



FY2007 3rd Quarter Financial Report of the United States Mint

Commemorative Coin Programs



PROGRAM-WIDE SUMMARY

Modern commemorative coins authorized by Congress and produced by the United States Mint date from the introduction of the George Washington 250th Anniversary Half-Dollar in 1982. Congress has authorized a total of 52 commemorative coin programs through 2009, honoring people, places, events and institutions of significance in American history and culture. Surcharges from the sales of these coins help fund a variety of organizations and projects that benefit the community at large. United States Mint commemorative coin programs have collected approximately \$461 million in surcharges over the past 25 years for many worthy recipient organizations.

Commemorative coins are beneficial to numismatic enthusiasts and the recipient organizations, but also because they reaffirm the history of our Nation. To ensure that commemorative coin programs reap the benefits of the reforms of 1996, the United States Mint must continue to execute and oversee these coin programs in a conscientious, prudent and business-like manner.

FINANCIAL REPORTING

The matching funds criterion established by the Commemorative Coin Reform Act of 1996 (CCRA), as amended by Title II of Public Law 108-15 (April 23, 2003), requires commemorative coin programs to link public funding of special projects to private support by requiring recipient organizations to show receipts of donations from private sources “in an amount that is equal to or greater than the total amount of the proceeds of such surcharge derived from the sale of such numismatic item.” The CCRA makes commemorative coin program recipient organizations partners in bearing the risks of commemorative coin programs, and it assures that the United States Mint recovers its cost of operating such coin programs.

The estimated program margin is total net revenue minus net operating cost less surcharges collected. This quarterly interim analysis was prepared using the accrual basis of accounting.

Jamestown 400th Anniversary Commemorative Coin Program (2007)

Public Law 108-289, signed August 6, 2004



This is a two-coin program with a gold \$5 coin and a silver dollar. Designs for both coins were approved by the Secretary of the Treasury on May 25, 2006, and coin sales began on January 10, 2007, and have a maximum mintage of 500,000 silver coins and 100,000 gold coins. This coin will be included in the United States Mint American Legacy Collection™ later this year.



The obverse of the \$5 gold coin, designed by United States Mint Sculptor-Engraver John Mercanti, depicts Captain John Smith conversing with an American Indian; and the \$5 gold reverse, by United States Mint Artistic Infusion Program Master Designer Susan Gamble, pictures the Jamestown Memorial Church – the only remaining structure from the original settlement.



The obverse of the silver dollar, designed by recently retired United States Mint Sculptor-Engraver Donna Weaver, depicts “Three Faces of Diversity,” representing the three cultures that came together in Jamestown, and the reverse of the silver dollar, also by Susan Gamble, depicts the three ships that brought the first settlers to Jamestown: the Godspeed, the Susan Constant and the Discovery.



Analysis of Financial Position

Sales of Jamestown 400th Anniversary Commemorative Coins began on January 10, 2007. Through the end of the third quarter of FY 2007, the United States Mint shipped a total 335,468 coins, generating total program revenue of \$23.2 million. The program collected \$4.81 million in surcharges and currently shows a profit of \$1.84 million.

Little Rock Central High School Desegregation Coin Program (2007)

Public Law 109-146, signed December 22, 2005



This silver dollar commemorates the 50th anniversary of the desegregation of Little Rock Central High School in 2007, and has a maximum mintage of 500,000 coins. This is the second commemorative in 2007, and it launched May 15, 2007. In addition to the proof and uncirculated coins, a Little Rock Coin & Medal Set, featuring this commemorative coin and a bronze medal of the Little Rock Nine also went on sale May 15, 2007. This coin will also be included in



the United States Mint American Legacy Collection™ later this year. The coin features the feet of students escorted by a United States soldier walking toward school, with a row of nine stars symbolizing the Little Rock Nine. The reverse of the coin features a rendition of Little Rock High School as it appeared in 1958.

Analysis of Financial Position

Sales of the Little Rock Central High School Desegregation Silver Coin began on May 15, 2007. Through the end of the third quarter of FY 2007, the United States Mint shipped a total 111,817 coins, generating total program revenue of \$3.86 million. The program collected \$1.1 million in surcharges and currently shows a profit of approximately \$176,000.

2008 American Bald Eagle Recovery and National Emblem Commemorative Coin Program

Public Law 108-486, signed December 23, 2004

This will be a three-coin program, including a \$5 gold coin, a silver dollar and a clad half-dollar, with mintages of 100,000 coins, 500,000 coins and 750,000 coins respectively. Currently this is the only program scheduled for 2008.

The design candidates were presented to the federal advisory committees in May and then recommended final designs were sent to the Secretary of the Treasury for final approval.

2009 Abraham Lincoln Commemorative Coin Program

Public Law 109-285, signed September 27, 2006

The Abraham Lincoln Commemorative Coin Program consists of a silver coin with a maximum mintage of 500,000 coins.

The United States Mint has continued discussions with the Program Director of the Abraham Lincoln Bicentennial Commission to finalize the design themes for the obverse and reverse silver commemorative coin. Design development should begin in July.

2009 Louis Braille Commemorative Coin Program

Public Law 109-247, signed July 27, 2006

The Louis Braille Commemorative Coin Program consists of a silver coin with a maximum mintage of 400,000 coins.

The United States Mint has continued discussions with representatives of the National Federation of the Blind to finalize the design themes for the obverse and reverse silver commemorative coin.

MARKET-BASED RESEARCH AND PRICING FOR ALL UNITED STATES MINT COMMEMORATIVE COIN PROGRAMS

The United States Mint is actively engaged in gathering and analyzing data gathered from focus group sessions as well as information collected through bi-monthly surveys. The purpose of gathering these data is twofold. First, customer satisfaction can be gauged relative to recent product offerings, and second, the success of future products and programs can be estimated.

It should be noted that the United States Mint also uses this information to assess overall customer response to quality, pricing and packaging, and to gain a better understanding of which products will succeed and at what price will they be most attractive to potential customers.

Focus group meetings are conducted around the country to provide input from a diverse population. They are a valuable tool for the United States Mint when considering themes, packaging and special products. These venues are used to test annual recurring products as well as commemorative coin programs.

Commemorative coin pricing includes estimating consumer demand and costs associated with producing and selling the item.

COMMEMORATIVE COIN PROGRAMS

FINANCIAL SUMMARY

APRIL 1, 2007 THROUGH JUNE 30, 2007

	JAMESTOWN 400TH ANNIVERSARY	LITTLE ROCK		Description
REVENUE	\$ 1,849,908	\$ 3,868,899		Receipts
COST OF GOODS SOLD				
Manufacturing and Assembling	\$1,303,872	\$2,001,038		<i>Coin production and product assembling</i>
Order Fulfillment	<u>\$31,815</u>	<u>\$122,999</u>		<i>Warehouse expense</i>
Total Cost of Goods Sold	\$1,335,687	\$2,124,037		
RESULTS BEFORE SELLING, GENERAL & ADMINISTRATIVE	\$514,221	\$1,744,862		
SELLING, GENERAL & ADMINISTRATIVE				
Promotional	(\$366,441) (a)	\$230,909		<i>Advertising, printing & postage</i>
Travel	\$0	\$0		<i>Travel</i>
General & Administrative & Marketing	<u>\$47,912</u>	<u>\$219,342</u>		<i>Administrative expenses allocated to program</i>
Total Selling, General & Administrative	(\$318,529)	\$450,251		
PROFIT BEFORE SURCHARGES	\$832,750	\$1,294,611		
SURCHARGE ON REVENUE	\$377,330	\$1,118,170		<i>Proceeds collected for recipient organizations</i>
ESTIMATED PROGRAM PROFIT(LOSS)	\$455,420	\$176,441		

This report summarizes the unaudited financial activities of the United States Mint's Commemorative Programs and is intended for the sole use of the Banking and Appropriation Subcommittees and should not be used for any other purposes.

(a) Jamestown promotional estimate through the 2nd quarter exceeded the promotional expenses through 3rd quarter.