



FY2007 2nd 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.

2006 Benjamin Franklin Commemorative Coin Program

Public Law 108-464, signed December 21, 2004

The 2006 Benjamin Franklin Commemorative Coin Program coincides with the great patriot's 300th birthday. This program included two silver dollars. Sales of individual coin options began on January 17, 2006, and reached a complete sell-out of individual coin options in just two weeks.

The Benjamin Franklin Coin & Chronicles Set was also placed on sale on January 17, 2006. This product sold out its 50,000 unit limit in less than one month.

A proof version of the "Founding Father" coin was included in the 2006 United States Mint American Legacy Collection™, which sold-out of its 50,000 limit on September 30, 2006.

Analysis of Financial Position

Through the end of the 2nd quarter of FY07, the United States Mint shipped a total of 498,267 coins, generating total program revenue of approximately \$20.2 million. The program collected \$4.9 million in surcharges and currently shows a profit margin of approximately 3.6 million.

In this quarter a surcharge payment of \$3,369,060 was made to the Franklin Institute.

2006 San Francisco Old Mint Commemorative Coin Program

Public Law 109-230, signed June 15, 2006

Legislation signed by President George W. Bush established a commemorative coin program honoring the San Francisco Old Mint, commonly known as the “Granite Lady,” calling for two coins to be designed and sold by the United States Mint in 2006. Constructed between 1870 and 1874, the historic San Francisco Old Mint was one of the few buildings to survive the disastrous April 18, 1906, earthquake and fire intact.

Analysis of Financial Position

Sales of San Francisco Old Mint Commemorative Coins, which began on August 15, 2006, ended in December 2006. Through the end of the second quarter of FY 2007, the United States Mint shipped a total 330,523 coins, generating total program revenue of \$24.5 million. The program collected \$4.74 million in surcharges and currently shows a profit of \$3.5 million.

2007 Jamestown 400th Anniversary Commemorative Coin Program

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. 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 second quarter of FY 2007, the United States Mint shipped a total 306,545 coins, generating total program revenue of \$21.3 million. The program collected \$4.43 million in surcharges and currently shows a profit of \$1.38 million.

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



Public Law 109-146, signed December 22, 2005

Seen here, are the obverse and reverse of the Little Rock Central High School Desegregation Silver Dollar. This silver dollar will commemorate the 50th anniversary of the desegregation of Little Rock Central High School in 2007. This will be the second commemorative in 2007 will launch May 15, 2007. A Little Rock Coin & Medal Set, featuring this commemorative coin and a bronze medal of the Little Rock Nine will be available for



purchase later this year. This coin will also be included in the United States Mint American Legacy Collection™ later this year.

2008 American Bald Eagle Recovery and National Emblem Commemorative Coin Program

Public Law 108-486, signed December 23, 2004

Designs were executed and received for the 2008 American Bald Eagle Commemorative Coin Program. The review process for the designs is in process, the recipient organization has provided comments relating to the accuracy of the portrayal of the eagles in the designs. The advisory committees, the Citizens' Coinage advisory Committee and the Commission of Fine Arts are expected to review the designs and provide their comments in May.

This is a 3-coin program, including a \$5 gold coin, a silver dollar and a clad half-dollar. Currently this is the only program scheduled for 2008.

2009 Commemorative Coin Programs

Initial meetings were held with the recipient organizations for both of the 2009 commemorative coin programs, Louis Braille Bicentennial – Braille Literacy and Abraham Lincoln, to brief them on the design process. The design process for both programs will begin in the 3rd quarter of FY 2007.

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

JANUARY 1, 2007 THROUGH MARCH 31, 2007

	BENJAMIN FRANKLIN	SAN FRANCISCO OLD MINT	JAMESTOWN 400TH ANNIVERSARY	Description
REVENUE	\$ (86,742)	\$ (250,991)	\$ 21,307,482	Receipts
COST OF GOODS SOLD				
Manufacturing and Assembling	(\$23,082)	(\$112,329)	\$12,870,307	<i>Coin production and product assembling</i>
Order Fulfillment	(\$1,419)	(\$3,619)	\$337,200	<i>Warehouse expense</i>
Total Cost of Goods Sold	(\$24,501)	(\$115,948)	\$13,207,507	
RESULTS BEFORE SELLING, GENERAL & ADMINISTRATIVE	(\$62,241)	(\$135,043)	\$8,099,975	
SELLING, GENERAL & ADMINISTRATIVE				
Promotional	\$0	(\$200,000)	\$1,000,000	<i>Advertising, printing & postage (ESTIMATED)</i>
Travel	\$0	\$1,996 (a)	\$1,227	<i>Travel</i>
General & Administrative & Marketing	(\$17,269)	(\$31,726)	\$1,282,067	<i>Administrative expenses allocated to program</i>
Total Selling, General & Administrative	(\$17,269)	(\$229,730)	\$2,283,294	
PROFIT BEFORE SURCHARGES	(\$44,972)	\$94,687	\$5,816,681	
SURCHARGE ON REVENUE	(\$12,900)	(\$44,400)	\$4,436,925	<i>Proceeds collected for recipient organizations</i>
ESTIMATED PROGRAM PROFIT(LOSS)	(\$32,072)	\$139,087	\$1,379,756	

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) Travel took place in a prior quarter