



**FY 2004 4th Quarterly Financial Report
of the United States Mint
Commemorative Coin Programs**

*4th Quarter reporting period
July 1, 2004 through September 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 \$436.7 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 4th 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 (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 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

The 2003 First Flight Centennial Commemorative Coin sales launched on August 1, 2003. As of September 30, 2004, the United States Mint shipped a total of 442,290 coins, generating total program revenue of \$22.1 million. The program has collected \$3.7 million in surcharges and is showing a profit of approximately \$2.5 million as of the 4th Quarter FY04. The 2003 First Flight Centennial Commemorative Coin Program sales ended on July 30, 2004, and the final auditing for the 2003 First Flight Centennial Commemorative occurred in the 4th Quarter FY04. The recipient organization has submitted a satisfactory matching funds statement, thereby attesting that it has become eligible to receive the surcharge payment. After the final auditing, the United States Mint anticipates that a surcharge distribution will occur in the 1st Quarter FY05.

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 commemorates the 125th anniversary of the invention of the light bulb by Thomas Edison.

The Thomas Alva Edison Commemorative Coin program features a new 25,000 limited-edition Thomas Alva Edison Collector's Set that showcases Edison's many accomplishments. The set features the uncirculated silver dollar in a fun and informative presentation case that illuminates when opened. The collector's set went on sale in the 4th Quarter FY04 on September 16, 2004.

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 surcharges include the Museum of Arts and History, Edison Birthplace Association, National Park Service, Edison Plaza Museum, Edison Winter Home and Museum, Edison Institute, Edison Memorial Tower and the Hall of Electrical History. 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.

From the onset of sales in February 2004, the United States Mint marketing staff has collaboratively worked with the recipient organizations to further promote the sale of the 2004 Thomas Alva Edison Commemorative Coin. The United States Mint supported the commemorative coin by attending two events in Ohio and Michigan on October 15-17, 2004. The commemoration events included a dinner honoring Edison's innovations, news conference, a rededication of the residence of Edison's youth and the sale of the 2004 Thomas Alva Edison Commemorative Coin.

Analysis of Financial Position

Through September 30, 2004, the United States Mint shipped a total of 260,620 coins, generating total program revenue of \$9.2 million. The program has collected \$2.6 million in surcharges and is showing a profit of approximately \$0.8 million. This program is in its third quarter of sales, and all costs have not yet been incurred.

The United States Mint distributed equal surcharge payments of \$151,810 to the Museum of Arts and History, National Park Service and the Hall of Electrical History in the 4th Quarter FY04.

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 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, 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 2004 Lewis and Clark Bicentennial Silver Dollar commemorative coin program featured two, limited-edition coin sets. The first, the Lewis and Clark Coinage and Currency Set, included a 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 sold out in the 3rd quarter in six days. The second limited-edition product was the Lewis & Clark Coin & Pouch Set that included a commemorative coin and an American Indian hand-made pouch. This product sold out on September 29, 2004. Sales for the individual proof and uncirculated coins have continued to be strong during the fourth quarter of this year.

Analysis of Financial Position

Through September 30, 2004, the United States Mint shipped a total of 385,402 coins (including special sets), generating total program revenue of \$18.4 million. The program has collected \$3.9 million in surcharges and is currently showing a profit of approximately \$3.3 million. This program is in its second quarter of sales, and all costs have not yet been incurred.

This program is in its second quarter of sales, and once the recipient organization submits a satisfactory matching funds statement, it may become eligible to receive surcharge distribution.

Future Commemorative Coin Programs

Chief Justice John Marshall Silver Dollar

Program Highlights

Legislation for a commemorative coin honoring Chief Justice John Marshall passed in July and was signed into law by President Bush on August 6, 2004. The law authorizes a silver dollar with a design that will be 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 for this program is 400,000 coins, and a surcharge of \$10 per coin is authorized to go to the Supreme Court Historical Society.



In the 4th Quarter FY04, the Chief Justice John Marshall Silver Dollar designs were reviewed by the

Commission of Fine Arts (CFA) and the Citizens Coinage Advisory Committee (CCAC) for design recommendations. The designs have been forwarded to the Treasury Secretary for review and selection. The United States Mint marketing staff has presented marketing plans to the recipient organization for approval and has had several meetings to discuss the sale and promotion of the commemorative coin.

Marine Corps 230th Anniversary Silver Dollar

Program Highlights

Legislation was passed authorizing a silver dollar to honor the 230th Anniversary of the United States Marine Corp and was signed into law on August 6, 2004. This silver dollar has a maximum mintage of 500,000 and the design is to be emblematic of the warrior ethos of the United States Marine Corps. The \$10 surcharge per coin is authorized to go to the Marine Corps Heritage Foundation.

On September 21, 2004, the CFA and CCAC reviewed design concepts for the Marine Corps 230th Anniversary Silver Dollar. As of this writing, the designs have been forwarded to the Treasury Secretary for review and selection. In the 4th Quarter FY04, the United States Mint marketing staff has had several meetings with the recipient organization to discuss future marketing plans and promotion for the sale of the Marine Corps 230th Anniversary Silver Dollar.

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. The United States Mint will use this focus group data to gauge the level of customer appeal for products to help support its 2005 commemorative coin programs.

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.

As of September 30, 2004

2003 First Flight									
Option Code	Description	Sets	Coins Gold Proof	Coins Gold Uncirculated	Coins Silver Proof	Coins Silver Uncirculated	Coins Clad Proof	Coins Clad Uncirculated	Surcharges at \$35,\$10&\$1
2E1	Gold Proof	21,676	21,676						\$758,660
2E2	Gold Uncirculated	10,009		10,009					\$350,315
2E3	Silver Proof	190,240			190,240				\$1,902,400
2E4	Silver Uncirculated	53,533				53,533			\$535,330
2E5	Clad Proof	109,710					109,710		\$109,710
2E6	Clad Uncirculated	<u>57,122</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>57,122</u>	<u>\$57,122</u>
	Total	442,290	21,676	10,009	190,240	53,533	109,710	57,122	\$3,713,537
			tot gold	31,685	tot silver	243,773	tot clad	166,832	
						total coins		442,290	

2004 Thomas Edison									
Option Code	Description	Sets	Coins Gold Proof	Coins Gold Uncirculated	Coins Silver Proof	Coins Silver Uncirculated	Coins Clad Proof	Coins Clad Uncirculated	Surcharges at \$35,\$10&\$1
3C1	Silver Proof	195,251			195,251				\$1,952,510
3C2	Silver Uncirculated	59,845				59,845			\$598,450
3C7	Collector's Set	<u>5,524</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,524</u>	<u>0</u>	<u>0</u>	<u>\$55,240</u>
	Total	260,620	0	0	195,251	65,369	0	0	\$2,606,200
			tot gold	0	tot silver	260,620	tot clad	0	
						total coins		260,620	

2004 Lewis and Clark									
Option Code	Description	Sets	Coins Gold Proof	Coins Gold Uncirculated	Coins Silver Proof	Coins Silver Uncirculated	Coins Clad Proof	Coins Clad Uncirculated	Surcharges at \$35,\$10&\$1
2S3	Coin & Pouch Silver Prf	15,435			15,435				\$154,350
2S4	Coin & Currency Silver Unc	48,145				48,145			\$481,450
2S5	Silver Proof	238,063			238,063				\$2,380,630
2S6	Silver Uncirculated	81,559	0	0	0	81,559	0	0	\$815,590
2S7	Silver Proof coin	<u>2,200</u>	<u>0</u>	<u>0</u>	<u>2,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$22,000</u>
	Total	385,402	0	0	255,698	129,704	0	0	\$3,854,020
			tot gold	0	tot silver	385,402	tot clad	0	
						total coins		385,402	

COMMEMORATIVE COIN PROGRAMS

FINANCIAL SUMMARY

FROM INCEPTION THROUGH SEPTEMBER 30, 2004

	FIRST FLIGHT CENTENNIAL	THOMAS EDISON	LEWIS AND CLARK	Description
REVENUE	\$ 22,055,498	\$ 9,183,852	\$ 18,421,847	<i>Receipts</i>
COST OF GOODS SOLD				
Proceeds on Silver	\$1,006,755	\$1,071,213	\$1,583,443	<i>Market Value of Mint-obtained silver, less statutory value of silver</i>
Proceeds on Gold	\$4,656,378	\$0	\$0	<i>Payments to Treasury's General Fund for profit on gold</i>
Manufacturing and Assembling	\$4,406,821	\$2,221,836	\$4,274,017	<i>Manufacturing and Assembling (includes statutory value of precious metals)</i>
Shipping and Order Fulfillment	<u>\$1,677,584</u>	<u>\$512,365</u>	<u>\$1,388,118</u>	<i>Product delivery and Order Fulfillment</i>
Total Cost of Goods Sold	\$11,747,538	\$3,805,414	\$7,245,578	
RESULTS BEFORE SELLING, GENERAL & ADMINISTRATIVE	<u>\$10,307,960</u>	<u>\$5,378,438</u>	<u>\$11,176,269</u>	
SELLING, GENERAL & ADMINISTRATIVE				
Promotional	\$992,042	\$852,726	\$1,198,857	<i>Promotional includes advertising, printing & postage</i>
General & Administrative & Marketing	<u>\$3,064,721</u>	<u>\$1,095,716</u>	<u>\$2,855,821</u>	<i>Fixed overhead allocated to program</i>
Total Selling, General & Administrative	\$4,056,763	\$1,948,442	\$4,054,678	
PROFIT BEFORE SURCHARGES	\$6,251,197	\$3,429,996	\$7,121,591	
SURCHARGE ON REVENUE	\$3,713,537	\$2,606,200	\$3,854,020	<i>Proceeds collected for recipient organizations</i>
ESTIMATED PROGRAM PROFIT(LOSS)	<u>\$2,537,660</u>	<u>\$823,796</u>	<u>\$3,267,571</u>	<i>(Note 2)</i>
POTENTIAL UNRECOVERED MINT INVESTMENT (Note 1)				
Melting	\$894	\$3,709	\$14,869	<i>Cost to melt ending inventory and condemned coins</i>
Manufacturing and Assembling	\$106,080	\$326,119	\$108,015	<i>Manufacturing and assembling (without statutory value of precious metals)</i>
Packaging Material	\$3,183	\$7,443	\$470,136	<i>Packaging material that has not been used in manufacturing and assembling</i>
Die Manufacturing	<u>\$10,599</u>	<u>\$0</u>	<u>\$0</u>	<i>Cost of unused dies</i>
TOTAL	\$120,756	\$337,271	\$593,020	
SURCHARGES FORWARDED TO RECIPIENT ORGANIZATIONS	-	455,430	-	

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 unrecovered investment has been displayed in accordance with the requirements of Sec. 529 of P.L. 104-208, and represents the costs associated with the United States Mint's inventory of coins, packaging material, and dies on hand. 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.

COMMEMORATIVE COIN PROGRAMS

FINANCIAL SUMMARY

JULY 1, 2004 THROUGH SEPTEMBER 30, 2004

	FIRST FLIGHT CENTENNIAL	THOMAS EDISON	LEWIS AND CLARK	Description
REVENUE	\$ 589,851	\$ 726,826	\$ 6,121,819	Receipts
COST OF GOODS SOLD				
Proceeds on Silver	\$128,659	\$190,743	\$549,633	<i>Market Value of Mint-obtained silver, less statutory value of silver</i>
Proceeds on Gold	\$187,678	\$0	\$0	<i>Payments to Treasury's General Fund for profit on gold</i>
Manufacturing and Assembling	(\$437,672)	(\$225,500)	\$550,062	<i>Manufacturing and Assembling (includes statutory value of precious metals)</i>
Shipping and Order Fulfillment	(\$266,668)	\$9,685	\$697,790	<i>Product delivery and Order Fulfillment</i>
Total Cost of Goods Sold	(\$388,003)	(\$25,072)	\$1,797,485	
RESULTS BEFORE SELLING, GENERAL & ADMINISTRATIVE	\$977,854	\$751,898	\$4,324,334	
SELLING, GENERAL & ADMINISTRATIVE				
Promotional	\$32,266	\$152,627	\$400,452	<i>Promotional includes advertising, printing & postage</i>
General & Administrative & Marketing	(\$571,720)	(\$211,904)	\$599,565	<i>Fixed overhead allocated to program</i>
Total Selling, General & Administrative	(\$539,454)	(\$59,277)	\$1,000,017	
PROFIT BEFORE SURCHARGES	\$1,517,308	\$811,175	\$3,324,317	
SURCHARGE ON REVENUE	\$76,185	\$177,240	\$1,002,040	<i>Proceeds collected for recipient organizations</i>
ESTIMATED PROGRAM PROFIT(LOSS)	\$1,441,123	\$633,935	\$2,322,277	

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