

2001 Annual Report

United States Mint





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2001

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Founded in 1792, the United States Mint became a bureau of the Treasury Department in 1873 and today is the world's largest coin manufacturer, with operations in California, Kentucky, Maryland, New York, Pennsylvania and Washington D.C.

## **United States Mint Team Vision**

The United States Mint will:

Provide **Value** to the American people;

Ensure **Integrity** in our commitments and communications

Achieve world-class **Performance**.

### **Priorities**

**Business Results:** We all will achieve excellent business results. We will continuously improve our business, measuring ourselves against world-class organizations. Our investments in the United States Mint will be prudent and thoughtful to provide the best return on investment to the American people.

**Stakeholders:** We value and are inclusive of our stakeholders and hold ourselves accountable for ensuring honest, open and timely communications. We will meet or exceed their expectations in achieving world class performance.

**Products:** We are our products. We will meet the highest levels of quality, innovation, and efficiency.

**Involved People:** We value all our people. We will provide them a safe workplace and the tools and training they need. We will offer an innovative and flexible working environment where everyone can make a contribution each day.

*For further information, contact us at:*

*United States Mint, 801 Ninth Street, N.W. Washington D.C. 20220*

*(202) 354.7200*

*Visit us at [www.usmint.gov](http://www.usmint.gov)*



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*The Mission of the United States Mint is to manufacture the highest quality circulating, numismatic, and bullion coins at the lowest possible cost and to deliver them in a timely manner...to expand our markets through exceptional customer service, product development, and innovative marketing... to sell numismatic and bullion products at a reasonable price and profit...and to provide security over assets entrusted to us.*

2001

## UNITED STATES MINT 2001 ANNUAL REPORT



*"We have defined a clear vision and outlined strong, focused priorities to become more efficient and add more value to the work we do while meeting or exceeding the expectations of those who work with us."*

**Henrietta HolsmanFore**  
Director

Dear Customers and Colleagues:

As Fiscal Year 2001 was winding its way to a close, I had the honor of being sworn-in as the 37th Director of the United States Mint. It is a privilege to be a part of an agency with such a rich history and important role in commerce. In FY 2001, we manufactured 23.6 billion coins and contributed \$1.38 billion to the Treasury General Fund. However, a changing economy required the United States Mint to shift its priorities as it faces new challenges and embraces new opportunities.

The demand for circulating coins is directly related to the economy. Since mid-2000, when the U.S. economy began to slow, demand for coins decreased. Our numismatic business also has been affected by the economic slow down. To meet the challenges that lie ahead, we have set priorities for the organization to help us capitalize on opportunities, reduce expenses, and measure our progress both internally and against world-class organizations in an effort to continuously improve business operations.

We have defined a clear vision and outlined strong, focused priorities to become more efficient and add more value to the work we do while meeting or exceeding the expectations of those who work with us. We continue to foster a culture based on strong values: accountability, leadership, trust, respect, integrity, and teamwork. We are working to create clear, simple processes, provide a safe working environment, and the training and resources people need to get their jobs done.

To accomplish these goals, we have set a number of plans in motion. We have realigned and streamlined our business lines. The Circulating Strategic Business Unit (SBU) is now Manufacturing. It is responsible for producing all circulating and numismatic coinage at each of our facilities as well as orchestrating the wholesale distribution of those coins to the Federal Reserve Banks and its branches; to the United States Mint's distribution center; and to authorized purchasers of gold, silver, and platinum bullion.

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The Numismatics SBU is now Sales and Marketing. This business line is responsible for all customer service, customer relationship management, and business development for the United States Mint. This includes brand and product management, the promotion of the 50 State Quarters® and Golden Dollar programs, and all other numismatic products.

We are implementing Total Productive Manufacturing — a new process to enable continuous and rapid improvement in manufacturing. It focuses on maintaining safe and clean working environments, upgrading and standardizing equipment and processes, and encouraging employee involvement through training and team-based problem solving. The United States Mint also is working with the Federal Reserve Banks (FRBs) to better anticipate coin demand by studying the distribution process and developing a single econometric model that both entities can use to forecast consumers' need for circulating coinage.

To measure our success, we are establishing new performance measures that are more relevant to our operations. Among our goals: to further reduce Lost Time Accidents; to maximize value of employees' work to reduce the cost and time to manufacture and deliver circulating coinage to the American people; and to increase customer satisfaction with our products and our services.

Lastly, we are assembling a blue ribbon panel to study the issue of circulating coin redesign. We should assess our coin designs and what they represent about our country's past, present, and future. I look forward to working with this panel and receiving its recommendations.

Since 1792, the United States Mint and its employees have been dedicated to providing the American people with the highest quality products and services. I know the United States Mint is ready to meet these challenges and achieve the goals we have set for ourselves to become the world-class operation we aspire to be.

Sincerely,

Henrietta Holsman Fore  
Director



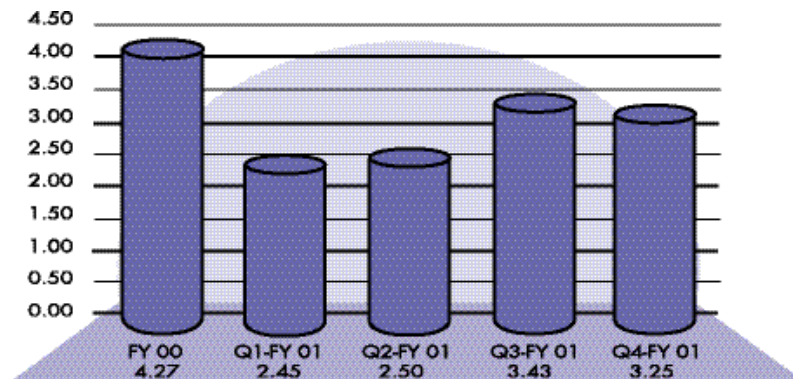
## Business Highlights

### ***Circulating Business Unit***

Even with coin demand slowing during much of the year, the United States Mint produced its second-highest number of circulating coins in fiscal year 2001 -- 23.6 billion. However, as the year came to a close, the Mint began to make adjustments to its production schedules. The Circulating Business Unit also looked at ways to reduce coin inventories, eliminate excess materials, and make processes more efficient through capital investment projects. For example, 18 new bulk bag filling stations were developed in Denver and Philadelphia. These bags contain the same volume of coins as were shipped on a pallet with several smaller bags.

As of September 30, 2001, the United States Mint is shipping 100 percent of its one-cent coins and nickels in bulk bags and nearly 35 percent of its dimes. This represents approximately 55 percent of all circulating coin shipments. The goal is to have 100 percent of the dimes, half-dollars, and dollars shipped in bulk bags by January 2002. All quarters will be shipped in bulk bags by March 2002. Not only are these stations more efficient, they are safer for employees because they do not require manual handling.

Employee health and safety, as well as environmental and energy projects, were at the forefront during FY 2001. The Mint began the year with a Lost Time Accident (LTA) rate of 4.2. By fiscal year's end, the LTA rate dropped to 3.25 -- a 23 percent reduction (see chart below). Although significant, the reduction is short of the goal of zero LTAs. The drop was the result of safety awareness campaigns at each of the United States Mint's facilities. This includes the implementation of the Safety Incident Reporting System (SIRS), a tracking program that reports and records safety incidents daily. Another initiative undertaken is regular safety walks where a plant manager reviews the entire facility and shares his/her findings with senior management.





In addition, several improvements were made to the physical plants including:

- Upgrading of the fire detection system throughout the Denver Mint (a similar project is underway in Philadelphia);
- Upgrading the domestic water system in Denver;
- Initiating an emissions control and safety project to reduce carbon monoxide emissions from annealing furnace gas generators.

Circulating also re-instituted and strengthened internal procedures with regard to quality assurance to ensure that customers received products of the highest quality. And, providing world-class products to our customers is a top priority.

### ***Protection Business Unit***

For generations, Americans have used the phrase "as safe as the gold in Fort Knox" to indicate something is indisputably secure and protected. Much has changed over the years, but those words still ring true today -- due to the men and women of the United States Mint Police force.

The role of the United States Mint Police was never more clearly defined than on September 11, 2001. On that tragic day as the World Trade Center in New York and the Pentagon were attacked and a high-jacked plane crashed into a Pennsylvania field, the Mint Police were true to their core mission: to protect the United States Mint, its assets, its people, and its property. Extraordinary security measures were enforced to secure Mint facilities and assets and assure the safety of United States Mint employees.

The United States Mint Police were able to provide this level of protection because they are provided with the most advanced training and equipment. In fiscal year 2001, all supervisors completed training courses at the federal law enforcement training center at Glynco, Georgia. All officers have completed refresher training courses over the past two years. In addition, they have invested in new equipment, including upgrading their control centers, to maximize safety and security.

Knowing the importance of sharing information to anticipate and counter terrorism and security risks, the United States Mint Police are working with other law enforcement agencies, both domestic and international, to share intelligence and foster cooperation. An example of this cooperative effort is the United States Mint Police involvement in security for the Presidential Inauguration in January 2001. Seventy United States Mint Police officers from the six United States Mint facilities worked with other law enforcement officers and the Washington, D.C. force to police the crowds, manage protesters, and conduct surveillance during Inaugural activities.





As the nation becomes more reliant on e-business, the Mint Police are becoming ever vigilant for cyber-crimes. An Economic Crimes Unit was established to monitor and investigate risks in new markets: on-line auction houses, the Internet, and mail order business. By proactively adjusting to the changing nature of threats by integrating intelligence, countermeasures, and sophisticated defenses into its arsenal, the United States Mint Police continue to be recognized as a world leader in high security protection.

### ***Numismatics Business Unit***

The 50 State Quarters® Program continued to be at the Numismatic forefront in FY 2001. In calendar year 2001, designs featuring New York, North Carolina, Rhode Island, Vermont, and Kentucky were placed into circulation. The United States Mint's annual coin sets — Uncirculated Sets, Proof Sets, Silver Proof Sets, 50 State Quarters® Proof Sets — are the backbone of our numismatic line of products. These sets accounted for virtually all of the \$166.6 million of recurring program revenues.

### ***Commemorative Programs***

Collectors were presented with two commemorative coin programs in 2001: The U.S. Capitol Visitor Center (CVC) and the American Buffalo.

The CVC program commemorated the first convening of Congress in the Capitol building. Surcharges from CVC coin sales will go to the Capitol Preservation Fund to support the construction and maintenance of the U.S. Capitol Visitor Center. As of September 30, 2001, sales of gold, silver, and clad CVC coins generated total program revenues, since inception, of approximately \$18 million, including surcharges of nearly \$8 million.

The American Buffalo Program commemorates the opening of the Smithsonian Institution's National Museum of the American Indian in Washington, D.C. The coin features a reproduction of James Earle Fraser's Buffalo nickel design. Surcharges from sales will go to the American Indian Museum to support its endowment and educational outreach funds. Congress authorized the production of 500,000 silver dollar coins. The program sold out within two weeks.

### ***Customer Service***

In Fiscal Year 2001, Numismatics and the Office of the Chief Information Officer joined forces to launch the eBusiness Solutions Program, an initiative offering United States Mint customers new services to make shopping for coins easier.

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The new system includes:

- A reliable on-line catalog enabling customers to easily purchase United States Mint products.
- On-line customer self-service allowing customers to manage their accounts, review order histories, check order status and product availability, or make inquiries via e-mail.
- A distribution center that ships in-stock products within 24 hours and a centralized fulfillment center to process all returns.
- New order processing systems allowing customers to pay for products when they are shipped, and sign-up in advance to buy coin sets and other products automatically through the United States Mint's on-line catalog.

While providing improved service to our customers, the new business practices and systems also will increase the United States Mint's operating efficiency. The centralized fulfillment center will improve inventory management and control, reducing stock-outs while also reducing excess inventory carrying costs. At the same time, the centralized fulfillment center will enable the United States Mint to ship customer orders in a single shipment, reducing shipping costs.



*A popular new 50 State Quarters® item was the Formation of the Union Set. The set was a partnership product with the National Archives and Records Administration. More than 80 percent of the 50,000 limited-edition map and coin sets were sold by the end of the fiscal year. In addition to featuring state quarters of the original 13 colonies, the set includes a personal message to collectors from President George W. Bush.*



## **Corporate Administration**

The Corporate offices direct policy, coordinate Mintwide efforts, and oversee finance, information technology, logistics, procurement, and human resources.

### **Office of the Chief Information Officer**

In addition to its partnership with Numismatics on the eBusiness Solution Program, the Office of the Chief Information Officer (OCIO) worked to streamline processes and to make the United States Mint's e-Government efforts more efficient. Among its undertakings was an upgrade and implementation of the United States Mint's Enterprise Resources Planning (ERP) applications.

COINS II is designed to enhance and improve the United States Mint's COnsolidated INformation System (COINS) that was brought on-line in 1998 and integrated several software applications supporting major finance, manufacturing, and marketing business processes and related functionality to provide timely information to make cost-effective business decisions.

On the United States Mint's web site — [www.USMINT.gov](http://www.USMINT.gov) — in addition to its catalog, the United States Mint hosts an interactive educational site: H.I.P. (History in your Pocket) Pocket Change™. First launched in 1999, H.I.P. Pocket Change™ featured articles, virtual tours, and games. In FY 2001, the United States Mint transformed it into a dynamic teaching and learning site. Visitor traffic comparisons reveal new and sustainable increases in site traffic since H.I.P. Pocket Change™ was re-launched in February.

- HPC Visitors in July 2000 — 19,555
- HPC Visitors in July 2001 — 58,505

The redesigned site also sponsors a Teachers' Network that offers downloadable lesson plans for free, e-mail notifications of new lesson plans posted to the site that target specific grade levels and content areas, and quarterly newsletters with supplemental teaching materials.

Customers looking for information about the United States Mint can visit its "Electronic Reading Room" that offers frequently requested documents, including reports to Congress about Commemorative Coin Programs and the Public Enterprise Fund as well as the United States Mint telephone directory; its Strategic Plan; Annual Reports; and press releases.

For all its efforts, the United States Mint's web site was recognized by *CIO Magazine* with its "Web Business 50/50" Award for being a site "that delivers exceptional business value."

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### ***Office of the Chief financial Officer***

One of the major responsibilities of the Office of the Chief Financial Officer (OCFO) is managing and reporting financial data. Therefore, it is a considerable accomplishment to have earned an **eighth** consecutive clean opinion from independent auditors.

A number of programs were implemented in FY 2001 that will increase efficiencies and make record keeping easier. They included:

*Cycle Counting* — This program will replace annual physical inventory in one-to-two years and is expected to improve accounting accuracy.

*Three Day Close* — OCFO is effectively working toward closing its quarterly books within three business days. In 1997, it took 70 calendar days to close the books at the end of each fiscal quarter. The implementation of COINS has made the task easier. In April 2001, closing took 18 business days; by September closing took four business days.

*Five-Year Capital Plan* — OCFO developed and presented a Five-Year Capital Investment Plan in support of the Treasury Capital Investment Review Board requirement. The plan communicates to the Department and the Office of Management and Budget the investment portfolio the United States Mint requires to manage its business. Approval of the plan provided the United States Mint with the means to secure the necessary funding for capital acquisitions. Review board members noted that the United States Mint's document was "a model for other bureaus to follow in presenting the portfolio of capital projects necessary to achieve business goals."

*Human Resource Flexibilities* — The United States Mint is the first federal agency to obtain Office of Personnel Management approval to implement the wage grade competency-based qualification standard for coin manufacturers. The program is crucial to the success of production process improvement projects.

*Employee Development* — In FY 2001, a new management development program was introduced. The Council of Government Fellows Program was made available to employees at the GS-11 to Senior Executive Service levels. Three United States Mint employees were accepted into this year-long program.

*Gainsharing* — In April 2001, the United States Mint implemented its Gainsharing program to reward employees for their role in reducing controllable costs and improving customer satisfaction. Its implementation is the culmination of a three-year effort between management and the union.

In addition to its other objectives, OCFO has continued to promote a family-friendly workplace by providing a large menu of options such as a childcare subsidy; LifeCare.com resource assistance; alternative work schedules; the Employee Assistance Program; telecommuting options; and Family and Medical Leave.



## ***Management's Discussion and Analysis of Program Performance***

The Chief Financial Officer's (CFO) Act of 1990 requires a variety of Government financial management improvements. The Act requires federal agencies to issue annual accountability reports that include annual financial statements reflecting the results of operations and management's analysis and explanation of program performance. The Act also requires agencies to develop integrated accounting and financial systems that provide for the systematic measurement of performance and timely performance reports.

An uncertain economy has a significant effect on all businesses. The United States Mint, too, has been affected. The demand for circulating coins is directly related to the economy. A strong economy generally means a strong demand from the commercial sector for coins, while a weaker economy generally means fewer coins are needed.

Coin order and production plans were not immediately adjusted for the economic slowdown, and as a result, too many coins were produced. The lower demand from the weaker national economy, combined with production levels that were higher than demand, led to a significant buildup of coin inventory in the United States Mint and Federal Reserve vaults. The United States Mint experienced nearly the same situation in 1997, and the system eventually corrected itself in following years.

Not surprisingly, the Numismatic business has also been affected by the economic slowdown. While sales were still stronger than they were before the 50 State Quarters Program, there was a decline in the demand for Numismatic collectibles. In addition, the United States Mint experienced strong demand for gold bullion coins just prior to the Y2K date change as people looked for secure, more traditional investments. With the date changes safely passed, this "extra" demand for gold bullion went away entirely.

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*American Buffalo Commemorative Coins, presented here in proof and uncirculated versions, were the fastest-selling commemorative coins in United States Mint history, selling out in only two weeks.*





## **Results of Operations**

### **Overall Operations**

#### Performance Measures Highlights

Under the Government Performance Results Act (GPRA), agencies must develop performance measures and plans to gauge the success of programs and missions against those measures. The United States Mint began to implement these requirements into its financial planning and reporting responsibilities in FY 1994. Performance measures identified in the United States Mint's Strategic Plan are reported upon as part of this annual report. Although core missions do not change dramatically from year to year, the United States Mint continues to refine performance objectives and appropriate performance outcome measures that better gauge the results of its business and activities. Within the context of this report, the United States Mint is presenting its most critical performance measures. The United States Mint's performance measures are linked to outcomes, capture significant variables, and address the multiple priorities involved in completing its mission. During FY 2002 the United States Mint will be implementing a new set of performance measures that are even more relevant to its manufacturing operations.

### **Mint-wide Revenues and Expenses**

Overall revenues for the United States Mint decreased to \$2.4 billion in FY 2001 from \$3.7 billion in FY 2000, a decrease of 35.1 percent. The \$1.3 billion decrease consists of a decrease of \$1.2 billion in Circulating coinage revenues and a decrease of \$77.7 million in Numismatic product revenues.

Overall expenses for the United States Mint decreased to \$958.0 million in FY 2001 from \$1.1 billion in FY 2000. Expenses incurred by Circulating operations decreased to \$564.0 million in FY 2001 from \$697.2 million in FY 2000. Overall expenses incurred by Numismatic decreased to \$359.1 million in FY 2001 from \$392.5 million in FY 2000.

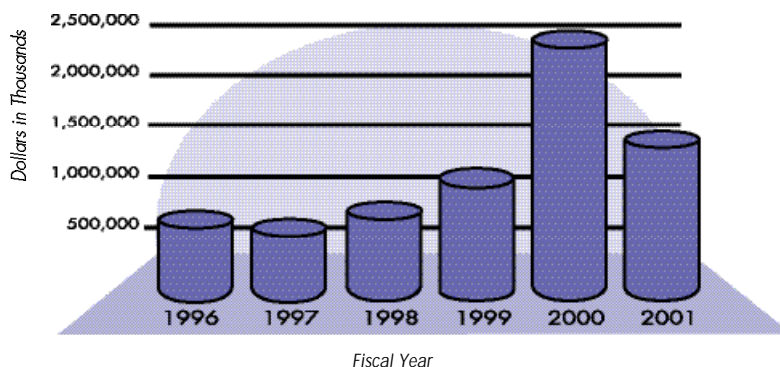
Details of the changes in revenues and expenses follow in the individual sections below.



**Transfer of Profits to the Treasury General Fund**

In FY 2001 contributions to the Treasury General Fund decreased by 39.4 percent from those of the prior year to a total of \$1.383 billion. This total was comprised of \$1.283 billion off-budget (from Circulating operations), and \$100 million on-budget (from Numismatic operations) for FY 2001 as compared to \$2.281 billion off-budget for FY 2000.

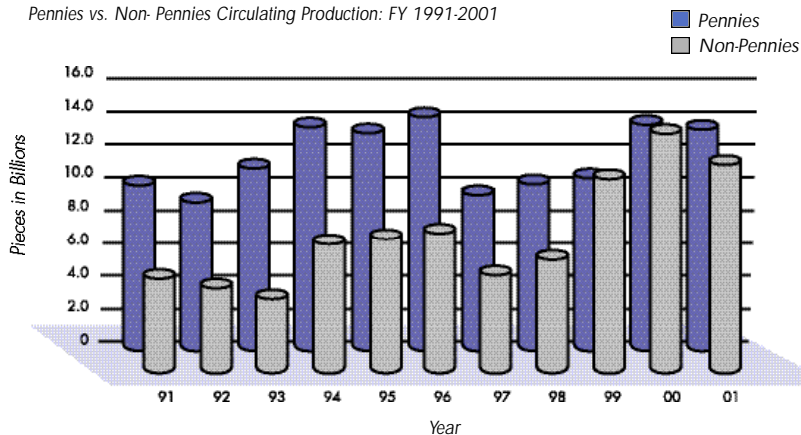
*Transfers to the General Fund: FY 1996-2001*



**Circulating Strategic Business Unit**

The demand for Circulating coinage is largely dependent on the condition of the U.S. economy. During economic downturns, as in FY 2001, demand for Circulating coinage invariably decreases. Accordingly, total coin production fell to 23.6 billion in FY 2001 from an all time high of 27.1 billion in FY 2000.

*Pennies vs. Non-Pennies Circulating Production: FY 1991-2001*



*The above data reflects fiscal year production and should not be interpreted as mintage levels of coins for a calendar year.*

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## Financial Performance

### Revenues

Circulating revenues decreased to \$2.0 billion in FY 2001 from \$3.2 billion in FY 2000. This represents a 37.3 percent decrease in revenues. The U.S. economy has a significant effect on Circulating coinage. The slowing economy and a fall-off in the demand for dollar coins caused Circulating revenue to decline in FY 2001.

*Circulating SBU Revenues for FY 2000 and FY 2001 (In Millions)*

Denomination	FY 2000 Revenues	FY 2001 Revenues	Difference	Percentage Change
Penny, Nickel, Dime	\$646.1	\$523.5	\$(122.6)	(19.0)
Quarter	\$1,541.9	\$1,382.2	\$(159.7)	(10.4)
Half	\$13.5	\$13.5	\$0.0	(0.0)
Dollar	\$1,019.4	\$102.2	\$(917.2)	(90.0)
Circulating Coinage Subtotal	\$3,220.9	\$2,021.4	\$(1,199.5)	(37.2)
Other	\$0.6	\$0.0	\$(0.6)	N/A
<b>Total</b>	<b>\$3,221.5</b>	<b>\$2,021.4</b>	<b>\$(1,200.1)</b>	<b>(37.3)</b>

*Circulating Coinage Shipments, FY 1991-FY 2001 (in millions of pieces)*

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Penny	9,914	9,007	11,282	13,459	13,419	13,669	8,642	10,744	11,601	13,668	12,773
Nickel	1,096	903	655	1,451	1,623	1,740	944	1,544	2,037	2,421	1,668
Dime	1,633	1,294	1,177	2,521	2,365	2,801	1,930	2,658	3,197	3,884	3,123
Quarter	1,322	806	1,009	1,752	2,070	1,955	1,200	1,677	3,474	6,168	5,531
Half-Dollar	40	35	30	38	42	70	29	22	32	27	27
Dollar	-	-	-	-	-	-	-	-	33	1,019	102
<b>Total</b>	<b>14,005</b>	<b>12,045</b>	<b>14,153</b>	<b>19,221</b>	<b>19,519</b>	<b>20,235</b>	<b>12,745</b>	<b>16,645</b>	<b>20,374</b>	<b>27,187</b>	<b>23,224</b>

*The above data reflects fiscal year shipments and should not be interpreted as mintage levels of coins for a calendar year.*

*Prior to the establishment of the Public Enterprise Fund (PEF), revenue from circulating coinage was recognized when the coinage was turned over to the cashier. Since the establishment of the PEF, revenue from circulating coinage is recognized when coins are shipped.*





### Expenses

Circulating coinage expenses decreased to \$564.0 million in FY 2001 from \$697.2 million in FY 2000. Expenses decreased due to the decreased production levels in FY 2001. The decreased production of the Golden Dollar contributed heavily to the decrease.

*Circulating SBU Expenses for FY 2000 and FY 2001 (In Millions)*

Denomination	FY 2000 Expenses	FY 2001 Expenses	Difference	Percentage Change
Penny, Nickel, Dime	\$263.2	\$230.3	\$(32.9)	(12.5)
Quarter	\$275.4	\$301.8	\$26.4	9.6
Half	\$2.7	\$2.4	\$(0.3)	(11.1)
Dollar	\$147.6	\$20.5	\$(127.1)	(86.1)
Circulating Coinage Subtotal	\$688.9	\$555.0	\$(133.9)	(19.4)
Mutilated and Other	\$8.3	\$9.0	\$0.7	8.4
<b>Total</b>	<b>\$697.2</b>	<b>\$564.0</b>	<b>\$(133.2)</b>	<b>(19.1)</b>

### Profits

Circulating profits decreased to \$1.5 billion in FY 2001 from \$2.5 billion in FY 2000. Seventy percent of the \$1.0 billion decrease in profits can be attributed to lower shipments of Golden Dollars. Shipments of dollars were high in FY 2000 due to the initial introduction of the Golden Dollar. The remaining 30 percent decrease can be attributed to changes in economic factors.

*Circulating SBU Profit and Loss for FY 2000 and FY 2001 (In Millions)*

Denomination	FY 2000 Profit/(Loss)	FY 2001 Profit/(Loss)	Difference	Percentage Change
Penny, Nickel, Dime	\$382.9	\$293.2	\$(89.7)	(23.4)
Quarter	\$1,266.5	\$1,080.4	\$(186.1)	(14.7)
Half	\$10.8	\$11.1	\$0.3	2.8
Dollar	\$871.8	\$81.7	\$(790.1)	(90.6)
Circulating Coinage Subtotal	\$2,532.0	\$1,466.4	\$(1,065.6)	(42.1)
Mutilated and Other	\$(7.7)	\$(9.0)	\$(1.3)	16.9
<b>Total</b>	<b>\$2,524.3</b>	<b>\$1,457.4</b>	<b>\$(1,066.9)</b>	<b>(42.3)</b>

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### **Performance Measures Highlights**

*Goal:*

By 2005, reduce the controllable cost of Circulating coinage by 15 percent (excluding metal costs).

*Performance Measures:*

The performance measure used to gauge progress towards this goal is conversion cost per 1000 coin equivalents.

The goals for our performance measures are set intentionally high. In our private sector-like Mint culture, these goals are known as "stretch goals" which are designed to raise the performance standards of the United States Mint to the highest levels possible.

*Conversion cost per 1,000 coin equivalents*

Fiscal Year	Cost/Thousand Units
FY 2001 Plan	\$9.22
FY 2001 Year End Result	\$8.33
FY 2000 Result	N/A

*This measure was introduced in FY 2001 and replaces the following measures from the prior year:*

*Average cost per 1,000 units of circulating pennies (including metal)*

*Average cost per 1,000 units of circulating clad and nickel coinage (including metal)*

## **Numismatic Strategic Business Unit**

### **Revenues**

Numismatic revenues are generated through sales of investment (bullion) and collectible (non-bullion) products to the public. Bullion products refer to gold, silver, and platinum American Eagle Uncirculated coins that are sold to Authorized Purchasers who in turn offer them for sale to the general public. Non-Bullion products include American Eagle Proof Programs, Commemorative Programs, and Recurring Programs that the United States Mint sells directly to the public.

Numismatic revenues, including surcharges, were \$410.7 million in FY 2001 compared to \$488.4 million in FY 2000. As explained in greater detail below, the major contributors to the overall revenue shortfall from FY 2000's year-end result are lesser demands for the American Eagle Uncirculated (bullion) and Recurring (non-bullion) programs.

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*Revenues Related to Numismatic Performance for FY 2000 and FY 2001 (In Millions)*

<b>Numismatic Programs</b>	<b>FY 2000 Revenues</b>	<b>FY 2001 Revenues</b>	<b>Difference</b>	<b>Percentage Change</b>
American Eagle Uncirculated (Bullion)	\$182.5	\$148.1	\$(34.4)	(18.8)
American Eagle Proof	\$66.4	\$63.5	\$(2.9)	(4.4)
Commemoratives before Surcharges	\$34.1	\$32.5	\$(1.6)	(4.7)
Recurring	\$205.4	\$166.6	\$(38.8)	(18.9)
Subtotal	\$488.4	\$410.7	\$(77.7)	(15.9)
Less Surcharges	\$6.9	\$8.7	\$(1.8)	26.1
<b>Net Revenue</b>	<b>\$481.5</b>	<b>\$402.0</b>	<b>\$(79.5)</b>	<b>(16.5)</b>

***Bullion Products***

Bullion product revenue decreased to \$148.1 million in FY 2001 from \$182.5 million in FY 2000. This is largely due to a decrease in demand for Gold Eagle Uncirculated coins after the Y2K concerns did not materialize.

***Non-Bullion Products***

*American Eagle Proof Program*

American Eagle Proof [the collector version of the Bullion program coins] revenues decreased to \$63.5 million in FY 2001 from \$66.4 million in FY 2000, a decrease of 4.4 percent.

***Commemorative Coins***

Commemorative coin revenues decreased to \$32.5 million in FY 2001 from \$34.1 million in FY 2000, a decrease of 4.7 percent.

***Recurring Programs***

Recurring program [primarily circulating derived products that are produced annually by Numismatics for collectors/numismatists] revenues decreased to \$166.6 million in FY 2001 from \$205.4 million in FY 2000, a decrease of 18.9 percent. Part of the revenues for Recurring programs in FY 2000 reflect a backlog of orders from FY 1999 that were shipped in FY 2000. Taking this in conjunction with a decrease in sales due to a slowing economy accounts for the decrease in revenues in FY 2001. However, the FY 2001 revenues are more indicative of historical revenue streams than was FY 2000.

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### Expenses

Numismatic expenses decreased to \$359.1 million in FY 2001 from \$392.5 million in FY 2000. Expenses for the Bullion program decreased to \$148.8 million in FY 2001 from \$179.5 million in FY 2000. Expenses for the Non-Bullion programs decreased slightly to \$210.3 million in FY 2001 from \$213.0 million in FY 2000. The decrease in expenses was attributable primarily to the decrease in Bullion product expenses. Most of the expenses incurred by Bullion programs consisted of metal expenses. The decreased sales caused the United States Mint to spend less making the products as a result of decreased metal purchases. The decrease in sales revenues is largely due to a decrease in demand for Bullion coins after the Y2K concerns did not materialize. The Recurring programs also contributed to the decrease in expenses. The decrease in recurring sales was due to a slowing economy. This accounts for the decrease in Recurring program expenses in FY 2001.

*Expenses Related to Numismatic Performance for FY 2000 and FY 2001 (In Millions)*

Numismatic Programs	FY 2000 Expenses	FY 2001 Expenses	Difference	Percentage Change
American Eagle Uncirculated (Bullion)	\$179.5	\$148.8	\$(30.7)	(17.1)
American Eagle Proof	\$42.3	\$52.9	\$10.6	25.1
Commemoratives	\$19.0	\$22.0	\$3.0	15.8
Recurring	\$151.7	\$135.4	\$(16.3)	(10.7)
<b>Total</b>	<b>\$392.5</b>	<b>\$359.1</b>	<b>\$(33.4)</b>	<b>(8.5)</b>

### Profits

Overall profits for the numismatic operations decreased to \$42.9 million in FY 2001 from \$89.0 million in FY 2000. The profits from the Non-Bullion programs (including the Commemorative Coin Program) were \$43.6 million in FY 2001 compared to \$86.0 million in FY 2000. The profits/(losses) from the Bullion program decreased to \$(0.7) million in FY 2001 from \$3.0 million in FY 2000 (see Performance Measure: Numismatic contribution for bullion for detail).

*Numismatic Programs Profit and Loss for FY 2000 and FY 2001 (In Millions)*

Numismatic Programs	FY 2000 Profit/(Loss)	FY 2001 Profit/(Loss)	Difference	Percentage Change
American Eagle Uncirculated (Bullion)	\$3.0	\$(0.7)	\$(3.7)	(123.3)
American Eagle Proof	\$24.1	\$10.6	\$(13.5)	(56.0)
Commemoratives	\$8.2	\$1.8	\$(6.4)	(78.0)
Recurring	\$53.7	\$31.2	\$(22.5)	(41.9)
<b>Total</b>	<b>\$89.0</b>	<b>\$42.9</b>	<b>\$(46.1)</b>	<b>(51.8)</b>



### **Performance Measures Highlights**

#### *Goal:*

Match the best in business in the delivery of product and customer services.

#### *Performance Measures:*

1. Percentage of commemorative coins shipped within standard (four weeks)

<b>Fiscal Year</b>	<b>Percentage</b>
FY 2001 Final Plan	98
FY 2001 Year End Result	89
FY 2000 Result	87

The Mint went to a new system in FY 2001 for shipment of Numismatic products. This result includes orders placed and filled under the old system as well as orders placed and filled with the new eSP system. Orders received in the old system and shipped via eSP are not included due to difficulty in accurately measuring the results for that time period (approximately the month of August, 2001). The Capitol Visitor Center program experienced start-up production problems resulting in a delay in shipment. Also, the Buffalo Commemorative coin was fully subscribed (500,000 coins) within two weeks from drop date. The overwhelming demand for the program within such a short period created a situation where some products were on back-order. The eSP system will address these issues. Order fulfillment time will be reduced via the centralized pick and pack operation. Also, on-line subscription programs will provide the United States Mint with more information and will lead to better inventory planning and management.

2. Percentage of recurring coin products shipped within standard (three weeks)

<b>Fiscal Year</b>	<b>Percentage</b>
FY 2001 Final Plan	98
FY 2001 Year End Result	85
FY 2000 Result	90

In addition to the Mint implementing a new system in FY 2001 for shipment of Numismatic products, legislation was necessary in order to include the Golden Dollar in the year 2000 silver proof set. This requirement resulted in delays early in FY 2001, and caused silver proof set fulfillment within standard to be only 52 percent. The eSP system will improve performance to this target.

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*Goal:*

To increase the contribution margin of the numismatic/bullion operation by aggressively pursuing new customers, new market channels and new product lines.

*Performance Measures:*

1. Numismatic contribution margin for bullion

<b>Fiscal Year</b>	<b>Percentage</b>
FY 2001 Final Plan	2.0
FY 2001 Year End Result	(0.2)
FY 2000 Result	1.9

This goal is measured by taking the bullion profit (before corporate expense allocations) as a percent of the bullion revenues. The United States Mint did not meet the Numismatic profit margin for bullion in FY 2001 for a number of reasons. There was decreased demand for the most profitable of the Uncirculated Programs (Gold Eagle Uncirculated). In FY 2001, bullion revenues decreased from the prior year. As with most commodity products, the revenues for bullion products is determined by the daily market price for gold, platinum or silver, with minimal coverage above the cost of the commodity to cover other operating costs. The inability to rapidly react to the downturn in market demand provided less of a margin, or total revenues less cost of metal, to cover operating and other costs. These costs were affected by one-time write-offs, which were incurred to revalue inventory due to lowering manufacturing standards as well as to charge the program for costs associated with the refining and fabrication of coins with prior year dates for which there is no market demand. These charges to the program for the inventory revalue and coin refining negatively impacted the program by approximately \$2.9 million or 1.9 percent of revenues.

2. Numismatic contribution for non-bullion

<b>Fiscal Year</b>	<b>Percentage</b>
FY 2001 Final Plan	15.0
FY 2001 Year End Result	23.8
FY 2000 Result	32.3

This goal is measured by taking the non-bullion profit (before corporate expense allocations) as a percent of the non-bullion revenues. The United States Mint successfully exceeded the goal of 15 percent.



### **Protection Strategic Business Unit**

The United States Mint's police force conducts business each year without publicity and headlines in a quiet, extremely efficient and professional manner. The United States Mint secures approximately \$72 billion (Market value as of September 30, 2001) of the Nation's gold and silver reserves. In FY 2001, the United States Mint shipped 23.2 billion pieces of circulating coinage. United States Mint Police protect these assets while safeguarding approximately 2,800 United States Mint employees against potential threats at six facilities.

*Goal:*

To provide a level of security commensurate with changing threats.

*Performance Measure:*

Dollar losses per billion dollars of Reserve Value

<b>Fiscal Year</b>	<b>Actual Losses</b>
FY 2001 Final Plan	\$0.0
FY 2001 Year End Result	\$0.0
FY 2000 Result	\$0.0

The United States Mint had no dollar losses per billion dollars of reserve value. The Protection Business Unit secures the Nation's precious metal reserves as well as the facilities and employees of the United States Mint. This stellar performance continues to highlight the efficiency and effectiveness of the Protection Business Unit.

### **Other Issues**

*Prompt Payment Act (PPA)*

The Prompt Payment Act (PPA), enacted on May 21, 1982, and amended on October 17, 1988, requires Federal agencies to pay commercial obligations within discrete time periods and to pay interest penalties when those time constraints are not met. During FY 2001, the United States Mint continued its progress in strengthening its invoice payment process. The overall percentage of late payments for FY 2001 was 2.5 percent.

*Electronic Funds Transfer (EFT)*

The Debt Collection Act of 1996 was signed by the President of the United States on April 26, 1996. This legislation requires that all federal payments be made through the use of electronic funds transfer (EFT), with the exception of tax refunds. The United States Mint recognizes the

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efficiencies and cost savings to the government of using EFT for its financial transactions. Therefore, the United States Mint encourages its employees and business partners to conduct business electronically. During FY 2001, 100 percent of the United States Mint's travel reimbursements to employees, 99.9 percent of salary payments to employees, and 95.1 percent of vendors were paid by EFT.



American Eagle Gold Proof Coins, issued annually, are packaged in rich blue velvet and white satin presentation cases. Pictured here are the four-coin set and the one-ounce coin.



Dramatic black velvet and white satin presentation cases highlight the United States Mint's premier annual product, American Eagle Platinum Proof Coins (pictured here) in the four-coin set and one-ounce coin.



The classic American Eagle Silver Proof Coin, issued annually, is presented in a white satin and blue velvet presentation case.



***FMFIA / FFMIA Compliance Annual Assurance Statement for Fiscal Year 2001***

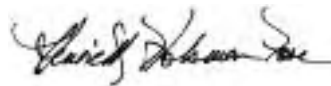
The United States Mint has evaluated its systems of management control for the fiscal year ending September 30, 2001, in accordance with procedures and standards prescribed by the Office of Management and Budget and the General Accounting Office.

The United States Mint provides reasonable assurance that the objectives of Section 2 of the FMFIA were achieved during FY 2001.

For fiscal year (FY) 2001, the United States Mint also provides reasonable assurance that the objectives of Section 4 of the FMFIA were met with the exception of two material weakness related to controls over automated systems. The United States Mint's entity-wide security program did not meet the requirements of OMB Circular A-130. In addition, general controls at the application level lacked adequate systems policy implementation and development, logical access controls, software development and change control procedures, segregation of duties, service continuity and controls establishing access levels and preventing concentrated system privileges.

The United States Mint is unable to give assurance that all of the provisions of the Federal Financial Management Improvement Act of 1996 were achieved in FY 2001.

With regard to other issues, prior audit reports have criticized the United States Mint's continuity of operations planning process. The United States Mint is in the process of developing adequate continuity of operations plans. The United States Mint's performance information is reliable as most of it comes directly from the enterprise resource planning system.



Henrietta Holsman Fore  
Director  
United States Mint

U N I T E D   S T A T E S   M I N T   2 0 0 1   A N N U A L   R E P O R T

**Department of the Treasury**  
**United States Mint**  
**Statements of Financial Position (in thousands)**

	Years Ended September 30,	
	2001	2000
<b>Assets</b>		
Current assets		
Fund balances with Treasury and cash (Note 3)	\$278,180	\$339,408
Accounts receivable, net (Note 4)	\$7,508	\$2,531
Operating inventories, net (Note 5)	\$465,804	\$445,541
Advances and prepayments (Note 6)	\$6,712	\$2,346
Total current assets	\$758,204	\$789,826
Non-current assets		
Property, plant and equipment, net (Note 7)	\$326,548	\$224,635
Other assets (Note 8)	\$5,146	\$28,205
Total non-current assets	\$331,694	\$252,840
<b>Total assets</b>	<b>\$1,089,898</b>	<b>\$1,042,666</b>
<b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable - Federal (Note 9)	\$5,216	\$9,662
Accounts payable - Non-Federal	\$30,758	\$49,479
Surcharges payable	\$10,816	\$6,388
Unearned revenue	\$2,730	\$14,415
Accrued salaries and benefits/unemployment insurance	\$9,751	\$10,460
Total current liabilities	\$59,271	\$90,404
Non-current liabilities		
Accounts payable - Federal (Note 9)	\$154,585	\$165,083
Accrued workers' compensation benefits	\$34,635	\$29,401
Accrued annual leave	\$9,106	\$8,333
Other liabilities	\$0	\$54
Total non-current liabilities	\$198,326	\$202,871
<b>Total liabilities</b>	<b>\$257,597</b>	<b>\$293,275</b>
<b>Net Position</b>		
Fund balance	\$832,301	\$749,391
<b>Total liabilities and net position</b>	<b>\$1,089,898</b>	<b>\$1,042,666</b>
<b>Custodial Gold and Silver Reserves</b>		
United States' gold and silver reserves (Note 10)	\$10,364,687	\$10,364,687
Custodial liability to Treasury (Note 10)	\$10,364,687	\$10,364,687
<b>Net custodial position</b>	<b>\$0</b>	<b>\$0</b>

The accompanying notes are an integral part of these statements.

**Department of the Treasury**  
**United States Mint**  
**Statements of Operation and Changes in Net Position (in Thousands)**

	Years Ended September 30,	
	2001	2000
<b>Revenues</b>		
Circulating coinage revenue	\$2,021,344	\$3,221,488
Sales to the public (numismatic sales)	410,679	488,433
Surcharges collected for beneficiary organizations (Note 11)	(8,653)	(6,907)
Other revenue (Note 12)	46	195
<b>Total revenues</b>	<b>\$2,423,416</b>	<b>\$3,703,209</b>
<b>Costs and expenses</b>		
Cost of goods sold (Note 13)	\$710,421	\$843,039
Selling, general and administrative expenses (Note 14)	203,751	238,139
Other costs and expenses (Note 15)	9,009	8,508
<b>Total costs and expenses</b>	<b>\$923,181</b>	<b>\$1,089,686</b>
<b>Financing sources and costs not assigned to programs</b>		
Imputed financing (Note 16)	\$9,139	\$8,093
Less: Additional employee benefit expenses (Note 16)	(9,139)	(8,093)
<b>Total financing sources and costs not assigned to programs</b>	<b>\$0</b>	<b>\$0</b>
Excess of revenues over total costs and expenses and financing sources, before protection costs	\$1,500,235	\$2,613,523
Protection costs	(\$34,325)	(\$29,952)
Excess of revenues over total costs and expenses and financing sources	\$1,465,910	\$2,583,571
Net position, beginning of year	\$749,391	\$446,820
Transfers to Treasury's General Fund	(\$1,383,000)	(\$2,281,000)
<b>Net position, end of year</b>	<b>\$832,301</b>	<b>\$749,391</b>

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

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**Department of the Treasury**  
**United States Mint**  
**Statements of Cash Flows (in Thousands)**

	Years Ended September 30,	
	2001	2000
<i>Cash flows from operating activities:</i>		
Excess of revenues over total costs and expenses and financing sources	\$1,465,910	\$2,583,571
<i>Adjustments affecting operating cash flows:</i>		
Decrease (Increase) in accounts receivable	(\$4,977)	\$1,168
Decrease (Increase) in other assets	(1,570)	(189,557)
Increase (Decrease) in accounts payable	(33,665)	80,672
Increase (Decrease) in other liabilities	(2,013)	17,080
Depreciation and amortization	13,759	15,295
Total adjustments	(\$28,466)	(\$75,342)
<b>Net cash provided by operating activities</b>	<b>\$1,437,444</b>	<b>\$2,508,229</b>
<i>Cash flows from investing activities:</i>		
Purchase of property, plant and equipment	(\$115,672)	(\$70,953)
<b>Net cash used by investing activities</b>	<b>(\$115,672)</b>	<b>(\$70,953)</b>
<i>Cash flows from financing activities:</i>		
Funds transferred to Treasury	(\$1,383,000)	(\$2,281,000)
<b>Net cash used by financing activities</b>	<b>(\$1,383,000)</b>	<b>(\$2,281,000)</b>
<b>Net cash provided (used) by operating, investing and financing activities</b>	<b>(\$61,228)</b>	<b>\$156,276</b>
Fund balances with Treasury and cash at beginning of year	\$339,408	\$183,132
Fund balances with Treasury and cash at end of year	\$278,180	\$339,408

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

**Department of the Treasury  
United States Mint**

**Notes to the Financial Statements for  
Fiscal Year ended September 30, 2001**

*(Dollars are in thousands except Fine Troy Ounce information)*

**Note 1 Reporting Entity**

Established in 1792, the United States Mint is an integral part of the Department of the Treasury. The mission of the United States Mint is to manufacture coins for general circulation, to manufacture and sell numismatic products for the benefit of the federal government and various beneficiary organizations, and to protect certain federal assets in its custody. Numismatic products include medals, proof coins, uncirculated coins, platinum, gold, and silver bullion coins, and commemorative coins. Custodial assets consist primarily of the United States' gold and silver metal reserves. These custodial reserves are often referred to as "deep storage" and are reported in the custodial segment of the Statement of Financial Position.

Manufacture of numismatic products is financed principally through sales to the public. Manufacture of circulating coinage is financed through sales of coins at face value to the Federal Reserve System. Activities related to protection of federal custodial assets are funded by revenues of the United States Mint's Public Enterprise Fund (PEF).

Pursuant to Public Law 104-52, the PEF was established to account for all revenues and expenses related to production and sale of numismatic products and circulating coinage and protection activities. Expenses accounted for in this fund include the cost of metals used in circulating coin production, the cost of metals (gold, silver, platinum, cupro-nickel, and zinc) used in numismatic coin production, fabrication and transportation costs for metals used in circulating coinage and numismatic products, and costs of transporting circulating coinage between United States Mint production facilities and Federal Reserve banks. Other costs/expenses accounted for in this fund include costs related to research and development and purchases of equipment, as well as capital improvements. P.L. 104-52 states that any amount in the PEF that is determined to be in excess of the amount required by the PEF shall be transferred to the Treasury.

Treasury's Bullion Fund (Bullion Fund) is used to account for United States gold and silver reserves. A separate Schedule of Custodial Gold and Silver Reserves has been prepared for Treasury gold and silver reserves for which the United States Mint acts as custodian.

## **Note 2 Summary of Significant Accounting Policies**

### *Basis of Presentation*

The United States Mint has historically prepared its financial statements in accordance with generally accepted accounting principles, based on accounting standards issued by the Financial Accounting Standards Board (FASB), the private-sector standards-setting body. In October 1999, the Federal Accounting Standards Advisory Board (FASAB) was designated by the American Institute of Certified Public Accountants (AICPA) as the standards-setting body for financial statements of federal government entities, with respect to the establishment of generally accepted accounting principles. FASAB has indicated, however, that financial statements prepared based upon accounting standards published by the FASB may also be regarded as in accordance with generally accepted accounting principles for those federal entities, such as the United States Mint, that have issued financial statements based upon FASB accounting standards in the past. Accordingly, consistent with historical reporting, the United States Mint's financial statements are presented in accordance with accounting standards promulgated by the FASB.

### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. This basis conforms with generally accepted accounting principles. All intra-Mint transactions and balances have been eliminated.

### *Revenues*

*Circulating Coinage:* P.L. 104-52, establishing the PEF, provides for the sale of circulating coinage at face value to the Federal Reserve System. Revenue from circulating coinage is recognized when the product is shipped to the Federal Reserve Banks.

*Numismatic Sales:* Revenue is recognized when products are shipped to customers. Prices for numismatic products are based on the product cost plus a reasonable profit. Bullion products are priced based on the market price of the precious metals plus a small market premium.

*Unearned Revenues:* These are amounts received from customers for which the numismatic products have not been shipped.

*Other Revenues:* These are amounts received principally from reimbursable agreements with other agencies.

*Fund Balances with Treasury*

Except for an imprest fund of \$4,000, all cash is maintained at the Treasury.

*Operating Inventories*

Inventories of circulating coinage and numismatic products are valued at the lower of cost or market value, with cost being determined by the average cost method. Absent historical cost records to determine acquisition cost of the gold and silver over the decades, the statutory rates of \$42.2222 per fine troy ounce (FTO) of gold and \$1.292929292 per FTO of silver are used. All work-in-process gold and silver inventories have been included in the United States Mint's financial statements.

At the inception of the Platinum Program, the Defense Logistics Agency (DLA) loaned the United States Mint 143,711.1 ounces of platinum. The United States Mint returned or purchased all but 68,711.1 ounces which is still owed DLA as of 9/30/01. This platinum is not carried in the accounts of the United States Mint; rather, DLA maintains accountability. Only United States Mint owned platinum is reported in these statements.

*Advances*

Payments in advance of the receipt of goods and services are recorded as prepaid expenses at the time of prepayment and are expensed when related goods and services are received.

*Property, Plant and Equipment*

Property, plant, and equipment are valued at cost less accumulated depreciation. The United States Mint's threshold for capitalizing new property, plant, and equipment remains \$25,000. Depreciation is computed on a straight-line basis over the estimated useful lives of related assets as follows:

ADP Software	2 to 10 years
Machinery and Equipment	7 to 20 years
Structures, Facilities, and Leasehold Improvements	10 to 20 years

Depreciation of plant and equipment assets used jointly in numismatic and circulating coinage production is allocated to each activity based on usage percentages.

Major alterations and renovations are capitalized over the shorter of a 20-year period or the remaining useful life of the asset and depreciated on the straight-line method, while maintenance and repair costs are charged to expense as incurred.

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*Surcharges*

Legislation authorizing commemorative programs often requires that the PEF remit a portion of the sales proceeds to beneficiary organizations. These amounts are defined as "surcharges." A surcharges payable is established for surcharges received but not yet paid to the beneficiary.

P.L. 104-208, *Omnibus Consolidated Appropriations for Fiscal Year 1997* (the Act), was passed on September 28, 1996, changing the requirements of paying surcharges for commemorative coin programs. Prior to the Act, any surcharges received were to be restricted to the benefiting organization. However, the Act made the benefiting organizations full partners in bearing costs, risks, and marketplace realities of selling coins. Benefiting organizations cannot receive surcharge payments unless all of the United States Mint's operating costs of the coin program are fully recovered. The United States Mint may make interim surcharge payments during a commemorative program if the benefiting organization meets the eligibility criteria in the Act, if the profitability of the program is determinable, and if the United States Mint is assured it is not at risk of a loss.

*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*

A liability is recorded for estimated future payments to be made for workers compensation pursuant to the Federal Employees' Compensation Act (FECA). The liability is based on the net present value of estimated future payments. Estimated future payments to be made by the Treasury are calculated by the Department of Labor, which tracks and pays the claims and is subsequently reimbursed by the Treasury. A portion of Treasury's liability is allocated to the United States Mint based on prior claims payment experience.

*Other Liabilities*

Other Liabilities consist of Other Accrued Liabilities-Federal and Other Accrued Liabilities-Treasury.

*Displays and Archives*

The United States Mint has a display area at each of its facilities and maintains archives at its headquarters in Washington, D.C. The displays and archives include valuable coins and commemoratives minted domestically and internationally and other artifacts related to minting operations. These items are not included in balances reported in these financial statements. Records are maintained of all coins, commemoratives, and valuable artifacts. Physical inspections are performed to assure accountability.



*Protection Costs*

Virtually all of the Treasury's gold and silver reserves are held by the United States Mint, which is responsible for safeguarding the reserves in its custody. These costs are borne by the United States Mint, but are not directly related to the circulating or numismatic coining operations of the United States Mint. Organizationally, the Protection Strategic Business Unit is a separate line of business from coining operations.

*Reclassification*

Certain FY 2000 balances have been reclassified to conform to the presentation in FY 2001.

*Hedging*

In August 1999 the United States Mint began the process of hedging the purchases of base metals used to manufacture United States coinage. Base metals (zinc, copper, and nickel) account for 30 percent of the cost of manufacturing coins. Metal prices are subject to significant variation as a result of market price volatility. The objective of the United States Mint's base metals risk management program is to reduce the variation in metal costs resulting from market price swings. To accomplish the risk management objectives, swap hedges are utilized to lock in metal prices on physical purchase commitments made but not yet delivered.

In FY 2000, The United States Mint adopted and is in compliance with Statement of Financial Accounting Standards No. 133, as amended and follows the accounting guidelines for "cash flow" hedging. Cash flows (gains or losses) generated from the United States Mint's hedging activities are accounted for in the Statement of Operations during the accounting period in which the hedges are resolved. Gains and losses generated from hedging activities in FY 2001 are not material. At the beginning of FY 2002, the United States Mint has purchase commitments and hedges in place for 25 percent of the forecasted base metal requirements. All of these hedges are expected to be resolved during the first quarter of the new fiscal year. The United States Mint estimates that gains and losses resulting from resolving these hedges will not be material.

**Note 3 Fund Balances with Treasury and Cash**

Components of Fund Balances with Treasury and Cash at September 30 are as follows:

	2001	2000
Revolving Fund	\$278,176	\$339,388
Imprest Fund	\$4	\$20
<b>Total fund balance with Treasury and cash</b>	<b>\$278,180</b>	<b>\$339,408</b>

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At September 30, 2001 and 2000, revolving fund balances included \$10.82 million and \$6.39 million, respectively, in restricted amounts for possible payment of surcharges to beneficiary organizations. Revolving fund balances also include amounts in budgetary clearing accounts.

**Note 4 Accounts Receivable**

Components of accounts receivable at September 30 are as follows:

	2001	2000
Accounts receivable, Federal	\$192	\$111
Accounts receivable, Non -- Federal	\$7,742	\$2,778
Less allowances for doubtful accounts	(\$426)	(\$358)
<b>Total Accounts Receivable</b>	<b>\$7,508</b>	<b>\$2,531</b>

Accounts receivable consist primarily of amounts due from shipments to Federal Reserve Board near year-end for which deposit tickets have not been received. These amounts were subsequently received in early FY 2002 and FY 2001, respectively.

Beginning in FY 1997, an allowance for uncollectible customer accounts receivable was established for all accounts that are delinquent more than 90 days. However, the United States Mint will continue collection action as specified by the Debt Collection Improvement Act of 1996.

**Note 5 Operating Inventories**

The components of operating inventories at September 30 are summarized below:

	2001	2000
Operating components	\$451,380	\$429,985
Supplies	\$24,531	\$20,257
Allowance for program closeout	(\$10,107)	(\$4,701)
<b>Total Operating Inventories</b>	<b>\$465,804</b>	<b>\$445,541</b>

Operating components of inventories include direct materials, direct labor, and overhead for work-in-process and finished goods inventories. Direct materials consist of metals, fabrication costs, and transportation-in costs (costs related to the shipment of metals from fabricators and between United States Mint facilities). Direct labor consists of direct factory labor costs, and overhead consists of indirect labor costs, indirect materials (including dies), utilities, and depreciation.

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Costs of precious metals (without fabrication and transportation) in the operating components at September 30 are as follows:

	2001	2000
Gold	\$121,065	\$121,544
Silver	\$32,139	\$31,699
Platinum	\$48,907	\$43,864
Total cost of precious metals in operating component	<u>\$202,111</u>	<u>\$197,107</u>

**Note 6 Advances and Prepayments**

The components of Advances and Prepayments at September 30 are summarized below:

	2001	2000
<b>Advances</b>		
Federal	\$6,553	\$2,258
Non-Federal	\$159	\$88
Total Advances	<u>\$6,712</u>	<u>\$2,346</u>

Advances-Federal is the amount the United States Mint pays into the Treasury Working Capital Fund (the Fund), a revolving fund that operates as an accounting entity. In the Fund, the assets are capitalized and all income is in the form of offsetting collections derived from each of the Treasury bureaus and available to finance the Fund's operations. Advances-Non-Federal consists primarily of advances to employees such as travel.

**Note 7 Property, Plant and Equipment**

The components of Property, Plant and Equipment at September 30 are as follows:

	2001	2000
Land	\$2,529	\$2,529
Structure, Facilities, and Leasehold Improvements	\$154,753	\$118,004
Computer Equipment	\$17,572	\$17,963
ADP Software	\$74,259	\$39,835
Machinery and Equipment	\$224,372	\$179,432
Assets Under Capitol Lease	0	\$50
	<u>\$473,485</u>	<u>\$357,813</u>
Less Accumulated Depreciation and Amortization	(146,937)	(133,178)
Total Property, Plant and Equipment, Net	<u>\$326,548</u>	<u>\$224,635</u>

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United States Mint facilities used to manufacture circulating coinage and numismatic products are owned by the United States Mint and located in San Francisco, California; Philadelphia, Pennsylvania; Denver, Colorado; and West Point, New York. In addition, the United States Mint owns the land and buildings at the Fort Knox Bullion Depository in Kentucky.

Depreciation and amortization expense charged to operations for FY 2001 and FY 2000 were \$29.5 million and \$19.11 million, respectively.

**Note 8 Other Assets**

Included in other assets are progress payments (advances) for equipment and building improvements under construction. The United States Mint has initiated a Mint-wide security upgrade, which requires progress payments be made to the construction contractors. As of September 30, 2001, the cumulative balance for such payments is \$1.71 million which represents the outstanding balance remaining.

**Note 9 Accounts Payable – Federal**

Effective FY 2000, Treasury's working stock of gold and silver used in numismatic coin production is recorded in the accounts of the Public Enterprise Fund and is not included in the Schedule of Custodial Gold and Silver Reserves. The major portion of the non-current Accounts Payable-Federal is the non-custodial gold and silver used as working stock for numismatic coin production.

A summary of Accounts Payable-Federal at September 30 are as follows:

	2001	2000
Current		
Funds to be transferred to others	\$5,216	\$9,662
	<u>\$5,216</u>	<u>\$9,662</u>
Non-Current		
Metal used as working stock inventory	\$154,585	\$150,662
Metal at DLA for future working stock	0	\$14,421
	<u>\$154,585</u>	<u>\$165,083</u>
<b>Total Accounts Payable-Federal</b>	<u><u>\$159,801</u></u>	<u><u>\$174,745</u></u>

The funds to be transferred to others resulted from the sale of metal used in United States Mint products and other amounts owed to Federal entities, primarily the Treasury and DLA.

**Note 10 Custodial Gold and Silver Reserves**

The United States Mint is responsible for safeguarding much of the nation's precious metals and strategic stockpiles and is the custodian of virtually all of the United States' gold and silver reserves. These resources are reported in the custodial segment of the Statement of Financial Position at the lower of cost or market value. Absent historical cost records to determine the acquisition cost of the gold and silver over the decades, statutory rates of \$42.2222 per FTO of gold and \$1.292929292 per FTO of silver are used to value the entire custodial reserves held by the United States Mint. An offsetting custodial liability is also reported for these assets. For purposes of comparison, the market value of these assets is disclosed in this note.

Amounts and values of custodial gold and silver in the custody of the Mint at September 30 are as follows:

	2001	2000
<b>Gold</b>		
Inventories (FTO)	245,262,897	245,262,897
Market Value (\$ per FTO)	\$293.10	\$273.65
Market Value (\$ in thousands)	\$71,886,555	\$67,116,192
Statutory Value (\$ in thousands)	\$10,355,539	\$10,355,539
<b>Silver</b>		
Inventories (FTO)	7,075,171	7,075,171
Market Value (\$ per FTO)	\$4.5825	\$4.8875
Market Value (\$ in thousands)	\$32,422	\$34,580
Statutory Value (\$ in thousands)	\$9,148	\$9,148
<b>Total Market Value of Custodial Gold and Silver Reserves (\$ in thousands)</b>	<b>\$71,918,977</b>	<b>\$67,150,772</b>
<b>Total Statutory Value of Custodial Gold and Silver Reserves (\$ in thousands)</b>	<b>\$10,364,687</b>	<b>\$10,364,687</b>

**Note 11 Surcharges Collected**

Following are components of surcharges collected by product and beneficiary organization for FY 2001 and FY 2000. The surcharge recipients of programs subject to the provisions of P.L. 104-208 must meet certain requirements before the Mint can make surcharge payments. These requirements include raising matching funds and providing audited financial statements.

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Commemorative Program	Beneficiary Organization	2001	2000	Sales Period
Capitol Visitors Center	Capitol Preservation Fund	\$2,982	\$0	2001
American Buffalo Coin	National Museum of the American Indian	\$4,962	\$0	2001
Dolley Madison	National Trust For Historic Preservation	\$0	\$332	1999-2000
George Washington	Mount Vernon Ladies Association	\$0	\$321	1999-2000
Yellowstone	National Park Foundation, Yellowstone National Park	\$0	\$1,217	1999-2000
Library of Congress	Library of Congress	\$246	\$2,748	2000-2001
Yosemite Medal	National Park Foundation	\$0	\$2	1999-2000
Leif Ericson	Leif Ericson Foundation	\$463	\$2,287	2000-2001
<b>Total Surcharges Collected</b>		<b>\$8,653</b>	<b>\$6,907</b>	

### Note 12 Other Revenue

Components of Other Revenue at September 30 are as follows:

	2001	2000
Federal		
Revenue/Services, Federal	\$44	\$0
	<u>\$44</u>	<u>\$0</u>
Non-Federal		
Miscellaneous Revenue, Non-Federal	\$2	\$195
	<u>\$2</u>	<u>\$195</u>
<b>Total Other Revenue</b>	<b><u>\$46</u></b>	<b><u>\$195</u></b>

### Note 13 Cost of Goods Sold

Components of Cost of Goods Sold at September 30 are as follows:

	2001	2000
Finished Goods, Beginning	\$61,601	\$35,665
Cost of Goods Manufactured:		
Work-in-Process, Beginning	\$247,835	\$58,441
Direct Labor	\$19,134	\$22,738
Manufacturing Overhead	\$847,655	\$1,035,631
Work-In-Process, Ending	<u>(390,924)</u>	<u>(247,835)</u>
Total Cost of Goods Manufactured	<u>\$723,700</u>	<u>\$868,975</u>
Cost of Goods Available for Sale	\$785,301	\$904,640
Finished Goods, Ending	<u>(74,880)</u>	<u>(61,601)</u>
<b>Total Cost of Goods Sold</b>	<b><u>\$710,421</u></b>	<b><u>\$843,039</u></b>

**Note 14 Selling, General and Administrative Expense**

Following are components of selling, general and administrative expenses as of September 30:

	2001	2000
Selling Expenses		
Marketing	\$28,278	\$40,502
Advertising (including postage to mail brochures)	\$7,391	\$11,437
Advertising for coin awareness	\$20,061	\$47,513
Transportation to Federal Reserve Banks (FRB)	\$6,765	\$13,120
	<u>\$62,495</u>	<u>\$112,572</u>
General and Administrative		
Other Salaries and Benefits	\$33,054	\$34,296
Computer services	\$6,741	\$14,484
Transportation, communications, and training	\$20,629	\$8,804
Supplies	\$4,942	\$2,221
Depreciation	\$9,949	\$7,936
Rent	\$11,165	\$10,432
Other administrative services	\$54,776	\$47,394
	<u>\$141,256</u>	<u>\$125,567</u>
<b>Total Selling, General and Administrative</b>	<u><u>\$203,751</u></u>	<u><u>\$238,139</u></u>

**Note 15 Other Costs and Expenses**

These consist primarily of returns of mutilated or uncurrent coins to the United States Mint. The United States Mint reimburses the entity that sent in the coins for the face value of these coins if the coins are individually identifiable. If the coins have melted (as in a fire), the United States Mint reimburses the entity an amount based on the metal content of the melted mass.

**Note 16 Retirement Plans and Other Postemployment Costs (Imputed Financing)**

At the end of FY 2001, five hundred seventy-six (576) Mint employees participated in the Civil Service Retirement System (CSRS), to which the United States Mint contributes 24.2 percent of pay. On January 1, 1987, the Federal Employees' Retirement System (FERS) went into effect pursuant to P.L. 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, have elected to join FERS or remain in CSRS.

A primary feature of FERS is that it offers a savings plan to which the United States Mint automatically contributes one percent of pay and matches any employee contributions up to an additional four percent of pay. FERS employees are allowed a maximum annual contribution of 11 percent of salary. Employees participating in FERS are covered by the Federal Insurance Contribution Act (FICA) for which the United States Mint contributes a matching amount to the Social Security Administration.

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Although the United States Mint contributes a portion for pension benefits and makes the necessary payroll deductions, it is not responsible for administering either CSRS or FERS. Therefore, the United States Mint does not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to United States Mint employees. Responsibility for reporting such amounts is the responsibility of the Office of Personnel Management (OPM). OPM has provided the United States Mint with certain cost factors that estimate the cost of providing the pension benefit to current employees. The cost factors of 24.2 percent of basic pay for CSRS-covered employees and 11.5 percent of basic pay for FERS-covered employees were in use for both FY 2001 and FY 2000.

The amounts that the PEF contributed to the retirement plans and Social Security as of September 30 are as follows:

	2001	2000
Social Security System	\$8,502	\$8,199
Civil Service Retirement System	\$2,685	\$2,629
Federal Employees Retirement System (Retirement & Thrift Savings Plan)	\$12,895	\$10,779
	<u>\$24,082</u>	<u>\$21,607</u>

The United States Mint is also recognizing its share of the future cost of post-retirement health benefits and life insurance 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 also provided certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The cost factor relating to health benefits is \$2,999 and \$2,733 per employee enrolled in the Federal Employees Health Benefits Program in FY 2001 and FY 2000, respectively. The cost factor relating to life insurance is two-one hundredths percent (.02%) of basic pay for employees enrolled in the Federal Employees Group Life Insurance Program for FY 2001 and FY 2000.

The amount of imputed cost (before the offset for imputed financing) incurred by the United States Mint at September 30 are below:

	2001	2000
Health Benefits	\$6,868	\$5,496
Life Insurance	\$18	\$20
Pension Expense	\$2,253	\$2,577
<b>Total Imputed Cost</b>	<u><u>\$9,139</u></u>	<u><u>\$8,093</u></u>



**Note 17 Lease Commitments**

The United States Mint leases space in four buildings in Washington, D.C., and office and warehouse space near other United States Mint facilities. Space in Denver and San Francisco is leased from the General Services Administration (GSA), which charges a fee that approximates the commercial rental rates for similar properties. The remaining buildings are leased from private sources.

Total rental expense was \$12.66 million and \$11.73 million in FY 2001 and FY 2000, respectively.

*Operating Leases**Schedule of Minimum Future Rental Payments (in thousands)*

Year ended 9/30	
2002	\$13,020
2003	\$10,493
2004	\$10,539
2005	\$10,502
2006	\$10,591
After 2006	\$115,368
<b>Total minimum future rental payments</b>	<b><u><u>\$170,513</u></u></b>

**Note 18 Contingencies**

The United States 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 United States Mint generally would be satisfied from the Department of Treasury Judgment Fund. In the opinion of management, the ultimate resolution of these actions will not materially affect the United States Mint's financial position or the results of its operations.

The United States Mint has a pending bankruptcy claim for about \$13 million against a silver refining vendor for the not-returned United States Mint silver. At the same time, the United States Mint has a pending claim under an insurance policy for the loss of this silver.

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**Note 19 Related Parties**

The United States Mint is subject to management control by the Secretary of the Treasury.

The United States Mint has been required by legislation to obtain silver to be used in minting of commemoratives from the DLA stockpiles. The United States Mint has been using DLA silver, when available, in the production of numismatic silver coins. Beginning in FY 2000, due to the dwindling supply of DLA silver, the United States Mint, on occasion, has gone out on the open market to meet coin production demands. It is expected that the United States Mint will deplete the DLA stockpiles of silver in FY 2002. Until the stockpile is depleted, the United States Mint will continue to reimburse the DLA at the market price for silver, less the statutory rate of \$1.292929292 per FTO. The \$1.292929292 per FTO is paid by the United States Mint to the Treasury.

Related Parties who were paid at least \$100,000 as of September 30 are below:

	2001	2000
United States Postal Service	\$12,404	\$21,243
General Services Administration	\$2,282	\$3,238
Department Offices	\$1,864	-
Office of Personnel Management	\$722	-
Department of Veterans Affairs	\$468	-
Government Printing Office	\$281	\$178
Internal Revenue Service	\$287	-
Federal Law Enforcement Training	\$169	-
Department of the Army	\$149	-
Total Related Parties	<u>\$18,626</u>	<u>\$24,659</u>

The United States Mint shipped approximately \$2,003 million in coins to the Federal Reserve Board in FY 2001. This amount represents a 35.6 percent decrease over FY 2000 shipments.

Numismatic orders, checks, and credit card orders are processed by a commercial bank.

Fees associated with these services are absorbed by the Treasury and are not reflected in the United States Mint's financial statements.



## ***Independent Auditor's Report on the Financial Statements***

### ***United States Department of the Treasury Office of Inspector General***

We have audited the accompanying statements of financial position of the United States Mint (Mint), a bureau of the United States Department of the Treasury, as of September 30, 2001 and 2000, and the related statements of operations and changes in net position, and cash flows for the fiscal years then ended. These financial statements are the responsibility of the Mint's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the United States' gold and silver reserves (Custodial Gold and Silver Reserves) for which the Mint serves as custodian. These reserves were audited by the United States Department of the Treasury, Office of Inspector General (OIG) whose report has been furnished to us, and our opinion, insofar as it relates to these reserves, is based solely on the report of the OIG.

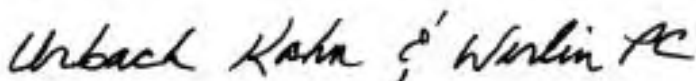
We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the OIG, the financial statements referred to above, present fairly, in all material respects, the financial position of the Mint as of September 30, 2001 and 2000, and the results of its operations, the changes in its net position, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental financial information is presented for purposes of additional analysis and is not a required part of these financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued reports dated January 15, 2002, on our consideration of the Mint's internal control over financial reporting, and on our tests of its compliance with certain provisions of applicable laws and regulations. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and, in considering the results of the audit, those reports should be read in conjunction with this report.

A handwritten signature in black ink that reads "Urbach Kohn & Wurkin PC". The signature is written in a cursive, flowing style.

Washington, DC  
January 15, 2002



## ***Independent Auditor's Report on Internal Control***

### ***United States Department of the Treasury Office of Inspector General***

We have audited the financial statements of the United States Mint (Mint), a bureau of the United States Department of the Treasury, as of and for the year ended September 30, 2001 and have issued our report thereon, dated January 15, 2002. The United States' gold and silver reserves, for which the Mint serves as custodian, were audited by the OIG. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and, Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.

In planning and performing our audit, we considered the Mint's internal control over financial reporting by obtaining an understanding of the Mint's internal control, determined whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982 (FMFIA), such as those controls relevant to ensuring efficient operations. The objective of our audit was not to provide assurance on internal control. Consequently, we do not provide an opinion on internal control.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the Mint's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in internal controls, misstatements, losses, or noncompliance may nevertheless occur and not be detected. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions, and, with respect to the first two items below, material weaknesses.

**Reportable Condition 1 (Material Weakness)**

*Information System General Controls Need Improvement (Repeat Condition)*

In connection with our audit of the Mint's financial statements, we conducted a general controls review of the Mint's financial management information systems, limited systems application testing, and a review of the Mint's e-commerce system. These reviews were performed in accordance with the General Accounting Office's (GAO), *Federal Information System Control Audit Manual (FISCAM)*.

The Mint did not make sufficient improvements in addressing or correcting the information system general control weaknesses identified during the audit of the FY 2000 financial statements. These weaknesses, not considered material during FY2000, have been upgraded to material status in FY2001. Specifically, the Mint continued to have significant internal control weaknesses related to the existence and availability of certain information systems documentation, policies and procedures. Furthermore, we noted that the Mint needs to continue to focus on improvements addressing issues related to logical access controls, systems change controls, and service continuity. These conditions, if left unresolved, render the Mint's information systems and data vulnerable to internal or external attack and may lead to uncontrolled access to these systems and data.

The internal control issues noted are directly related to the following FISCAM domains: Entity-Wide Security Program Planning and Management, Access Controls, Application Software Development and Change Control, Systems Software, Segregation of Duties, and Service Continuity. Overall, we have concluded that the Mint, while addressing some of these issues which were considered reportable conditions last year, must place a higher priority on making more immediate improvements in its information systems internal control environment.

Due to the sensitive nature of these issues, we issued a separate report to Mint management, including the Office of Chief Information Officer (OCIO), dated January 15, 2002, which contains the details of our findings and recommendations related to information systems. The key recommendations issued in that report are summarized as follows:

We recommend that the Director of the Mint ensure that the Chief Information Officer and Chief Financial Officer:

- Develop and implement a formal action plan to address and resolve each of the information system general control weaknesses related to follow-up and systems documentation noted during the course of our audit and to ensure compliance with OMB Circular A-130.
- Develop and implement a plan that establishes a monthly communication of the status of each corrective action in the action plan to the Mint's Chief Information Officer, Chief Financial Officer, and the audit team.
- Develop and implement a schedule for independent quarterly follow-up reviews to verify the reported progress on the action plan. If any delays are noted in the action plan, Mint management should take the appropriate steps to get the corrective action back on schedule and ensure that no further delays are encountered.

#### ***Reportable Condition 2 (Material Weakness)***

##### *Information System Controls at the Application Level Need Improvements*

We identified significant internal control weaknesses as a result of the limited application and e-commerce testing that we conducted. Specifically, we identified internal control weaknesses related to the completeness, integrity, and availability of internal financial reports to Mint management and for our independent review. For instance, we were unable to ascertain who had made changes to the inventory valuation (roll-up) in the Enterprise Resource Planning (ERP) software. Users of the ERP and e-commerce software were not always able to obtain timely, accurate, and consistent reports that would enable them to perform their jobs efficiently. Additionally, as part of the business process re-engineering, we noted that the OCIO did not sufficiently define logical user access rights and privileges for business applications based on appropriate job duties or responsibilities. This is due in part to OCIO not communicating with the business owners and users to determine appropriate user rights and privileges based on job duties.

## U N I T E D S T A T E S M I N T 2 0 0 1 A N N U A L R E P O R T

These internal control weaknesses are directly related to the following FISCAM domains: Entity-Wide Security Program Planning and Management, Access Controls, Application Software Development and Change Control, Systems Software, Segregation of Duties, and Service Continuity. These conditions, if left unresolved, render the Mint's information systems and data vulnerable to internal or external attack and may lead to uncontrolled access to these systems and data.

Due to the sensitive nature of these issues, we issued a separate report to Mint management, including the OCIO, dated January 15, 2002, which contains the details of our findings and recommendations related to information systems. The key recommendations issued in that report are summarized as follows:

We recommend that the Director of the Mint ensure that the Chief Information Officer and the Chief Financial Officer:

- Develop and implement a formal action plan to address and resolve each of the information system application and e-commerce control weaknesses noted during the course of our audit and to ensure compliance with OMB Circular A-130.
- Develop and implement a plan that establishes a monthly communication of the status of each corrective action in the action plan to the Mint's Chief Information Officer, Chief Financial Officer, and the audit team.
- Develop and implement a schedule for independent quarterly follow-up reviews to verify the reported progress on the action plan. If any delays are noted in the action plan, Mint management should take the appropriate steps to get the corrective action back on schedule and ensure that no further delays are encountered.
- Independent systems audits should be scheduled and budgeted for the next fiscal year, which would include the following information systems security and control reviews: full application testing of all modules related to the Mint's ERP solution, a review of planned upgrades of the Mint's ERP package to ensure systems security and controls are designed and implemented, a full scope review of the Mint's database controls, a full scope review of the Mint's operating systems controls, detailed systems reviews of the Mint's e-commerce and call center environments, and various reviews of major systems projects or technology changes planned by the Mint for the next fiscal year. Without an independent review of these controls, Mint management will have limited assurance that the systems internal control issues are fully addressed and resolved.



- Develop a formal information protection plan that addresses the privacy requirements for the storage and use of sensitive customer data.
- Improve financial reporting for the Mint's business applications and e-commerce environment to enable users to perform their jobs in a more efficient manner.
- Ensure the OCIO works closely with the business owners of the business applications (OCFO) and the e-commerce (Sales and Marketing) system, especially in relation to a business process re-engineering effort, to ensure that user rights and privileges are appropriate and based on job duties. For instance, read-access in the ERP may be appropriate for an entire department or Business Unit (BU); however, the ability to make changes to "live" production data (write access) may not be appropriate.
- Ensure the OCIO subsequently reviews each user account to ensure it meets the information security requirements of Mint policies and will foster an effective internal control environment (e.g., an Accounts Payable clerk should not have the ability to alter inventory valuations).

### **Reportable Condition 3**

#### *Review and Approval of Vendor Invoices Needs Improvement*

We identified a weakness in the controls surrounding Mint's review and acceptance of vendor invoices for payment by the Mint. According to Mint policy, it is the Contracting Officer's Technical Representative's (COTR's) responsibility to review invoices received and determine whether sufficient support has been provided to ensure that the Mint has received billed goods or services in accordance with all contractual terms. There are detailed instructions and requirements in the Mint's procurement documentation describing the form and support for invoices sent to the Mint. We noted several contracts in which the invoices paid clearly did not meet the criteria for properly supported invoices as outlined in the contract or other procurement documents. The accounts payable function would not necessarily catch, nor are they currently required to catch, unsupported invoices. The accounts payable clerks simply look for verification of receipt of goods or services on the invoice, namely the COTR's signature for acceptance. Consequently, numerous payments were made to vendors for goods and services that were not properly supported in accordance with contract terms.

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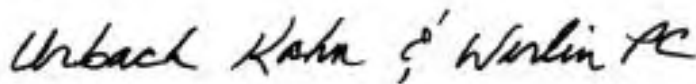
We recommend that the Director of the Mint ensure that:

The Chief Financial Officer perform an audit of all significant procurements of goods or services, focusing on the sufficiency of vendor invoice support and evidence of a thorough COTR review of the invoices. The COTR review should include verification that the invoice and support are in compliance with the contract (or other procurement source such as purchase orders) as well as whether there was sufficient proof of receipt of goods or services by the Mint.

In addition, with respect to internal controls related to performance measures reported in Management's Discussion and Analysis contained within accompanying information, we obtained an understanding of the design of significant internal controls relating to the existence and completeness assertions, as required by OMB Bulletin No. 01-02. Our procedures were not designed to provide assurance on internal control over reported performance measures, and, accordingly, we do not provide an opinion on such controls.

We also noted other less significant matters involving the internal control and its operation, which we have reported to the management of the Mint in a separate letter, dated January 15, 2002.

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



Washington, DC  
January 15, 2002



***Independent Auditor's Report on  
Compliance with Laws and Regulations***

***United States Department of the Treasury  
Office of Inspector General***

We have audited the financial statements of the United States Mint (Mint), a bureau of the United States Department of the Treasury, as of and for the year ended September 30, 2001 and have issued our report thereon, dated January 15, 2002. The United States' gold and silver reserves, for which the Mint serves as custodian, were audited by the OIG. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and, Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.

The management of the Mint is responsible for complying with laws and regulations applicable to the agency. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts and certain other laws and regulations specified in OMB Bulletin No. 01-02, including the requirements referred to in the Federal Financial Management Improvement Act (FFMIA) of 1996. We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to the Mint.

The results of our tests of compliance disclosed no instances of noncompliance with the laws and regulations discussed in the preceding paragraph, exclusive of FFMIA, that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 01-02.

Under FFMIA, we are required to report whether the Mint's financial management systems substantially comply with the Federal financial management systems requirements (FFMSR), applicable Federal accounting standards, and the United States Standard General Ledger at the transaction level. To meet this requirement, we performed tests of compliance with FFMIA section 803(a) requirements.

## U N I T E D   S T A T E S   M I N T   2 0 0 1   A N N U A L   R E P O R T

The results of our tests disclosed instances, described below, where the Mint's financial management systems did not substantially comply with Federal financial management system requirements, including OMB Circulars A-127, *Financial Management Systems* and A-130 *Management of Federal Information Resources*.

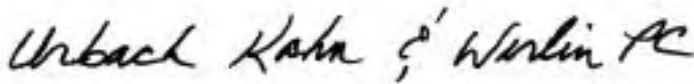
The instances of noncompliance with FFMSR are due to (1) internal control weaknesses related to entity-wide security program planning and management and access controls; and (2) internal control weaknesses at the application level within the financial management and electronic commerce systems.

Specific conditions attributable to this noncompliance and related recommendations for corrective actions are more fully described in our report on internal control dated January 15, 2002. The Chief Information Officer of the Mint is responsible for the financial management systems within the Mint.

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

Providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

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



Washington, DC  
January 15, 2002

In this Supplemental Section of the Report, we provide additional information related to the financial condition of the United States Mint. Each section provides its own additional insight.

### Supplemental Financial Information

#### Supplemental Information per Public Law 106-445

The following supplemental schedules were prepared in compliance with the new reporting requirement per Public Law 106-445 Section 5134(e)(2) of title 31, United States Code that was amended in FY 2000, which required the United States Mint to include in its annual report specific information regarding the costs and expenses for producing, marketing, and distributing circulating coinage — both in gross and on a per-unit basis — as well as gross revenue from the sales of each denomination.

The first schedule provides the information detailing the costs and expenses for the production, for the marketing, and for the distribution of each denomination of circulating coins produced by the United States Mint during FY 2001 as well as the gross revenue derived from the sales of each such denomination of coins. The second schedule provides the information for the per-unit cost of producing and of distributing each denomination of such coins.

#### *Circulating SBU Profit and Loss for FY 2001* *For the Period Ending September 30, 2001*

	Penny	Nickel	Dime	Quarter	Half	Dollar	Other	Total
Revenues	\$127.7	\$83.5	\$312.3	\$1,382.2	\$13.5	\$102.2	\$0	\$2,021.4
Cost of Production	\$101.5	\$54.9	\$71.2	\$285.8	\$2.3	\$12.9	\$9.0	\$537.6
Distribution to FRB	\$1.6	\$0.4	\$0.7	\$3.6	\$0.1	\$0.3	\$0	\$6.7
Total Expenses prior to Marketing	\$103.1	\$55.3	\$71.9	\$289.4	\$2.4	\$13.2	\$9.0	\$544.3
Marketing	\$0	\$0	\$0	\$12.4	\$0	\$7.3	\$0	\$19.7
<b>Profit / (Loss)</b>	<b>\$24.6</b>	<b>\$28.2</b>	<b>\$240.4</b>	<b>\$1,080.4</b>	<b>\$11.1</b>	<b>\$81.7</b>	<b>\$(9.0)</b>	<b>\$1,457.4</b>

#### *Unit Cost of Producing and Distributing Coins* *For the Period Ending September 30, 2001*

	Penny	Nickel	Dime	Quarter	Half	Dollar
Cost of Production	\$0.0079	\$0.0329	\$0.0228	\$0.0517	\$0.0855	\$0.1263
Distribution to FRB	\$0.0001	\$0.0002	\$0.0002	\$0.0007	\$0.0037	\$0.0029
<b>Total Expenses prior to Marketing</b>	<b>\$0.0080</b>	<b>\$0.0331</b>	<b>\$0.0230</b>	<b>\$0.0524</b>	<b>\$0.0892</b>	<b>\$0.1292</b>

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*Circulating SBU Profit and Loss for FY 2000*

*For the Period Ending September 30, 2000*

	Penny	Nickel	Dime	Quarter	Half	Dollar	Other	Total
Revenue	\$136.7	\$121.0	\$388.4	\$1,541.9	\$13.5	\$1,019.4	\$0.6	\$3,221.5
Cost of Production	\$110.3	\$75.8	\$73.0	\$264.7	\$2.6	\$102.2	\$8.3	\$636.9
Distribution to FRB	\$1.9	\$0.7	\$1.5	\$5.8	\$0.1	\$3.0	\$0	\$13.0
Total Expenses prior to Marketing	\$112.2	\$76.5	\$74.5	\$270.5	\$2.7	\$105.2	\$8.3	\$649.9
Marketing	\$0	\$0	\$0	\$4.9	\$0	\$42.4	\$0	\$47.3
<b>Profit / (Loss)</b>	<b>\$24.5</b>	<b>\$44.5</b>	<b>\$313.9</b>	<b>\$1,266.5</b>	<b>\$10.8</b>	<b>\$871.8</b>	<b>\$(7.7)</b>	<b>\$2,524.3</b>

*Unit Cost of Producing and Distributing Coins*

*For the Period Ending September 30, 2000*

	Penny	Nickel	Dime	Quarter	Half	Dollar
Cost of Production	\$0.0081	\$0.0313	\$0.0188	\$0.0429	\$0.0963	\$0.1003
Distribution to FRB	\$0.0001	\$0.0003	\$0.0004	\$0.0009	\$0.0037	\$0.0029
<b>Total Expenses prior to Marketing</b>	<b>\$0.0082</b>	<b>\$0.0316</b>	<b>\$0.0192</b>	<b>\$0.0438</b>	<b>\$0.1000</b>	<b>\$0.1032</b>

### **Supplemental Statements of Net Cost**

OMB Bulletin 97-01 requires two additional supplemental statements -- the Statement of Financing and the Statement of Budgetary Resources. These statements are designed for organizations that operate under an annual appropriation from Congress. The United States Mint is a full revolving fund and receives no appropriated funds. In addition, the United States Mint is a manufacturing operation with operating inventories. The OMB statements do not allow for consideration of operating inventories. Therefore, we do not present these statements in this report as they may mislead the reader.

This statement is modeled primarily on OMB Bulletin 97-01, using proprietary accounting data. The United States Mint's three programs are reported separately in the Supplemental Statements of Net Cost; whereas they are combined in the Statements of Operations and Changes in Net Position.

Costs of goods sold presented in the Supplemental Statement of Net Cost has been reclassified from intragovernmental cost to cost with the public. A part of selling, general and administrative expenses has been reclassified from cost with the public to intragovernmental cost.

**Department of the Treasury**  
**United States Mint**  
**Supplemental Statements of Net Cost (in thousands)**  
**For Year Ended September 30, 2001**

	Years Ended September 30,	
	2001	2000
Costs:		
<b>Numismatic Production and Sales</b>		
Intragovernmental		
Cost of Goods Sold	\$0	\$0
Selling, General and Administrative	\$17,822	\$19,263
Other costs and expenses	\$914	\$809
Total Intragovernmental	\$18,736	\$20,072
With the Public		
Cost of Goods Sold	\$298,570	\$329,341
Selling, General and Administrative	\$42,705	\$43,918
Other costs and expenses	\$0	\$0
Total With the Public	\$341,275	\$373,259
Less earned revenues	\$402,027	\$481,526
<b>Net program costs (profit)</b>	<b>(\$42,016)</b>	<b>(\$88,195)</b>
<b>Circulating Production and Sales</b>		
Intragovernmental		
Cost of Goods Sold	\$0	\$0
Selling, General and Administrative	\$12,615	\$40,259
Other costs and expenses	\$8,225	\$7,284
Total Intragovernmental	\$20,840	\$47,543
With the Public		
Cost of Goods Sold	\$411,852	\$514,821
Selling, General and Administrative	\$130,610	\$134,699
Other costs and expenses	\$9,009	\$7,385
Total With the Public	\$551,471	\$656,905
Less earned revenues	\$2,021,344	\$3,221,488
<b>Net program costs (profit) (A)</b>	<b>(\$1,449,033)</b>	<b>(\$2,517,040)</b>
<b>Protection of Assets</b>	\$34,279	\$29,757
<b>Costs Assigned to other Agencies (not assigned to program):</b>		
Other post-employment benefit costs	\$0	\$0
Less funding sources	\$0	\$0
Net program costs (profit)	\$0	\$0
<b>Net Cost of (Profit from) Operations</b>	<b>(\$1,456,770)</b>	<b>(\$2,575,478)</b>

(A) Net Program cost (profit) from circulating production and sales on this statement will not agree with the supplemental schedule for Circulating SBU Profit and Loss because imputed cost is not included in the supplemental schedule.

## ***Glossary of Terms and Acronyms***

**AFGE** - American Federation of Government Employees

**American Eagle Program** – Gold, platinum, or silver coins issued in proof or uncirculated qualities. Gold and platinum coins are issued with one-tenth, one-quarter, one-half and one ounce precious metal content. Silver coins are issued with one ounce of silver metal content. Proof quality coins are considered numismatic products and sold directly to consumers as individual coins or in sets of various combinations of sizes and metals. Uncirculated quality coins are considered investment-quality coins and sold directly to a limited number of precious metal dealers.

**CFO** - Chief Financial Officer

**Circulating Coins** – cent, nickel, dime, quarter dollar, half dollar, and one dollar coins used in daily commerce.

**COINS** – COnsolidated INformation System, the United States Mint's fully integrated enterprise resource planning system. The Mint utilizes PeopleSoft manufacturing and financial modules, Smith-Gardner Mail Order and Catalogue System (MACS) for processing coin orders from consumers, and MAXIMO for tracking inventory other than metal.

**Commemorative Coin Programs** – coins the United States Mint produces and markets based on Congressionally enacted legislation. These programs generally honor significant people (i.e., Dolley Madison), events (i.e., Olympic Games), or things (i.e., the National Law Enforcement Officers Memorial). Commemorative coins are generally sold for a 12-month period as defined in the legislation.

**CSRS** - Civil Service Retirement System

**DLA** - Defense Logistics Agency

**ERP System** – Enterprise Resource Planning System, a series of computer modules/programs that work together to allow a business to plan production, track inventory, fill customer orders, and produce accurate financial information in a timely manner. The United States Mint's COINS is an example of an ERP System.

**FECA** - Federal Employees Compensation Act

**FERS** - Federal Employees Retirement System

**FFMIA** - Federal Financial Management Improvement Act of 1996

**FICA** - Federal Insurance Contribution Act

**FMFIA** - Federal Managers' Financial Integrity Act of 1982



***Glossary of Terms and Acronyms (continued)***

**FRB** - Federal Reserve Board or Bank

**FTO** - Fine Troy Ounce

**FY** - Fiscal Year

**GSA** - General Services Administration

**MACS** - Mail-Order and Catalog System

**Numismatic Products** – coins and coin-related products produced by or for the United States Mint for sale to the public.

**OIG** - Office of the Inspector General

**OMB** - Office of Management and Budget

**OPM** - Office of Personnel Management

**PEF** - Public Enterprise Fund

**Proof Quality Coins** – coins that are struck multiple times with specially treated dies to produce a mirrored background, sharp relief, and a frosted image on the finished coin. Coins offered as numismatic products are produced in proof quality as well as uncirculated quality.

**Q50** - 50 State Quarters Program<sup>\*</sup>

**Recurring or Annual Coin Programs** – proof and uncirculated sets of all circulating coins for a year that are specially packaged for collectors. Recurring programs include the annual uncirculated set, which includes circulating coins from both the Denver and Philadelphia Mints; the silver proof set, which includes a silver dime, quarter(s), and half dollar as well as a proof quality cent, nickel, and Golden Dollar; and souvenir sets that include uncirculated circulating coins produced by the Philadelphia or Denver Mints.

**SBA** - Susan B. Anthony Dollar Coin

**Surcharge** – an amount added to the selling price of a commemorative coin. The surcharge amount and the beneficiary organization(s) are specified in the commemorative coin legislation. The United States Mint collects the surcharges and pays them to the beneficiary organizations after the organizations meet certain requirements related to matching funds and audited financial statements.

**Uncirculated Quality Coins** – coins that are struck only once with regular coinage dies.

Uncirculated coins have a satin finish versus the mirrored background and frosted image of the proof coins.

**Department of the Treasury**  
**United States Mint**  
**Schedule of Custodial Gold and Silver Reserves**

*As of September 30, 2001 and 2000 (in thousands)*

Custodial Gold and Silver Reserves	2001	2000
United States gold and silver reserves (Note 2)	\$10,364,687	\$10,364,687
Liability to Treasury (Note 2)	\$10,364,687	\$10,364,687
Net gold and silver reserves custodial position	\$0	\$0

The accompanying notes are an integral part of this Schedule.

**Notes to the Schedule of Custodial Gold and Silver Reserves**  
**as of September 30, 2001 and 2000**

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The United States Mint (U.S. Mint), established in 1792, is an integral part of the Department of the Treasury. The mission of the U.S. Mint is to manufacture coins for general circulation. In addition to manufacturing circulating coins, the U.S. Mint manufactures numismatic products, which include medals, proof coins, uncirculated coins, gold and silver bullion coins, and commemorative coins. These manufacturing operations are reported in the manufacturing segment of the U.S. Mint's consolidated financial statements. The U.S. Mint is also the custodian of a significant portion of the United States' gold and silver reserves, which are presented in the reserves segment of the U.S. Mint's Statements of Financial Position. The U.S. Mint uses the term custodial to identify gold and silver reserves held for the U.S. Treasury. The custodial reserves are not assets of the U.S. Mint, but are assets of the U.S. Treasury.

The U.S. Mint's custodial activities, including the protection of the United States' gold and silver reserves, are funded by the U.S. Mint's Public Enterprise Fund (PEF).

*B. Basis of Presentation*

This Schedule has been prepared to report the gold and silver reserves custodial position of the U.S. Mint. The books and records of the U.S. Mint have served as the source of the information contained herein. The Schedule has been prepared in accordance with accounting principles generally accepted in the United States of America and U.S. Mint accounting policies.

This Schedule includes all gold and silver classified by the U.S. Mint as "custodial reserves" as defined in Note 2. This Schedule does not include gold and silver withdrawn from the "custodial reserves" for use in the operations of the U.S. Mint's PEF. The U.S. Mint's PEF is authorized to use gold and silver from the custodial reserves to support its numismatic operations. The PEF would later replenish the custodial reserves with newly mined gold. This Schedule does not reflect any United States' gold and silver reported by the U.S. Mint in its operating inventory or any reserve amounts due to be replenished by the PEF, nor does it include gold held at Federal Reserve Banks.

**Note 2. Gold and Silver Reserves**

The gold and silver reserves reported in this Schedule are exclusive of the gold and silver reserves considered to be operating inventory in the U.S. Mint's financial records, and of the Treasury gold held by the Federal Reserve Banks. The custodial gold and silver reserves included in this Schedule are primarily in bar form, but may occasionally be in coin or other form. The custodial reserves also include foreign gold coins held by Treasury for many years.

The gold and silver reserves are reported in this Schedule at the lower of cost or market value. Absent historical records to determine the acquisition cost of the gold and silver over the decades, the reserves are valued at the rates stated in U.S. Code Title 31, Sections 5116 and 5117 (statutory rates) which are \$42.2222 per Fine Troy Ounce (FTO) of gold and \$1.292929292 per FTO of silver. An offsetting liability is also reported for these assets.

At September 30, 2001 and 2000, the market value of gold was \$293.10 per FTO and \$273.65 per FTO respectively. Gold inventories consisted of the following at September 30:

	FTO	Statutory Value	Market Value
2001	245,262,897.040	\$10,355,539,091	\$71,886,555,122
2000	245,262,897.040	\$10,355,539,091	\$67,116,191,775

At September 30, 2001 and 2000, the market value of silver was \$4.5825 per FTO and \$4.8875 per FTO respectively. Silver inventories consisted of the following at September 30:

	FTO	Statutory Value	Market Value
2001	7,075,171.14	\$9,147,696	\$32,421,972
2000	7,075,171.14	\$9,147,696	\$34,579,899

UNITED STATES MINT 2001 ANNUAL REPORT

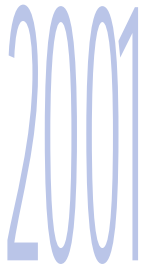
The combined gold and silver custodial reserves consisted of the following at September 30:

	Statutory Value	Market Value
2001	\$10,364,686,787	\$71,918,977,094
2000	\$10,364,686,787	\$67,150,771,674

In prior years, custodial gold and silver FTOs have been transferred to the PEF for numismatic operations. The PEF is responsible for either replenishing the custodial reserves with purchases of newly mined gold or the PEF pays the Treasury General Fund for the custodial reserves used. In addition, the Defense Logistics Agency has transferred silver to the custodial reserves.



The United States commemorated the first meeting of Congress in the U.S. Capitol with the three-coin U.S. Capitol Visitor Center Commemorative Coin Program. Pictured here are (clockwise from top left) the three-coin proof set, uncirculated clad set, uncirculated gold coin, and proof clad half dollar.



## ***Report of the Office of Inspector General***

### ***The Department of the Treasury***

To the Director of the United States Mint:

We have audited the United States Mints (U.S. Mint) Schedule of Custodial Gold and Silver Reserves (Schedule) as of September 30, 2001 and 2000. This report presents our unqualified audit opinion on this Schedule. Our audit disclosed no material weaknesses and no instances of reportable noncompliance with laws and regulations in fiscal year 2001.

#### ***Management's Responsibilities***

Management is responsible for:

- Preparing the Schedule in conformity with accounting principles generally accepted in the United States of America.
- Establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the benefits and related costs of internal control policies and procedures.
- Complying with laws and regulations applicable to the U.S. Mint's custodial responsibilities for the gold and silver reserves.

#### ***Scope of Audits***

We conducted our audits in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, and applicable Office of Management and Budget (OMB) guidance. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. Our responsibility is to express an opinion on the Schedule based on our audits. We believe that our audits provide a reasonable basis for our opinion.

In planning and conducting our audit of the Schedule for the year ended September 30, 2001, we considered the U.S. Mint's internal control over financial reporting and compliance with laws and regulations. Specifically, we obtained an understanding of the design of its internal controls, determined whether these internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures

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for the purpose of expressing our opinion on the Schedule and not to provide assurance on the internal control over financial reporting and compliance with laws and regulations. Consequently, we do not provide an opinion on such controls.

As part of obtaining reasonable assurance about whether the Schedule is free of material misstatement, we performed tests of the U.S. Mint's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of custodial schedule amounts. Providing an opinion on compliance with laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

### **Results of Audits**

#### *Opinion on the Schedule*

In our opinion, the Schedule presents fairly, in all material respects, the United States' gold and silver reserves in the custody of the U.S. Mint as of September 30, 2001 and 2000, in conformity with accounting principles generally accepted in the United States of America.

#### *Internal Control*

Internal control is a process, effected by the U.S. Mint's management and other personnel, designed to provide reasonable assurance that the following objectives are met:

- Reliability of financial reporting — transactions are properly recorded, processed, and summarized to permit the preparation of the Schedule for the fiscal year ended September 30, 2001 in accordance with accounting principles generally accepted in the United States of America, and the safeguarding of assets against loss from unauthorized acquisition, use, or disposition; and
- Compliance with applicable laws and regulations — transactions for the fiscal year ended September 30, 2001 are executed in accordance with laws and regulations that could have a direct and material effect on the Schedule.

Because of limitations inherent in any internal control, errors or fraud may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that internal control may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

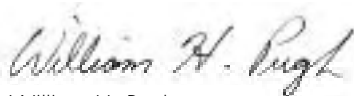
Our consideration of internal control would not necessarily disclose all matters in the internal control that might be reportable conditions. As defined in OMB Bulletin Number 01-02,

*Audit Requirements for Federal Financial Statements* (OMB Bulletin No. 01-02), reportable conditions are matters coming to our attention that, in our judgment, should be communicated because they represent significant deficiencies in the design or operation of internal control that could adversely affect the Mint's ability to meet the internal control objectives as defined above. Material weaknesses are reportable conditions in which the design or operation of the internal control does not reduce to a relatively low level the risk that errors, fraud, or noncompliance in amounts that would be material in relation to the Schedule being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters, nor were any brought to our attention, involving the internal control and its operation that we consider to be material weaknesses as defined above.

#### ***Compliance with Laws and Regulations***

The results of our tests of compliance in fiscal year 2001 with the laws and regulations disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 01-02.

This report is intended solely for the information and use of the management of the U.S. Mint, the U.S. Department of the Treasury, OMB, the Congress, and Urbach Kahn & Werlin LLP, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is available to the public as a matter of public record.



William H. Pugh  
Deputy Assistant Inspector General for  
Financial Management and  
Information Technology Audits  
January 18, 2002

### Circulating Coins of the United States



### United States Mint Proof Set® and 50 State Quarters Proof Set™



\*Golden Dollar Obverse ©1999, the United States Mint. All rights reserved.



*United States Mint Uncirculated Coin Set®*



*United States Mint Silver Proof Set™*



\*Golden Dollar Obverse ©1999, the United States Mint. All rights reserved.

*American Eagle Gold Proof Coins*



*American Eagle Platinum Proof Coins*



*American Eagle Silver Proof Coin*



*Capitol Visitors Center Commemorative Coins*



*American Buffalo Commemorative Coin*



**American Eagle Gold Bullion Coins**



**American Eagle Platinum Bullion Coins**



**American Eagle Silver Bullion Coin**



*Congressional Medals*



*Congressional Medals*



*United States Mint Medals*



Coin Specifications

2001 UNITED STATES MINT PROOF SET®

DENOMINATION	CENT	NICKEL	DIME	HALF DOLLAR	DOLLAR	NEW YORK QUARTER	NORTH CAROLINA QUARTER	RHODE ISLAND QUARTER	VERMONT QUARTER	KENTUCKY QUARTER
MINT	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco
MINT MARK	"S"	"S"	"S"	"S"	"S"	"S"	"S"	"S"	"S"	"S"
OBVERSE	Lincoln	Jefferson	Roosevelt	Kennedy	Sacagawea and her Infant Son	Washington	Washington	Washington	Washington	Washington
DESIGN/ ENGRAVED BY	V.D. Brenner	Felix Schlag	John R. Sinnock	Gilroy Roberts	Glenna Goodacre	John Flanagan William Cousins	John Flanagan William Cousins	John Flanagan William Cousins	John Flanagan William Cousins	John Flanagan William Cousins
REVERSE	Lincoln Memorial	Monticello	Torch, Olive Branch, Oak Branch	Heraldic Eagle based on Presidential Coat of Arms	Eagle in Flight	Statue of Liberty, "Gateway to Freedom"	"First Flight"	Vintage Sailboat, "The Ocean State"	Maple Trees, Camel's Hump Mountain, "Freedom and Unity"	Federal Hill, "My Old Kentucky Home"
DESIGN/ ENGRAVEDBY	Frank Gasparro	Felix Schlag	John R. Sinnock	Frank Gasparro	Thomas D. Rogers	Al Maletsky	John Mercanti	Thomas D. Rogers	T. James Ferrell	T. James Ferrell
COMPOSITION	Copper-Plated Zinc 2.5% Cu Balance Zn	25% Nickel Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Manganese Brass Clad 6% Zn, 3.5% Mn, 2% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu
STANDARD WEIGHT	2.500 grams	5.000 grams	2.268 grams	11.340 grams	8.100 grams	5.670 grams	5.670 grams	5.670 grams	5.670 grams	5.670 grams
STANDARD DIAMETER	0.750 in 19.1 mm	0.835 in 21.2 mm	0.705 in 17.9 mm	1.205 in 30.61 mm	1.043 in 26.49 mm	0.955 in 24.3 mm	0.955 in 24.3 mm	0.955 in 24.3 mm	0.955 in 24.3 mm	0.955 in 24.3 mm
EDGE	Plain	Plain	Reeded	Reeded	Plain	Reeded	Reeded	Reeded	Reeded	Reeded

2001 UNITED STATES MINT SILVER PROOF SET®

DENOMINATION	CENT	NICKEL	DIME	HALF DOLLAR	DOLLAR	NEW YORK QUARTER	NORTH CAROLINA QUARTER	RHODE ISLAND QUARTER	VERMONT QUARTER	KENTUCKY QUARTER
MINT	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco
MINT MARK	"S"	"S"	"S"	"S"	"S"	"S"	"S"	"S"	"S"	"S"
OBVERSE	Lincoln	Jefferson	Roosevelt	Kennedy	Sacagawea and her Infant Son	Washington	Washington	Washington	Washington	Washington
DESIGN/ ENGRAVED BY	V.D. Brenner	Felix Schlag	John R. Sinnock	Gilroy Roberts	Glenna Goodacre	John Flanagan William Cousins	John Flanagan William Cousins	John Flanagan William Cousins	John Flanagan William Cousins	John Flanagan William Cousins
REVERSE	Lincoln Memorial	Monticello	Torch, Olive Branch, Oak Branch	Heraldic Eagle based on Presidential Coat of Arms	Eagle in Flight	Statue of Liberty, "Gateway to Freedom"	"First Flight"	Vintage Sailboat, "The Ocean State"	Maple Trees, Camel's Hump Mountain, "Freedom and Unity"	Federal Hill, "My Old Kentucky Home"
DESIGN/ ENGRAVEDBY	Frank Gasparro	Felix Schlag	John R. Sinnock	Frank Gasparro	Thomas D. Rogers	Al Maletsky	John Mercanti	Thomas D. Rogers	T. James Ferrell	T. James Ferrell
COMPOSITION	Copper-Plated Zinc 2.5% Cu Balance Zn	25% Nickel Balance Cu	Coin Silver 90% Ag 10% Cu	Coin Silver 90% Ag 10% Cu	Manganese Brass Clad 6% Zn, 3.5% Mn, 2% Ni Balance Cu	Coin Silver 90% Ag Balance Cu	Coin Silver 90% Ag 10% Cu	Coin Silver 90% Ag 10% Cu	Coin Silver 90% Ag 10% Cu	Coin Silver 90% Ag 10% Cu
STANDARD WEIGHT	2.500 grams	5.000 grams	2.500 grams	12.500 grams	8.100 grams	6.250 grams	6.250 grams	6.250 grams	6.250 grams	6.250 grams
STANDARD DIAMETER	0.750 in 19.1 mm	0.835 in 21.2 mm	0.705 in 17.9 mm	1.205 in 30.61 mm	1.043 in 26.49 mm	0.955 in 24.3 mm	0.955 in 24.3 mm	0.955 in 24.3 mm	0.955 in 24.3 mm	0.955 in 24.3 mm
EDGE	Plain	Plain	Reeded	Reeded	Plain	Reeded	Reeded	Reeded	Reeded	Reeded



## Coin Specifications

2001 UNITED STATES MINT UNCIRCULATED COIN SET®

DENOMINATION	CENT	NICKEL	DIME	HALF DOLLAR	DOLLAR	NEW YORK QUARTER	NORTH CAROLINA QUARTER	RHODE ISLAND QUARTER	VERMONT QUARTER	KENTUCKY QUARTER
OBVERSE	Lincoln	Jefferson	Roosevelt	Kennedy	Sacagawea and her Infant Son	Washington	Washington	Washington	Washington	Washington
DESIGN/ ENGRAVED BY	V.D. Brenner	Felix Schlag	John R. Sinnock	Gilroy Roberts	Glenna Goodacre	John Flanagan William Cousins	John Flanagan William Cousins	John Flanagan William Cousins	John Flanagan William Cousins	John Flanagan William Cousins
REVERSE	Lincoln Memorial	Monticello	Torch, Olive Branch, Oak Branch	Heraldic Eagle based on Presidential Coat of Arms	Eagle in Flight	Statue of Liberty, "Gateway to Freedom"	"First Flight"	Vintage Sailboat, "The Ocean State"	Maple Trees, Camel's Hump Mountain, "Freedom and Unity"	Federal Hill, "My Old Kentucky Home"
DESIGN/ ENGRAVED BY	Frank Gasparro	Felix Schlag	John R. Sinnock	Frank Gasparro	Thomas D. Rogers	Al Maletsky	John Mercanti	Thomas D. Rogers	T. James Ferrell	T. James Ferrell
COMPOSITION	Copper-Plated Zinc 2.5% Cu Balance Zn	25% Nickel Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Manganese Brass Clad 6% Zn, 3.5% Mn, 2% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu	Copper Nickel Clad 8.33% Ni Balance Cu
STANDARD WEIGHT	2.500 grams	5.000 grams	2.268 grams	11.340 grams	8.100 grams	5.670 grams	5.670 grams	5.670 grams	5.670 grams	5.670 grams
STANDARD DIAMETER	0.750 in 19.1 mm	0.835 in 21.2 mm	0.705 in 17.9 mm	1.205 in 30.61 mm	1.043 in 26.49 mm	0.955 in 24.3 mm	0.955 in 24.3 mm	0.955 in 24.3 mm	0.955 in 24.3 mm	0.955 in 24.3 mm
EDGE	Plain	Plain	Reeded	Reeded	Plain	Reeded	Reeded	Reeded	Reeded	Reeded

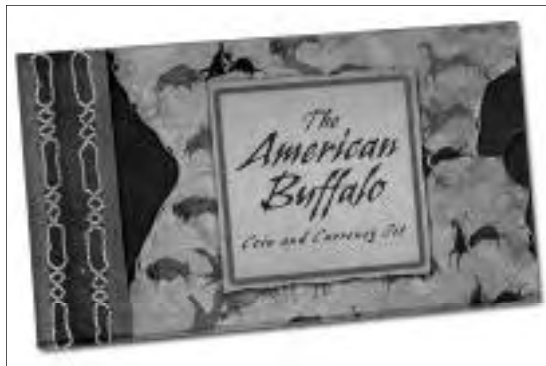
Note: Set includes all ten coins from Philadelphia Mint Facility ("P") and all ten coins from Denver Mint Facility ("D").

### AMERICAN BUFFALO COMMEMORATIVE SILVER DOLLARS

MINT	MINT MARK	CONDITION	WEIGHT	DIAMETER	COMPOSITION	MINTAGE LIMIT
Philadelphia	"P"	Proof	26.73 grams	1.500 (±0.003) in	90% Silver	500,000
Denver	"D"	Uncirculated	minimum	or 38.10 (±0.08)mm	10% Alloy	(all options)

Designs: Based on the original Buffalo nickel, as designed by James Earle Fraser and minted from 1913 through 1938.  
 Obverse: Portrays a profile representation of a Native American.  
 Reverse: A representation of an American Buffalo (also known as a bison).

The limited edition of 50,000 American Buffalo Coin & Currency Sets sold out in only five days. The set contained an uncirculated American Buffalo Commemorative Coin, a mint condition 1987 10¢ Red Cloud United States Postage Stamp, a mint condition 2001 21¢ Bison United States Postage Stamp, a Series 1899 \$5 Indian Chief Silver Certificate replica and an informative booklet about the history of Native Americans and buffalo on United States postage stamps and coins.



Coin Specifications

2001 AMERICAN EAGLE PROOF GOLD COINS SPECIFICATIONS

DENOMINATION	ONE OUNCE, FIFTY DOLLAR COIN	HALF OUNCE, TWENTY-FIVE DOLLAR COIN	QUARTER OUNCE, TEN DOLLAR COIN	TENTH OUNCE, FIVE DOLLAR COIN
MINT	West Point	West Point	West Point	West point
MINT MARK	"W"	"W"	"W"	"W"
CONDITION	Proof	Proof	Proof	Proof
OBVERSE	A version of Augustus Saint-Gaudens' full-length figure of Liberty with flowing hair, holding a torch in her right hand and an olive branch in her left.	A version of Augustus Saint-Gaudens' full-length figure of Liberty with flowing hair, holding a torch in her right hand and an olive branch in her left.	A version of Augustus Saint-Gaudens' full-length figure of Liberty with flowing hair, holding a torch in her right hand and an olive branch in her left.	A version of Augustus Saint-Gaudens' full-length figure of Liberty with flowing hair, holding a torch in her right hand and an olive branch in her left.
DESIGN BY	Augustus Saint-Gaudens	Augustus Saint-Gaudens	Augustus Saint-Gaudens	Augustus Saint-Gaudens
REVERSE	Male eagle carrying an olive branch flying above a nest containing female eagle and hatchlings.	Male eagle carrying an olive branch flying above a nest containing female eagle and hatchlings.	Male eagle carrying an olive branch flying above a nest containing female eagle and hatchlings.	Male eagle carrying an olive branch flying above a nest containing female eagle and hatchlings.
DESIGN BY	Miley Busiek	Miley Busiek	Miley Busiek	Miley Busiek
COMPOSITION	91.67% Gold 3.0% Silver, Balance Copper	91.67% Gold 3.0% Silver, Balance Copper	91.67% Gold 3.0% Silver, Balance Copper	91.67% Gold 3.0% Silver, Balance Copper
WEIGHT	1.0909 troy oz. 33.931 grams	0.5455 troy oz. 16.966 grams	0.2727 troy oz. 8.483 grams	0.1091 troy oz. 3.393 grams
DIAMETER	1.287 in 32.70 mm	1.063 in 27.00 mm	0.866 in 22.00 mm	0.650 in 16.50 mm
THICKNESS	0.118 in 3.00 mm	0.087 in 2.20 mm	0.070 in 1.78 mm	0.049 in 1.25 mm
CONTENT	1.000 troy oz. Gold 31.1035 grams	0.5000 troy oz. Gold 15.553 grams	0.2500 troy oz. Gold 7.776 grams	0.1000 troy oz. Gold 3.110 grams

2001 AMERICAN EAGLE GOLD BULLION COINS SPECIFICATIONS

DENOMINATION	ONE OUNCE, FIFTY DOLLAR COIN	HALF OUNCE, TWENTY-FIVE DOLLAR COIN	QUARTER OUNCE, TEN DOLLAR COIN	TENTH OUNCE, FIVE DOLLAR COIN
MINT	West Point	West Point	West Point	West point
CONDITION	Uncirculated	Uncirculated	Uncirculated	Uncirculated
OBVERSE	A version of Augustus Saint-Gaudens' full-length figure of Liberty with flowing hair, holding a torch in her right hand and an olive branch in her left.	A version of Augustus Saint-Gaudens' full-length figure of Liberty with flowing hair, holding a torch in her right hand and an olive branch in her left.	A version of Augustus Saint-Gaudens' full-length figure of Liberty with flowing hair, holding a torch in her right hand and an olive branch in her left.	A version of Augustus Saint-Gaudens' full-length figure of Liberty with flowing hair, holding a torch in her right hand and an olive branch in her left.
DESIGN BY	Augustus Saint-Gaudens	Augustus Saint-Gaudens	Augustus Saint-Gaudens	Augustus Saint-Gaudens
REVERSE	Male eagle carrying an olive branch flying above a nest containing female eagle and hatchlings.	Male eagle carrying an olive branch flying above a nest containing female eagle and hatchlings.	Male eagle carrying an olive branch flying above a nest containing female eagle and hatchlings.	Male eagle carrying an olive branch flying above a nest containing female eagle and hatchlings.
DESIGN BY	Miley Busiek	Miley Busiek	Miley Busiek	Miley Busiek
COMPOSITION	91.67% Gold 3.0% Silver, Balance Copper	91.67% Gold 3.0% Silver, Balance Copper	91.67% Gold 3.0% Silver, Balance Copper	91.67% Gold 3.0% Silver, Balance Copper
WEIGHT	1.0909 troy oz. 33.930 grams	0.5454 troy oz. 16.965 grams	0.2727 troy oz. 8.483 grams	0.1091 troy oz. 3.393 grams
DIAMETER	1.287 in 32.70 mm	1.063 in 27.00 mm	0.866 in 22.00 mm	0.650 in 16.50 mm
THICKNESS	0.113 in 2.87 mm	0.085 in 2.15 mm	0.070 in 1.78 mm	0.049 in 1.26 mm
CONTENT	1.000 troy oz. Gold 31.1035 grams	0.5000 troy oz. Gold 15.5517 grams	0.2500 troy oz. Gold 7.7759 grams	0.1000 troy oz. Gold 3.1103 grams

## Coin Specifications

### 2001 AMERICAN EAGLE PLATINUM PROOF COINS

DENOMINATION	ONE OUNCE, FIFTY DOLLAR COIN	HALF OUNCE, TWENTY-FIVE DOLLAR COIN	QUARTER OUNCE, TEN DOLLAR COIN	TENTH OUNCE, FIVE DOLLAR COIN
MINT	West Point	West Point	West Point	West Point
MINT MARK	"W"	"W"	"W"	"W"
CONDITION	Proof	Proof	Proof	Proof
OBVERSE	"Portrait of Liberty." Liberty looks to the future in this modern interpretation of an American icon, the Statue of Liberty.	"Portrait of Liberty." Liberty looks to the future in this modern interpretation of an American icon, the Statue of Liberty.	"Portrait of Liberty." Liberty looks to the future in this modern interpretation of an American icon, the Statue of Liberty.	"Portrait of Liberty." Liberty looks to the future in this modern interpretation of an American icon, the Statue of Liberty.
DESIGN BY	John Mercanti	John Mercanti	John Mercanti	John Mercanti
REVERSE	"Eagle Above America's Southwest." Featured are the giant Saguaro cacti of the American Southwest.	"Eagle Above America's Southwest." Featured are the giant Saguaro cacti of the American Southwest.	"Eagle Above America's Southwest." Featured are the giant Saguaro cacti of the American Southwest.	"Eagle Above America's Southwest." Featured are the giant Saguaro cacti of the American Southwest.
DESIGN BY	Thomas D. Rogers	Thomas D. Rogers	Thomas D. Rogers	Thomas D. Rogers
COMPOSITION	99.95% Platinum	99.95% Platinum	99.95% Platinum	99.95% Platinum
WEIGHT	1.0005 troy oz. 31.120 grams	0.5003 troy oz. 15.560 grams	0.2501 troy oz. 7.780 grams	0.1001 troy oz. 3.112 grams
DIAMETER	1.29 in 32.7 mm	1.06 in 27.0 mm	0.866 in 22.0 mm	0.650 in 16.5 mm
THICKNESS	0.096 in 2.43 mm	0.071 in 1.80 mm	0.054 in 1.37 mm	0.041 in 1.05 mm
CONTENT	1.0000 troy oz. Pt 31.103 grams	0.5000 troy oz. Pt 15.552 grams	0.2500 troy oz. Pt 7.776 grams	0.1000 troy oz. Pt 3.110 grams
MINTAGE LIMIT	14,000 (packaged individually and in sets)	13,000 (packaged individually and in sets)	15,000 (packaged individually and in sets)	25,000 (packaged individually and in sets)

### 2001 AMERICAN EAGLE PLATINUM BULLION COINS

DENOMINATION	ONE OUNCE, FIFTY DOLLAR COIN	HALF OUNCE, TWENTY-FIVE DOLLAR COIN	QUARTER OUNCE, TEN DOLLAR COIN	TENTH OUNCE, FIVE DOLLAR COIN
MINT	West Point	West Point	West Point	West Point
MINT MARK	(None)	(None)	(None)	(None)
OBVERSE	"Portrait of Liberty." Liberty looks to the future in this modern interpretation of an American icon, the Statue of Liberty.	"Portrait of Liberty." Liberty looks to the future in this modern interpretation of an American icon, the Statue of Liberty.	"Portrait of Liberty." Liberty looks to the future in this modern interpretation of an American icon, the Statue of Liberty.	"Portrait of Liberty." Liberty looks to the future in this modern interpretation of an American icon, the Statue of Liberty.
DESIGN BY	John Mercanti	John Mercanti	John Mercanti	John Mercanti
REVERSE	"Eagle Soaring Above America"	"Eagle Soaring Above America"	"Eagle Soaring Above America"	"Eagle Soaring Above America"
DESIGN BY	Thomas D. Rogers	Thomas D. Rogers	Thomas D. Rogers	Thomas D. Rogers
COMPOSITION	99.95% Platinum	99.95% Platinum	99.95% Platinum	99.95% Platinum
WEIGHT	1.0005 troy oz. 31.120 grams	0.5003 troy oz. 15.560 grams	0.2501 troy oz. 7.780 grams	0.1001 troy oz. 3.112 grams
DIAMETER	1.29 in 32.7 mm	1.06 in 27.0 mm	0.866 in 22.0 mm	0.650 in 16.5 mm
THICKNESS	0.094 in 2.38 mm	0.069 in 1.75 mm	0.052 in 1.32 mm	0.037 in 0.95 mm
CONTENT	1.0000 troy oz. Pt 31.103 grams	0.5000 troy oz. Pt 15.552 grams	0.2500 troy oz. Pt 7.776 grams	0.1000 troy oz. Pt 3.110 grams

## Coin Specifications

### 2001 CAPITOL VISITOR CENTER COMMEMORATIVE PROOF AND UNCIRCULATED COINS

DENOMINATION	PROOF GOLD FIVE DOLLAR	UNCIRCULATED GOLD FIVE DOLLAR	PROOF SILVER DOLLAR	UNCIRCULATED SILVER DOLLAR	PROOF CLAD HALF DOLLAR	UNCIRCULATED CLAD HALF DOLLAR
MINT	West Point	West Point	Philadelphia	Philadelphia	Philadelphia	Philadelphia
MINT MARK	"W"	"W"	"P"	"P"	"P"	"P"
CONDITION	Proof	Uncirculated	Proof	Uncirculated	Proof	Uncirculated
OBVERSE	The Corinthian Column	The Corinthian Column background	Old Capitol Building in 1800 with new Capitol in the background	Old Capitol Building in 1800 with new Capitol in the and carriage in the foreground.	50 Stars enclose the current Capitol dome profile with the 1800 portion detailed. A horse and carriage in the foreground.	50 Stars enclose the current Capitol dome profile with the 1800 portion detailed. A horse
DESIGN BY	Elizabeth Jones	Elizabeth Jones	Marika Somogyi	Marika Somogyi	Dean McMullen	Dean McMullen
REVERSE	North Wing of the Capitol	North Wing of the Capitol	Contemporary interpretation of the U.S. Double Eagle	Contemporary interpretation of the U.S. Double Eagle	16 Stars around the center with the inscriptions "1800 6th Congress, 32 Senators" and "House 106 Members"	16 Stars around the center with the inscriptions "1800 6th Congress, 32 Senators" and "House 106 Members"
DESIGN BY	Elizabeth Jones	Elizabeth Jones	John Mercanti	John Mercanti	Alex Shagin and Marcel Jovine	Alex Shagin and Marcel Jovine
COMPOSITION	90% Gold 6% Silver (±.3%) Balance Copper	90% Gold 6% Silver (±.3%) Balance Copper	90% Silver Balance Copper	90% Silver Balance Copper	92% Copper 8% Nickel	92% Copper 8% Nickel
WEIGHT	8.359 grams minimum	8.359 grams minimum	26.730 grams minimum	26.730 grams minimum	11.340 (±0.454) grams	11.340 (±0.454) grams
DIAMETER	0.850 (±0.003) in 21.59 (±0.08) mm	0.850 (±0.003) in 21.59 (±0.08) mm	1.500 (±0.003) in 38.10 (±0.08) mm	1.500 (±0.003) in 38.10 (±0.08) mm	1.205 (±0.002) in 30.61 (±0.05) mm	1.205 (±0.002) in 30.61 (±0.05) mm
MINTAGE LIMIT	100,000 (all options)	100,000 (all options)	500,000 (all options)	500,000 (all options)	750,000 (all options)	750,000 (all options)

### 2001 AMERICAN EAGLE SILVER PROOFONE DOLLAR

MINT	MINT MARK	CONDITION	WEIGHT	DIAMETER	THICKNESS	COMPOSITION	CONTENT	MINTAGE LIMIT
West Point	"W"	Proof	1,0000 troy oz. 31.103 grams	1.60 in 40.6mm	0.121 in 3.06 mm	99.9% Silver	0.999 troy oz. Silver 31.072 grams Balance Cu	750,000
Design: Obverse: Adolph A. Weinman's full-length figure of Liberty in full stride, enveloped in folds of the flag, with her right hand extended and branches of laurel and oak in her left. Reverse: Heraldic eagle with shield, an olive branch in the right talon and arrows in the left. Designer: Obverse: Adolph A. Weinman Reverse: John Mercanti								

### 2001 AMERICAN EAGLE SILVER BULLIONONE DOLLAR

MINT	MINT MARK	WEIGHT	DIAMETER	THICKNESS	COMPOSITION	CONTENT
West Point	(None)	1,0000 troy oz. 31.103 grams	1.60 in 40.6mm	0.118 in 2.98 mm	99.9% Silver	0.999 troy oz. Silver 31.072 grams Balance Cu
Design: Obverse: Adolph A. Weinman's full-length figure of Liberty in full stride, enveloped in folds of the flag, with her right hand extended and branches of laurel and oak in her left. Reverse: Heraldic eagle with shield, an olive branch in the right talon and arrows in the left. Designer: Obverse: Adolph A. Weinman Reverse: John Mercanti						

The Official United States Mint 50 State Quarters® Collector's Map enables collectors, children and adults alike, to collect all 50 quarters over the 10-year period of issuance.



### Coin Specifications

2001 CONGRESSIONAL MEDALS					2001 UNITED STATES MINT MEDALS		
MEDAL	POPE JOHN PAUL II	CHARLES M. SCHULZ	JOHN CARDINAL O'CONNOR	NAVAJO CODE TALKERS	MEDAL	SECRETARY OF THE TREASURY LAWRENCE H. SUMMERS	DIRECTOR OF THE MINT JAY W. JOHNSON
MINT	Philadelphia	Philadelphia	Philadelphia	Philadelphia	MINT	Philadelphia	Philadelphia
OBVERSE	Portrait of Pope John Paul II	Portrait of Charles M. Schulz	Portrait of John Cardinal O'Connor	Two Marine Navajo Code Talkers communicating a radio message	OBVERSE	Portrait of Lawrence H. Summers	Portrait of Jay W. Johnson
DESIGN BY	T. James Ferrell	Donna Weaver	John Mercanti	Al Maletsky	DESIGN BY	Al Maletsky	T. James Ferrell
REVERSE	Congressional Seal	"Peanuts" Characters	Seal of the Archbishop of New York	Navajo Code Talkers emblem and the U.S. Marine Corps Eagle, Globe and Anchor	REVERSE	Laurel Leaves, Treasury Seal, Treasury Building and globe, representing his commitment to internationalism	Treasury Seal, Congressional Seal and the 8th Congressional District of Wisconsin
DESIGN BY	Edgar Sleever	Donna Weaver	T. James Ferrell	T. James Ferrell	DESIGN BY	Donna Weaver	Thomas D. Rogers
COMPOSITION	90% Copper, 10% Zinc	90% Copper, 10% Zinc	90% Copper, 10% Zinc	90% Copper, 10% Zinc	COMPOSITION	90% Copper, 10% Zinc	90% Copper, 10% Zinc
WEIGHT	.6300 lb. and .0600 lb.	.6300 lb. and .0600 lb.	.6300 lb. and .0600 lb.	.6300 lb. and .0600 lb.	WEIGHT	.6300 lb.	.6300 lb.
DIAMETER	3 in 1.5 in	3 in 1.5 in	3 in 1.5 in	3 in 1.5 in	DIAMETER	3 in	3 in



The annual United States Mint Silver Proof Set™ features the dime, quarters and half dollar in 90% silver, also known as "coin silver."



The annual United States Mint Proof Set® is the United States Mint's best-selling numismatic coin product.



The annual United States Mint 50 State Quarters Proof Set™ features the five quarters honoring different states each year.



The annual United States Mint Uncirculated Coin Set® is the staple of the serious collector of United States coins.

Coins Minted

CY2000 U.S. CIRCULATING COIN MINTAGE (IN PIECES)  
JANUARY - DECEMBER 2000

DENOMINATION	PHILADELPHIA	DENVER	TOTAL
LINCOLN CENTS	5,503,200,000	8,774,220,000	14,277,420,000
JEFFERSON NICKELS	846,240,000	1,509,520,000	2,355,760,000
ROOSEVELT DIMES	1,842,500,000	1,818,700,000	3,661,200,000
50 STATE QUARTERS	3,665,416,000	2,805,516,000	6,470,932,000
KENNEDY HALF DOLLARS	22,600,000	19,466,000	42,066,000
GOLDEN DOLLARS	767,140,000	518,916,000	1,286,056,000
TOTAL	12,647,096,000	15,446,338,000	28,093,434,000
<b>CY2000 STATE QUARTER MINTAGE (IN PIECES)</b>			
STATE QUARTER	PHILADELPHIA	DENVER	TOTAL
MASSACHUSETTS	628,600,000	535,184,000	1,163,784,000
MARYLAND	678,200,000	556,532,000	1,234,732,000
SOUTH CAROLINA	742,576,000	566,208,000	1,308,784,000
NEW HAMPSHIRE	673,040,000	495,976,000	1,169,016,000
VIRGINIA	943,000,000	651,616,000	1,594,616,000
TOTAL	3,665,416,000	2,805,516,000	6,470,932,000

CY2001 U.S. CIRCULATING COIN MINTAGE (IN PIECES)  
JANUARY - SEPTEMBER 2001\*

DENOMINATION	PHILADELPHIA	DENVER	TOTAL
LINCOLN CENTS	4,184,000,000	4,654,590,000	8,838,590,000
JEFFERSON NICKELS	575,384,000	534,560,000	1,109,944,000
ROOSEVELT DIMES	1,205,090,000	1,248,800,000	2,453,890,000
50 STATE QUARTERS	2,129,200,000	1,954,020,000	4,083,220,000
KENNEDY HALF DOLLARS	20,000,000	19,504,000	39,504,000
GOLDEN DOLLARS	44,968,000	70,939,500	115,907,500
TOTAL	8,158,642,000	8,482,413,500	16,641,055,500
<b>CY2001 STATE QUARTER MINTAGE (IN PIECES)*</b>			
STATE QUARTER**	PHILADELPHIA	DENVER	TOTAL***
NEW YORK	655,400,000	619,640,000	1,275,040,000
NORTH CAROLINA	627,600,000	427,876,000	1,055,476,000
RHODE ISLAND	423,000,000	447,100,000	870,100,000
VERMONT	423,400,000	459,404,000	882,804,000
KENTUCKY	—	—	—
TOTAL	2,129,400,000	1,954,020,000	4,083,420,000
<p>* These updates are estimated and not final mintage numbers.                      ** Production numbers are published only after completion of a given state quarter program.                      *** State quarter total will not match the total in quarterly mintage update table. The latter includes production numbers for partial as well as completed state quarter programs as of the end of the period being reported.</p>			

## Coins Issued

### 2000 DATED NUMISMATIC COINS FY 2000 AND FY 2001 • OCT 1999 TO SEPT 2001

2000 United States Mint Annual Proof Set (10 coins)	as of 09/30/01	3,082,483
2000 United States Mint Annual 50 State Quarters Proof Set (5 coins)	closed 9/30/01	995,803
2000 United States Mint Annual Uncirculated Coin Set (20 coins)	closed 9/30/01	1,490,160
2000 United States Mint Annual Silver Proof Set (10 coins)	closed 9/30/01	965,421
2000 American Eagle Gold Proof Program	closed 9/30/01	
One-Ounce Coins		33,007
Half-Ounce Coins		32,028
Quarter-Ounce Coins		36,036
Tenth-Ounce Coins		49,971
Total		151,042
2000 American Eagle Platinum Proof Program	closed 9/30/01	
One-Ounce Coins		12,453
Half-Ounce Coins		11,049
Quarter-Ounce Coins		11,995
Tenth-Ounce Coins		15,651
Total		51,148
2000 American Eagle Silver Proof Program	closed 9/30/01	
One-Ounce Coins		600,743
2000 Library of Congress Bicentennial Commemorative Coin Program	closed 9/30/01	
Silver \$1 Proof Coins		198,503
Silver \$1 Uncirculated Coins		53,264
BiMetallic \$10 Proof Coins		27,445
BiMetallic \$10 Uncirculated Coins		7,261
Total		286,473
2000 Leif Erikson Millenium Commemorative Coin Program	closed 9/30/01	
Silver \$1 Proof Coins - USA		144,752
Silver \$1 Uncirculated Coins - USA		28,152
Silver \$1 Proof Coins - Iceland		102,083
Total		274,987
2000 American Eagle Gold Bullion	ongoing as of 09/30/01	
One-Ounce Coins		213,525
Half-Ounce Coins		61,025
Quarter-Ounce Coins		99,614
Tenth-Ounce Coins		385,096
Total		759,260
2000 American Eagle Platinum Bullion	closed 09/30/01	
One-Ounce Coins		9,503
Half-Ounce Coins		18,806
Quarter-Ounce Coins		19,738
Tenth-Ounce Coins		33,876
Total		81,923
2000 American Eagle Silver Bullion	closed 09/30/01	
One-Ounce Coins		9,197,650
TOTAL SHIPPED		17,937,093

**Coins Issued**

**2001 DATED NUMISMATIC COINS  
FY 2001 • OCT 2000 TO SEPT 2001**

2001 United States Mint Annual Proof Set (10 coins)	ongoing as of 09/30/01	1,763,120
2001 United States Mint Annual 50 State Quarters Proof Set (5 coins)	ongoing as of 09/30/01	606,688
2001 United States Mint Annual Uncirculated Coin Set (20 coins)	ongoing as of 09/30/01	773,128
2001 United States Mint Annual Silver Proof Set (10 coins)	ongoing as of 09/30/01	317,142
2001 American Eagle Gold Proof Program	ongoing as of 09/30/01	
One-Ounce Coins		19,601
Half-Ounce Coins		18,009
Quarter-Ounce Coins		19,732
Tenth-Ounce Coins		28,809
Total		86,151
2001 American Eagle Platinum Proof Program	ongoing as of 09/30/01	
One-Ounce Coins		6,238
Half-Ounce Coins		5,901
Quarter-Ounce Coins		6,222
Tenth-Ounce Coins		8,500
Total		26,861
2001 American Eagle Silver Proof Program	ongoing as of 09/30/01	
One-Ounce Coins		655,478
2001 American Buffalo Commemorative Coin Program	ongoing as of 09/30/01	
Silver \$1 Proof Coins		270,985
Silver \$1 Uncirculated Coins		225,203
Total		496,188
2001 Capitol Visitor Center Commemorative Coin Program	ongoing as of 09/30/01	
Gold \$5 Proof Coins		24,379
Gold \$5 Uncirculated Coins		5,063
Silver \$1 Proof Coins		124,023
Silver \$1 Uncirculated Coins		30,633
Clad \$.50 Proof Coins		70,430
Clad \$.50 Uncirculated Coins		64,726
Total		319,254
2001 American Eagle Gold Bullion	ongoing as of 09/30/01	
One-Ounce Coins		85,570
Half-Ounce Coins		39,047
Quarter-Ounce Coins		51,245
Tenth-Ounce Coins		213,912
Total		389,774
2001 American Eagle Platinum Bullion	ongoing as of 09/30/01	
One-Ounce Coins		8,070
Half-Ounce Coins		10,010
Quarter-Ounce Coins		16,810
Tenth-Ounce Coins		24,662
Total		59,552
2001 American Eagle Silver Bullion	ongoing as of 09/30/01	
One-Ounce Coins		7,017,711
TOTAL SHIPPED		12,511,047



*Notes*

