



**FY2006 4th 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 \$452.4 million in surcharges over the past 24 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.

2005 Chief Justice John Marshall Commemorative Coin Program

Program Highlights

As stipulated in the program's legislation, sales for all product options in the Chief Justice John Marshall Commemorative Coin Program ended in December 2005.

Analysis of Financial Position

Through the end of the 4th quarter of FY06, the United States Mint shipped a total of 263,849 coins, generating total program revenue of \$11.8 million. The program collected \$2.64 million in surcharges and showed a margin of approximately \$1.5 million.

2005 Marine Corps 230th Anniversary Commemorative Coin Program

Program Highlights

As stipulated in the program's legislation, sales for all product options in the Marine Corps 230th Anniversary Commemorative Coin Program ended in December 2005.

Analysis of Financial Position

Through the end of the 4th quarter of FY06, the United States Mint shipped a total of 598,481 coins, generating total program revenue of \$ 23.6 million. The program collected \$5.98 million in surcharges and showed a margin of approximately \$ 3.87 million.

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 includes 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 is included in the 2006 United States Mint American Legacy Collection™, which went on sale August 15, 2006, and sold-out of its 50,000 limit on September 30, 2006.



Analysis of Financial Position

Through the end of the 4th quarter of FY06, the United States Mint shipped a total of 449,208 coins, generating total program revenue of \$ 17 million. The program collected \$ 4.5 million in surcharges and currently shows a margin of approximately \$ 2.6 million. Revenue, surcharges and costs associated with the promotion, sale and shipping of the United States Mint 2006 American Legacy Collection will be reported in the first quarter of FY07.

An initial payment of \$ 2,219,955, representing 50% of surcharges collected was made to the Program’s recipient organization, the Franklin Institute on September 7, 2006.

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.

Designs for the San Francisco Old Mint Commemorative Coin Program were approved by the Secretary on August 4, 2006.

The obverse design of the \$5 gold coin is a rendition of the Old Mint



modeled on the original 1869 construction drawing by A.B. Mullett. The reverse design is a replica of the 1906 Half-Eagle Coronet Liberty eagle reverse, designed by Christian Gobrecht.

The obverse design of the silver dollar is a rendition of the San Francisco Old Mint, originally prepared for the San Francisco Mint Medal by Sherl J. Winter. The reverse design is a replica of the 1904 Morgan Silver Dollar eagle reverse, designed by George T. Morgan.

Analysis of Financial Position

Sales of San Francisco Old Mint Commemorative Coins began on August 15, 2006. Because sales revenue is booked when products are shipped from our fulfillment center, and shipping did not commence until after October 1, 2006, there is no associated revenue to report for the fourth quarter of FY06.

Initial sales data will appear in the report for the first quarter of FY07.

2007 Jamestown 400th Anniversary Commemorative Coin Program

Public Law 108-289, signed August 6, 2004

This is a 2-coin program with a gold \$5 coin and a silver \$1 coin. Designs for both coins were approved by the Secretary of the Treasury on May 25, 2006.

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.

This program is expected to launch in early 2007.

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

Public Law 109-146, signed December 22, 2005

Work began on designs for 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.

Designs for the Little Rock Central High School Desegregation Silver Dollar were completed and reviewed by the Commission of Fine Arts and the Citizens Coin Advisory Committee this quarter and design recommendations were submitted to the Secretary of the Treasury.

2008 American Bald Eagle Recovery and National Emblem Commemorative Coin Program

Public Law 108-486, signed December 23, 2004

A preliminary meeting was held with the recipient organization for the American Bald Eagle Program, which will launch in 2008. The recipient organization, the American Eagle Foundation, has been asked to provide source materials and design guidance for the three coins (gold, silver and clad), which are expected to launch in early 2008. Designs for this program are to be emblematic of the bald eagle and its history, natural biology and national symbolism.

As of this writing, the American Bald Eagle Recovery and National Emblem Commemorative Coin Program is the only program scheduled for calendar year 2008.

2009 Commemorative Coin Programs

Two programs for 2009 were signed into law this quarter. The Louis Braille Commemorative Coin Act was signed on July 27, 2006. This legislation authorizes the Secretary of the Treasury to mint and issue no more than 400,000 silver dollars emblematic of the life and legacy of Louis Braille. The Abraham Lincoln Commemorative Coin Act was signed on September 27, 2006. It authorizes the Secretary of the Treasury to mint and issue no more than 500,000 silver dollars emblematic of the life and legacy of President Abraham Lincoln.

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

JULY 1, 2006 THROUGH SEPTEMBER 30, 2006

	BENJAMIN FRANKLIN	Description
REVENUE	\$ 178,393	Receipts
COST OF GOODS SOLD		
Manufacturing and Assembling	\$69,469	<i>Coin production and product assembling</i>
Order Fulfillment	\$5,739	<i>Warehouse expense</i>
Total Cost of Goods Sold	\$75,208	
RESULTS BEFORE SELLING, GENERAL & ADMINISTRATIVE	\$103,185	
SELLING, GENERAL & ADMINISTRATIVE		
Promotional	\$384,884	<i>Advertising, printing & postage</i>
Travel	\$0	<i>Travel</i>
General & Administrative & Marketing	\$17,855	<i>Administrative expenses allocated to program</i>
Total Selling, General & Administrative	\$402,739	
PROFIT BEFORE SURCHARGES	(\$299,554)	
SURCHARGE ON REVENUE	\$52,170	<i>Proceeds collected for recipient organizations</i>
ESTIMATED PROGRAM PROFIT(LOSS)	(\$351,724)	

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.