



# FY2005 2nd Quarterly Financial Report of the United States Mint Commemorative Coin Programs



*For the financial reporting  
period January 1, 2005  
through March 31, 2005*



## **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 44 commemorative coin programs between 1982 and 2005, 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 \$439.3 million in surcharges over the past 23 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 2nd quarter of FY05. 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 provides for commemorative coin program recipient organizations to be 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.

### **2004 Thomas Alva Edison Commemorative Coin Program**



#### ***Program Highlights***

The 2004 Thomas Alva Edison Commemorative Coin Act, Public Law 105-331, authorized the production of up to 500,000 silver dollar coins. This silver dollar commemorates the 125<sup>th</sup> anniversary of the invention of the light bulb by Thomas Alva Edison. Sales began on February 11, 2004, and ended December 29, 2004.

The program featured a 25,000 limited edition Thomas Alva Edison Collector’s Set that showcased Edison’s many accomplishments. The set featured the uncirculated silver dollar in a fun and informative presentation and resulted in the sale of an additional 24,370 coins.

Surcharges from the sale of these coins are authorized to be divided among eight organizations dedicated to paying tribute to Edison. The eight organizations eligible to receive 1/8 of the surcharge include the Museum of Arts and History; Edison Birthplace Association Inc.; National Park Service; Edison Plaza Museum; Edison Winter Home and Museum; Edison Institute; Edison Memorial Tower; and the Hall of Electrical History.

### ***Analysis of Financial Position***

Through the end of the program, the United States Mint shipped a total of 303,205 coins, generating total program revenue of \$10.8 million. The program has collected \$3.0 million in surcharges and is showing a profit of approximately \$580,000.

Thus far, the United States Mint has distributed equal surcharge payments of \$379,145 to the Friends of Edison National Historic Site in West Orange, New Jersey; the Port Huron Museum in Port Huron, Michigan; and the Schenectady Museum in Schenectady, New York, raising the total amount of surcharges paid through the program to \$1.14 million.

### **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, authorized the production of up to 500,000 silver dollar coins. This silver dollar commemorates 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 sold the coin between May 12 and December 23, 2004.



The 2004 Lewis and Clark Bicentennial Silver Dollar commemorative coin program featured two, limited-edition coin sets. The Lewis and Clark Coinage and Currency Set, and the Lewis & Clark Coin & Pouch Set sold approximately 100,000 coins for the program.

### ***Analysis of Financial Position***

Through the end of the program, the United States Mint shipped a total of 494,004 coins (including special sets), generating total program revenue of \$25.1 million. The program collected \$4.94 million in surcharges and showed a profit of approximately \$4.56 million. (Because all expenses relating to the Lewis & Clark Silver Dollar Program have not been completely realized, this profit figure will be adjusted).

After a final audit, and provided the recipient organizations submit satisfactory matching funds statements, they may become eligible to receive surcharge distributions.

### **2005 Chief Justice John Marshall Commemorative Coin Program**

#### ***Program Highlights***

Legislation for a commemorative coin honoring Chief Justice John Marshall passed in July 2004, and was signed into law by President George W. Bush on August 6, 2004. The legislation authorizes a silver dollar with a design emblematic of Chief Justice John Marshall and his immeasurable contributions to the Constitution of the United States and the Supreme Court of the United States. The maximum mintage is 400,000 coins, and a surcharge of \$10 per coin is authorized to go to the Supreme Court Historical Society.



Designs for the Chief Justice John Marshall Silver Dollar were released in late January. This will be the first commemorative coin to be offered in 2005. An on-sale date of April 25, 2005, is scheduled for the standard proof and uncirculated coin options. The program will also include a Coin & Chronicles Set, which will feature the Chief Justice John Marshall Uncirculated Silver Dollar, along with an intaglio print of a statue of Marshall and a booklet about the Chief Justice and his importance to the Supreme Court, written by the Supreme Court Historical Society. This product, along with the full direct mail offering, will be dropped in the late Spring or early Summer. The Chief Justice John Marshall Silver Dollar will also be available in another limited-edition product, which will be released later in the year.

### **2005 Marine Corps 230<sup>th</sup> Anniversary Commemorative Coin Program**

#### ***Program Highlights***



Legislation for a silver dollar honoring the 230<sup>th</sup> Anniversary of the United States Marine Corps was signed into law on August 6, 2004. The design is to be emblematic of the warrior ethos of the United States Marine Corps. While the legislation calls for a maximum mintage of 500,000 coins, the Marine Corps Heritage Foundation (Foundation) has submitted a request to the Secretary of the Treasury seeking to increase that number to 600,000. The \$10 surcharge per coin is authorized to go to the Foundation.



Designs for the Marine Corps 230<sup>th</sup> Anniversary Silver Dollar were unveiled in late February at a ceremony to mark the 60<sup>th</sup> anniversary of the Battle for Iwo Jima. This will be the second commemorative coin offered in 2005, and a July on-sale date is anticipated. The program will include three product options: a proof silver dollar, an uncirculated silver dollar and one special set, which will also contain the Chief Justice John Marshall Silver Dollar.

### **2006 Benjamin Franklin Commemorative Coin Program**

*Public Law 108-464, approved December 21, 2004*

Meetings and discussions have been held concerning the Benjamin Franklin Silver Dollars for 2006. The United States Mint began gathering source materials for its sculptor/engravers who will prepare design options for this program. The legislation calls for two silver dollars. One will feature an image of a young Benjamin Franklin on the obverse with a reverse design emblematic of his role as a patriot and statesman. The other will feature an image of an older Benjamin Franklin on the obverse with a reverse design emblematic of his role in establishing the coinage and currency of the United States. The United States Mint anticipates a January 2006 launch.

### **Jamestown 400<sup>th</sup> Anniversary Program**

*Public Law 108-289, approved August 6, 2004*

Meetings and discussion have also been held concerning the Jamestown 400<sup>th</sup> Anniversary Coin Program. This is a two-coin program containing a gold \$5 coin and a silver dollar. Designs for both coins are to be emblematic of the settlement of Jamestown, the first permanent English settlement in America. This program is expected to launch in January 2007.

## **2008 American Bald Eagle Recovery and National Emblem Commemorative Coin Program**

*Public Law 108-486, approved 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 is expected to launch in January 2008. Designs for this program are to be emblematic of the bald eagle and its history, natural biology and national symbolism.

### **MARKET-BASED RESEARCH AND PRICING FOR ALL UNITED STATES MINT 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. The United States Mint is using this focus group data to gauge the level of customer appeal for products to help support its 2005 commemorative coin programs.

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