9,644
Other assets	(265)	379,660	379,395
(Increase)/decrease in liabilities:			
Accounts payable	34	(25,267)	(25,233)
Salaries and benefits	(165)	(3,843)	(4,008)
Other liabilities	-	5,054	5,054
Other financing sources:			
Contra seigniorage	-	(519,306)	(519,306)
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(11,612)	-	(11,612)
Total Components of Net Cost That Are Not Part of Net Outlays	$(12,008)	$(181,181)	$(193,189)
Components of Net Outlays That Are Not Part of Net Cost			
Acquisition of capital assets	-	35,200	35,200
Total Components of Net Outlays That Are Not Part of Net Cost	-	35,200	35,200
Net Outlays (Calculated Total)	$73,367	$(232,740)	$(159,373)
Related Amounts on the Statement of Budgetary Resources			
Outlays, net, (total)			(159,373)
Distributed offsetting receipts			-
Outlays, Net			$(159,373)

(dollars in thousands)	September 30, 2019 Intra-governmental	With the Public	Total FY 2019
Net Cost (Revenue) from Operations (SNC)	$81,406	$(37,156)	$44,250
Components of Net Cost That Are Not Part of Net Outlays			
Property, plant, and equipment depreciation	-	(27,158)	(27,158)
Property, plant, and equipment disposal & reevaluation	-	(43)	(43)
Increase/(decrease) in assets:			
Accounts receivable	(82)	2,527	2,445
Other assets	(84)	(19,172)	(19,256)
(Increase)/decrease in liabilities			
Accounts payable	(76)	21,046	20,970
Salaries and benefits	(168)	(1,256)	(1,424)
Other liabilities	-	(5,701)	(5,701)
Other financing sources:			
Contra seigniorage	-	213,099	213,099
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(14,055)	-	(14,055)
Total Components of Net Cost That Are Not Part of Net Outlays	$(14,465)	$183,342	$168,877
Components of Net Outlays That Are Not Part of Net Cost			
Acquisition of capital assets	-	27,962	27,962
Total Components of Net Outlays That Are Not Part of Net Cost	-	$27,962	$27,962
Net Outlays (Calculated Total)	$66,941	$174,148	$241,089
Related Amounts on the Statement of Budgetary Resources			
Outlays, net, (total)			241,089
Distributed offsetting receipts			(1)
Outlays, Net			$241,088

21. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Undelivered orders represent goods and services ordered and obligated which have not been received. This includes any orders for which we have paid in advance, but for which delivery or performance has not yet occurred.

	September 30, 2020		
(dollars in thousands)	Federal	Non-Federal	Total
Paid	$2,558	$950	$3,508
Unpaid	3,330	329,327	332,657
Undelivered Orders at the End of the Year	$5,888	$330,277	$336,165

	September 30, 2019		
(dollars in thousands)	Federal	Non-Federal	Total
Paid	$2,823	$3	$2,826
Unpaid	2,956	325,513	328,469
Undelivered Orders at the End of the Year	$5,779	$325,516	$331,295

22. NET ADJUSTMENT TO UNOBLIGATED BALANCE, BROUGHT FORWARD OCTOBER 1

During the years ended September 30, 2020 and 2019, certain adjustments were made to the balance of unobligated budgetary resources available as of October 1, 2019 and 2018, located in the Statement of Budgetary Resources. These adjustments include downward adjustments to undelivered orders that were obligated in a prior fiscal year. The adjustments during the years ended September 30, 2020 and 2019 are presented below.

(dollars in thousands)	2020	2019
Unobligated balance, brought forward from prior year	$467,627	$710,912
Downward adjustments of prior year undelivered orders	$19,576	$19,843
Unobligated balance from prior year budget authority, net	$487,203	$730,755

23. SUBSEQUENT EVENTS

Management has determined that there are no subsequent events requiring accrual or disclosure through December 7, 2020.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

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 semiprecious 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 2020 and 2019, 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: FY 2020 COIN AND MEDAL PRODUCTS (UNAUDITED)

AMERICA THE BEAUTIFUL QUARTERS® PROGRAM

FRANK CHURCH RIVER OF NO RETURN WILDERNESS QUARTER – IDAHO

Released for Sale: November 4, 2019

Description: The Frank Church River of No Return Wilderness is composed of rugged mountains, deep canyons, and wild whitewater rivers, including the Main Salmon River and Middle Fork of the Salmon River. "Frank Church" was attached to the site's name in honor of late U.S. Senator Frank Church, who played a leading role in its preservation. The area is the largest single connected wilderness in the contiguous States and contains four national forests. The reverse design depicts a piloted drift boat on the rushing river encompassed by the trees and rock formations of the wilderness.

NATIONAL PARK OF AMERICAN SAMOA QUARTER – AMERICAN SAMOA

Released for Sale: February 3, 2020

Description: The National Park of American Samoa is located some 2,600 miles southwest of Hawaii and is one of the most remote in the U.S. national park system. Almost all of the land area of these volcanic islands is tropical rainforest. The park's area totals 13,500 acres, 4,000 of which are underwater. The reverse design depicts a Samoan fruit bat mother hanging in a tree with her pup. The image evokes the remarkable care and energy this species puts into its offspring. The design is intended to promote awareness to the species' threatened status resulting from habitat loss and commercial hunting.

WEIR FARM NATIONAL HISTORIC SITE QUARTER – CONNECTICUT

Released for Sale: May 18, 2020

Description: Weir Farm National Historic Site includes a 68-acre cultural landscape consisting of 15 historic structures, including houses, barns, studios, and outbuildings. The landscape features bedrock outcrops, historic gardens, stone terraces, specimen trees, orchards, fields, miles of stone laid walls, a pond, and hundreds of historic painting sites. The reverse design portrays an artist, wearing a painter's smock, painting outside Julian Alden Weir's studio. It is inspired by various images of the studio and Weir's paintings created on the property.

SALT RIVER BAY NATIONAL HISTORICAL PARK AND ECOLOGICAL PRESERVE QUARTER – U.S. VIRGIN ISLANDS

Released for Sale: July 10, 2020

Description: Salt River Bay National Historical Park and Ecological Preserve is a living museum on St. Croix, U.S. Virgin Islands. It possesses an archeological and historical heritage more than 2,000 years old that exists within a dynamic ecosystem, which supports threatened and endangered species. In 1992, Congress created Salt River Bay as part of the national park system to preserve, protect, and tell the story of its rich contributions to the Nation's natural and cultural heritage. The reverse design depicts a red mangrove tree in an early stage of its life cycle, as it evolves from a very small plant to an adult tree.

MARSH-BILLINGS-ROCKEFELLER NATIONAL HISTORICAL PARK QUARTER – VERMONT

Released for Sale: September 21, 2020

Description: The Marsh-Billings-Rockefeller National Historical Park is dedicated to telling the story of conservation history and the evolving nature of land stewardship in America. It was the boyhood home of George Perkins Marsh, one of America's first conservationists, and later the home of Frederick Billings, a conservationist and businessman. Its most recent owners, Laurance S. and Mary French Rockefeller, gave the property to the American people. The reverse design depicts a young girl completing the planting of a Norway spruce seedling near an established tree, continuing the life cycle of the forest. The child represents the conservationist, seeking to maintain a sustainable forest for future enjoyment and education.

AMERICAN INNOVATION™ $1 COIN PROGRAM

2019 AMERICAN INNOVATION $1 COIN – PENNSYLVANIA

Released for Sale: October 24, 2019

Description: When Dr. Jonas Salk and his team discovered the polio vaccine, it was a devastating disease disproportionately affecting children and young adults, leaving many of them paralyzed. The discovery of the vaccine changed the landscape of growing up and living in America. The reverse design depicts an artist's conception of the virus at three different levels of magnification along with the silhouette of a period microscope, representing the extensive research that was conducted to develop a cure for polio.

2019 AMERICAN INNOVATION $1 COIN – NEW JERSEY

Released for Sale: November 21, 2019

Description: It wasn't until the innovations of Thomas Edison and his researchers that light bulbs were made available to the public. By 1879, the team had managed to produce a bulb with a filament that could last 14.5 hours. They also developed a better vacuum pump to remove air from the bulb and developed the Edison screw, which remains the standard socket fitting for light bulbs. This marked the beginning of commercially manufactured light bulbs, giving people easy control over light in homes and businesses. The reverse design features an Edison bulb against an ornate background.

2019 AMERICAN INNOVATION $1 COIN – GEORGIA

Released for Sale: December 19, 2019

Description: General James Oglethorpe was a British soldier, Member of Parliament, and philanthropist who founded the Colony of Georgia. He established the Trustee Garden in Savannah in 1734, two years after the founding of the Georgia Trust. Dedicated to botany and agriculture, it reflected the scientific and commercial aspirations of the trustees and their backers in England. The reverse design depicts a hand planting seeds in the inscription "Trustees' Garden," from which grows a variety of species representing the variety of plants grown in the garden: an orange tree seedling, sassafras, grapes, white mulberry, flax, peaches, olive, and a young shoot too small to be identified.

2020 AMERICAN INNOVATION $1 COIN – CONNECTICUT

Released for Sale: July 21, 2020

Description: Heinz Joseph Gerber invented what came to be called the Gerber Variable Scale while he was studying aeronautical engineering at Rensselaer Polytechnic Institute in 1945, a few years after escaping Nazi-controlled Austria with his mother. The earliest version of the variable scale had been fashioned from an elastic band removed from a pair of pajamas. It allowed for the direct numerical reading of curves, graphs, and graphical representations. Because of its ease of use and quick solutions, the Gerber Variable Scale was a huge success and played a key role in 20th century mathematical advances. The reverse design depicts a Gerber Variable Scale being used to increase a geometric shape by 200 percent, a shape that resembles the state of Connecticut.

2020 AMERICAN EAGLE COIN PROGRAM

2020 AMERICAN EAGLE SILVER PROOF COIN

Released for Sale: January 9, 2020

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.

2020 PREAMBLE TO THE DECLARATION OF INDEPENDENCE PLATINUM PROOF COIN – "PURSUIT OF HAPPINESS"

Released for Sale: January 30, 2020

Description: The obverse design of the 2020 Preamble to the Declaration of Independence Platinum Proof Coin depicts Lady Liberty harvesting the fruits of her labor with a young girl at play nearby. The overflowing cornucopia she carries is a symbol of the physical, intellectual, and spiritual bounty only liberty makes possible. The home, orchard, and silo represent American hopes, values, and aspirations and bring to a close the narrative told throughout the backgrounds of the series—from furrowed earth, to prairies and mountains, and finally to an agrarian field. The stubble field alludes to the ingenuity and exertion required to claim liberty's promise. The reverse design depicts an eagle in flight with an olive branch in its talons.

2020 AMERICAN EAGLE GOLD PROOF COIN

Released for Sale: March 19, 2020

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.

2020 AMERICAN EAGLE PALLADIUM UNCIRCULATED COIN

Released for Sale: September 28, 2020

Description: Each coin contains one ounce of .9995 fine palladium. The obverse design features a high-relief likeness of "Winged Liberty" from the "Mercury Dime" obverse. The reverse design features a high-relief version of the 1907 American Institute of Architects Gold Medal reverse, which includes an eagle and a branch.

2020 AMERICAN BUFFALO GOLD COIN

Released for Sale: April 9, 2020

Description: The American Buffalo Gold Proof Coin is the first 24-karat gold proof coin ever struck by the 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. They are struck at the United States Mint at West Point. 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.

2020 NATIVE AMERICAN $1 COIN

Released for Sale: February 12, 2020

Description: This year's reverse design features a portrait of Elizabeth Peratrovich, whose advocacy was considered a deciding factor in the passage of the 1945 Anti-Discrimination Law by the Alaskan territorial government. The foreground features a symbol of the Tlingit Raven moiety, of which she was a member. This year marks the 75th anniversary of Peratrovich's famous testimony in support of the Nation's first anti-discrimination law.

2020 COMMEMORATIVE COIN PROGRAMS

BASKETBALL HALL OF FAME COMMEMORATIVE COINS

Released for Sale: June 4, 2020

Description: The Naismith Memorial Basketball Hall of Fame Commemorative Coin Act (Public Law 115-343) authorized the minting and issuance of proof and uncirculated $5 gold, silver dollars, and clad half dollars in commemoration of the 60th anniversary of the founding of the Naismith Memorial Basketball Hall of Fame. The Basketball Hall of Fame Commemorative Coin Program includes the United States Mint's first colorized coins. All coins in the program are dome-shaped and feature a common obverse design that portrays the fast pace, intensity, and hands-on action of a basketball game. The design features three players reaching for the ball in unison, with their arms slightly elongated, to emphasize the full exertion of physical and mental energy required to excel in this sport. The rim and net are subtle background design elements complementing the three players. The common reverse design depicts a basketball about to pass through the net. Surcharges in the amount of $35 for each gold coin sold, $10 for each silver coin sold, and $5 for each half-dollar coin sold are authorized to be paid to the Naismith Memorial Basketball Hall of Fame to fund an endowment that will enable increased operations and educational programming.

WOMEN'S SUFFRAGE CENTENNIAL COMMEMORATIVE COINS

Released for Sale: August 18, 2020

Description: The Women's Suffrage Centennial Commemorative Coin Act (Public Law 116-71) authorized the minting and issuance of proof and uncirculated silver dollar coins commemorating the 100th anniversary of the 19th Amendment's ratification. These designs pay homage to the Amendment's adoption and honor the pioneers, activists, and foot soldiers in the movement who fought for decades to make it a reality. The obverse design features overlapping profiles of three distinct women, each wearing a different type of hat to symbolize the many decades the suffrage movement spanned. The figure in the foreground is wearing a cloche hat with an art deco pattern and a button with the year of ratification. The reverse design shows "2020" being dropped into a ballot box, styled with art deco elements to indicate the artistic style of the era. "VOTES FOR WOMEN" is inscribed inside a circle on the front of the box. Surcharges in the amount of $10 for each silver dollar sold are authorized to be paid to the Smithsonian Institution's American Women's History Initiative for research and the creation of exhibits and programs to highlight the history and impact of women in the U.S.

2019 AND 2020 PRESIDENTIAL SILVER MEDALS—JOHN QUINCY ADAMS AND ANDREW JACKSON

Released for Sale: November 18, 2019 (Adams), February 24, 2020 (Jackson)
Description: These 99.9 percent silver medals—featuring the same designs as their familiar Presidential Bronze Medal counterparts—have a matte finish. The obverses of the John Quincy Adams and Andrew Jackson Presidential Silver Medals feature their traditional profiles. The reverses feature the inscription "PEACE AND FRIENDSHIP," symbolized by two clasped hands. Above the hands, the pipe of peace and 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.

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