



FY 2004 3rd Quarterly Financial Report of the United States Mint Commemorative Coin Programs



*3rd Quarter reporting period
April 1, 2004 through June 30, 2004*

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 42 commemorative coin programs between 1982 and 2004, 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 \$435.5 million in surcharges over the past 22 years for many worthy recipient organizations.

Commemorative coins are beneficial, not only to numismatic enthusiasts and the recipient organizations, but also by reaffirming 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 attached financial summary provides cumulative program data through the end of the 3rd quarter of FY04. The matching funds criterion established by the Commemorative Coin Reform Act of 1996 (CCRA), as amended by Title II of Public Law 108-15 (Apr. 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 profit (loss) is total net revenue minus net operating cost less surcharges collected. This quarterly interim profit and loss analysis was prepared using the accrual basis of accounting.

2003 First Flight Centennial Commemorative Coin Program

Program Highlights

The 2003 First Flight Centennial Commemorative Coin Program, Public Law 105-124, authorizes the production of up to 100,000 gold ten-dollar, 500,000 silver one-dollar and 750,000 clad half-dollar coins. This gold, silver and clad coin series commemorates the 100th anniversary of the Wright brothers’ first flight on December 17, 1903, near Kitty Hawk, North Carolina.



Qualifying program surcharges are authorized to go to the First Flight Centennial Foundation for the “purposes of repairing, refurbishing, and maintaining the Wright Brothers Monument in the Outer Banks of North Carolina, and expanding or, if necessary, replacing and maintaining the visitor center and other facilities at the Wright Brothers National Memorial Park.”

Analysis of Financial Position

Through June 30, 2004, the United States Mint shipped a total of 434,570 coins, generating total program revenue of \$21.5 million. The program has collected \$3.6 million in surcharges and is showing a profit of approximately \$925,000. As the program comes to a close in the 4th Quarter FY04, final auditing will take place.

The 2003 First Flight Centennial Commemorative Coin Program will remain on sale until July 30, 2004. After this date, the coins will no longer be available. The recipient organization will not receive any surcharge distribution until the end of the program in July 2004.

2004 Thomas Alva Edison Commemorative Coin Program



Program Highlights

The 2004 Thomas Alva Edison Commemorative Coin Act, Public Law 105-331, authorizes the production of up to 500,000 silver dollar coins. This silver dollar will commemorate the 125th anniversary of the invention of the light bulb by Thomas Alva Edison.

On February 11, 2004, in Dearborn, Michigan, United States Mint Director Henrietta Holsman Fore, in conjunction with The Henry Ford museum (formerly known as Greenfield Village), launched the Thomas Alva Edison Commemorative Coin at Edison's famous Menlo Park laboratory where he invented the light bulb 125 years ago.

Surcharges from the sale of these coins are authorized to be divided among eight organizations dedicated to paying tribute to Edison. The 2004 Thomas Alva Edison Commemorative Coin began sales on February 11, 2004. These commemorative coins will remain on sale until December 31, 2004, or until it sells out – whichever comes first.

Analysis of Financial Position

Through June 30, 2004, the United States Mint shipped a total of 242,896 coins, generating total program revenue of \$8.5 million. The program has collected \$2.5 million in surcharges and is showing a profit of approximately \$150,000. This program is in its second quarter of sales.

The recipient organization will not receive any surcharge distribution until the end of the program in December 2004.

2004 Lewis and Clark Expedition Bicentennial Commemorative Coin Program

Program Highlights

The 2004 Lewis and Clark Expedition Bicentennial Commemorative Coin Act, Public Law



106-126, authorizes the production of up to 500,000 silver dollar coins. This silver dollar will commemorate the bicentennial of the historic expedition conducted by the Corps of Discovery. The program surcharges are authorized to be paid to the National Lewis and Clark Bicentennial Council (2/3) and the National Park Service (1/3), for activities associated with commemorating the bicentennial of the Lewis and Clark expedition.

The United States Mint, in conjunction with the recipient organizations of the 2004 Lewis and Clark Bicentennial Silver Dollar, launched the program on May 12, 2004, in St. Louis, at the Missouri Historical Society. The event included remarks from Director Fore; Dr. Robert Archibald, President and CEO of the Missouri Historical Society; and Bobbie Conner, Director of the Tamastlikt Cultural Institute of the Confederated Tribes of the Umatilla Indian Reservation. Approximately 1,000 coins were sold at the event.

The 2004 Lewis and Clark Bicentennial Silver Dollar commemorative coin program also features two, limited- edition coin sets. The first, the Lewis and Clark Coinage and Currency Set, includes the commemorative coin and a Jefferson Peace Medal replica from the United States Mint, commemorative stamps from the United States Postal Service, a replica series 1901 \$10 "Bison" United States note from the Bureau of Engraving and Printing and two informational booklets from the National Archives and Records Administration. This 50,000 limited-edition set went on sale May 12, 2004, and sold out in six days. The second limited-edition product is the Lewis and Clark Coin & Pouch Set that will include the commemorative coin and an American Indian hand-made pouch. This product will be available on September 7, 2004.

Analysis of Financial Position

Through June 30, 2004, the United States Mint shipped a total of 285,198 coins (including the coinage and currency set), generating total program revenue of \$12.3 million. The program has collected \$2.8 million in surcharges and is showing a profit of approximately \$800,000.

This program is in its first quarter of sales.

The recipient organization will not receive any surcharge distribution until the end of the program in December 2004.

MARKET-BASED RESEARCH FOR ALL COMMEMORATIVE COIN PROGRAMS

As part of our overall marketing research program, the United States Mint utilized data from focus groups with active United States Mint customers to provide market-based research in support of our 2003–2004 commemorative coin programs. Information collected in these research studies helps the United States Mint to gauge the level of customer appeal for current and future coin designs and commemorative coin themes.

EFFORTS OF THE UNITED STATES MINT IN KEEPING THE SALE PRICE OF COMMEMORATIVE NUMISMATIC ITEMS AS LOW AS PRACTICABLE

Commemorative coin pricing entails estimating consumer demand and costs associated with producing and selling the item. The United States Mint also continually strives to achieve the greatest efficiencies in the production of commemorative coins to keep the prices as low as practicable.