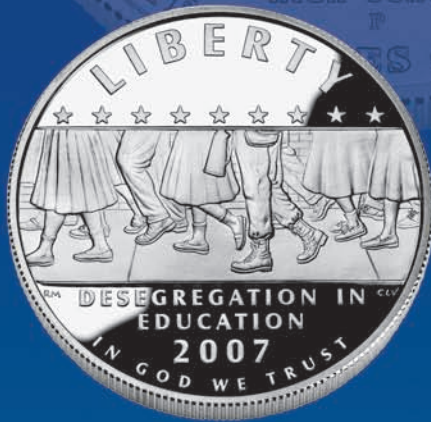


FY2008

1st 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 since 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 are authorized to 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 they also 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.

2007 Jamestown 400th Anniversary Commemorative Coin Program

Public Law 108-289, signed August 6, 2004



Legislation signed into law by President George W. Bush authorized a commemorative coin program honoring Jamestown, the first permanent English settlement in America. This is a two-coin program with a gold \$5 coin and a silver dollar. The Secretary of the Treasury approved designs for both coins on May 25, 2006. Coin sales began on January 10, 2007. The coins had a maximum mintage of 500,000 silver coins and 100,000 gold coins.



The obverse of the \$5 gold coin, designed and sculpted by United States Mint Sculptor-Engraver John Mercanti, depicts Captain John Smith conversing with an American Indian; the \$5 gold reverse, designed by United States Mint Artistic Infusion Program Master Designer Susan Gamble and sculpted by United States Mint Sculptor-Engraver Don Everhart, 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 and sculpted by Don Everhart, depicts “Three Faces of Diversity,” representing the three cultures that came together in Jamestown. The reverse of the silver dollar, designed by Susan Gamble and

sculpted by United States Mint Sculptor-Engraver Charles Vickers, 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, and the coins were issued through December 31, 2007. Through the end of the first quarter of FY 2008, the United States Mint shipped a total of 403,247 coins, generating total program revenue of \$28 million. The program collected over \$5.6 million in surcharges and currently shows a profit of approximately \$2.3 million. The silver dollar from this Program was included in the 2007 United States Mint American Legacy Collection™, released in December 2007. The product was limited to 50,000 units.

2007 Little Rock Central High School Desegregation 50th Anniversary Coin Program

Public Law 109-146, signed December 22, 2005



Legislation signed into law by President Bush authorized a silver dollar to commemorate the 50th anniversary of the desegregation of Little Rock Central High School in Little Rock, Arkansas, in 2007.

This was the second commemorative in 2007, and it was introduced on 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 honoring the Little Rock Nine, also went on sale



May 15, 2007. The coin obverse, designed by United States Mint Artistic Infusion Program Master Designer Richard Masters and sculpted by United States Mint Sculptor-Engraver Charles Vickers, 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, designed and sculpted by United States Mint Sculptor-Engraver Don Everhart, 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 50th Anniversary Commemorative Coin began on May 15, 2007, and the coin was issued through December 31, 2007. Through the end of the first quarter of FY 2008, the United States Mint shipped a total of 190,577 coins, generating total program revenue of \$7.7 million. The program collected \$1.9 million in surcharges and currently shows a profit of approximately \$700,000. This coin was also included in the 2007 United States Mint American Legacy Collection™, released in December 2007. The product was limited to 50,000 units.

2008 American Bald Eagle Recovery and National Emblem Commemorative Coin Program

Public Law 108-486, signed December 23, 2004

The 2008 Bald Eagle Commemorative Coin Program is scheduled to be introduced in the second quarter FY 2008. This is 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. Nine products will be released, including a Three-Coin Proof Set, a Young Collector's Set, and a Coin and Medal Set. This is the only commemorative coin program that has been authorized for 2008.

2009 Abraham Lincoln Commemorative Coin Program

Public Law 109-285, signed September 27, 2006

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

The candidate designs commemorating the 200th anniversary of Abraham Lincoln's birth were presented to the Abraham Lincoln Bicentennial Commission (ALBC) for review. The design candidates were then presented to the Commission of Fine Arts and the Citizens Coinage Advisory Committee. The final approval of the recommended design candidates will be made by the Secretary of the Treasury.

2009 Louis Braille Commemorative Coin Program

Public Law 109-247, signed July 27, 2006

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

The candidate designs for the silver dollar, commemorating the bicentennial of the birth of Louis Braille and Braille Literacy efforts, were presented to the National Federation of the Blind (NFB) for review. A prototype was developed to test the legibility of the Braille text on the reverse of the coin, as required by law. The reverse prototype will be reviewed by the NFB in early January 2008. Candidate designs will be presented to the Federal advisory bodies in the second quarter of FY 2008.

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 this 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 they will 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
FROM INCEPTION THROUGH DECEMBER 31, 2007

	JAMESTOWN 400TH ANNIVERSARY	LITTLE ROCK	Description
REVENUE	\$ 28,070,529	\$ 7,689,636	<i>Receipts</i>
COST OF GOODS SOLD			
Manufacturing and Assembling	17,217,815	3,428,479	<i>Coin production and product assembling</i>
Order Fulfillment	<u>\$443,572</u>	<u>\$209,635</u>	<i>Warehouse expense</i>
Total Cost of Goods Sold	\$17,661,387	\$3,638,114	
RESULTS BEFORE SELLING, GENERAL & ADMINISTRATIVE	<u>\$10,409,142</u>	<u>\$4,051,522</u>	
SELLING, GENERAL & ADMINISTRATIVE			
Promotional	\$740,592	\$687,915	<i>Advertising, printing & postage</i>
Travel	\$1,227	\$0	<i>Travel</i>
General & Administrative & Marketing	<u>\$1,655,919</u>	<u>\$751,013</u>	<i>Administrative expenses allocated to program</i>
Total Selling, General & Administrative	\$2,397,738	\$1,438,928	
PROFIT BEFORE SURCHARGES	\$8,011,404	\$2,612,594	
SURCHARGE ON REVENUE	\$5,677,945	\$1,905,770	<i>Proceeds collected for recipient organizations</i>
ESTIMATED PROGRAM PROFIT(LOSS)	<u>\$2,333,459</u>	<u>\$706,824</u>	<i>(Note 2)</i>
POTENTIAL UNRECOVERED MINT INVESTMENT (Note 1)			
Melting	\$6,924	\$2,214	<i>Cost to melt unsold inventory</i>
Manufacturing and Assembling	<u>\$781,642</u>	<u>\$341,278</u>	<i>Coin production and product assembling (without value of precious metals)</i>
TOTAL	\$788,566	\$343,492	
SURCHARGES FORWARDED TO RECIPIENT ORGANIZATIONS	-	-	

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.

Note 1 - The United States Mint's potential unrecovered investment has been displayed in accordance with the requirements of Sec. 529 of P.L. 104-208. If no additional sales were made, these amounts would be charged as expenses of the associated programs.

Note 2 - P.L. 104-208 requires the United States Mint to recover all allocable operation and program costs prior to the release of surcharge funds. The United States Mint will reduce the surcharge payment to recover these costs, as necessary.