

THE FREE REPUBLIC OF LIBERLAND
MINISTRY OF FINANCE



Summary Annual Report 2019

August 2020

TABLE OF CONTENTS

FOREWORD BY THE FINANCE MINISTER	3
FINANCIALS - SUMMARY	4
FINANCIALS - INCOME	5
FINANCIALS - EXPENSES	8
FINANCIALS - LIBERLAND MERITS	10



Sandy beaches in Liberia

FOREWORD BY THE MINISTRY OF INTERIOR

SAMUEL DER-KAZARYAN

The Deputy Minister of Interior



Dear Reader,

It is a pleasure to present the annual financial statement for 2019 on the occasion of the Liberland Summer Conference.

The 2019 budget closed with almost an 8% higher operating income compared to 2018. This together with a fraction of Liberland reserves allowed us to cover the ongoing investments in building Liberland. Reserves were positively affected by the steep appreciation of the digital currencies in 2019. 70% of our supporters and voluntary taxpayers chose to donate via cryptocurrencies.

Primary efforts in 2019 were the ongoing regional settlements around the Liberland territory. Over one-third of expenses were used to develop the Floating Liberland and other local projects which will provide Liberlandian investors with a solid base during the tough times ahead. Constant promotion and diplomacy together with legal and IT were other significant expenses in 2019.

This year, we successfully launched our E-Residency program which provides members with access to a number of our projects and features. We have also introduced our blockchain-based E-Governance system which will make Liberland the first country with a blockchain-based administration.

Our main goal for the next year is to expand our operations in the surroundings of Liberland territory. We also hope to improve our diplomatic standing with other countries.

Long live Liberland!

Samuel Der-Kazaryan, August 2020

A handwritten signature in black ink that reads "Samuel Der-Kazaryan". The signature is written in a cursive style and is positioned above a thin horizontal line.

FINANCIALS SUMMARY

The total Liberland **income** has reached the amount of **USD 492,932** in the calendar year 2019 (note: “USD” means “USD equivalent” recalculated to USD with the exchange rate valid on the day of each transaction). This total income is represented by both strategic investments as well as small amounts from donations.

With **total expenses of USD 500,210**, expenses exceeded total cash income by USD 7278.17 in 2019. This difference was covered by cash surpluses accumulated in the previous years, mainly generated by cryptocurrency appreciation in 2018.

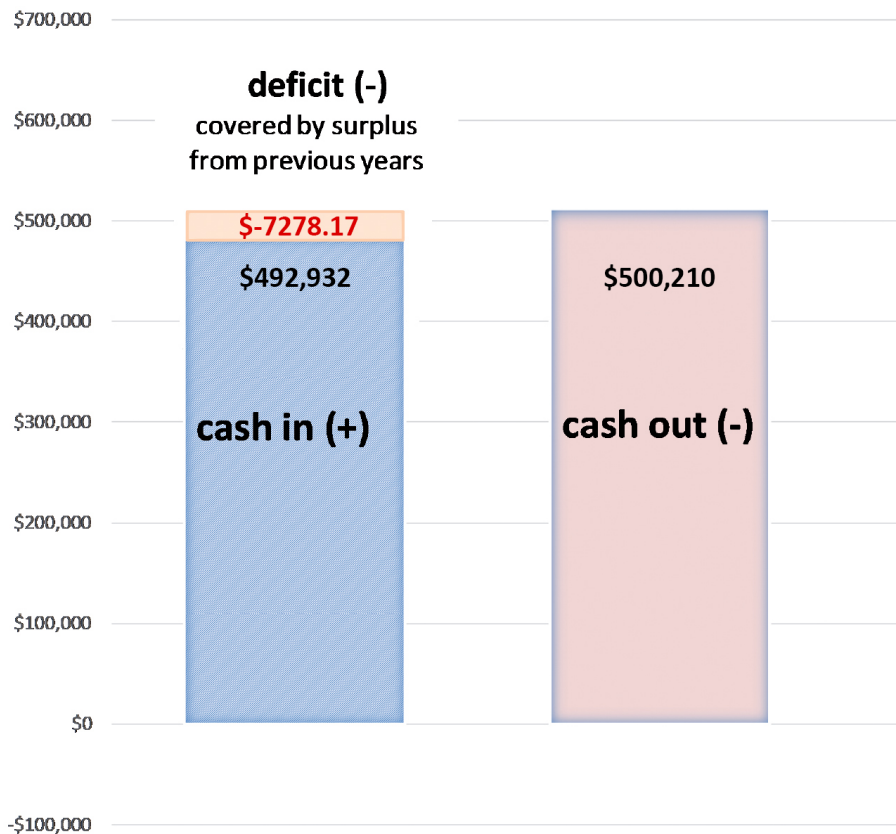
As in the previous year, the closing balance by the end of year the 2019 was held almost entirely in crypto. The three main cryptocurrencies used were Bitcoin (BTC), Bitcoin Cash (BCH), and Ethereum (ETH).

In general, the year 2019 faced a bullish trend for cryptocurrencies, as the total crypto market capitalization dropped down low after rocketing to new heights at the end of 2018.

Neither public debts nor any other form of bonds have been issued in 2019. The Liberland Government has no granted power to enforce collecting money from the citizens, nor issue public debts on citizens’ behalf.

All presented results have been formally consolidated for both the Liberland state and Liberland Limited Ltd., a state service provider.

2019 CASH OVERVIEW (USD EQ.)



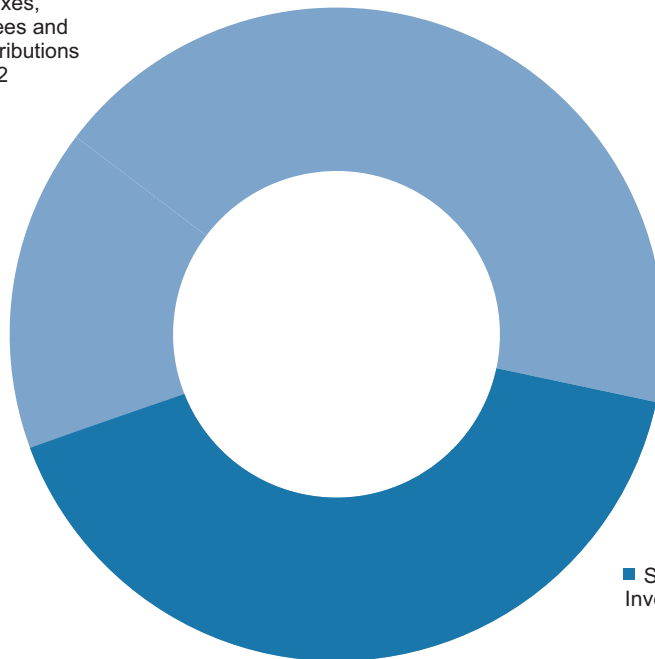
FINANCIALS

INCOME

The total operating income of \$492,932 was mainly represented by two major streams. This amount of \$150,000 eq. (30.43%) is representing payments identified as strategic investments, while the remaining part of 69.57% (USD 342,932 eq.) is represented by almost 700 donations, relatively smaller nominal incoming payments partly on a repetitive basis. These contributors classify their contribution as “donation” or as their “voluntary tax”. Most of them were received over one of the online payment gateways, small cryptocurrency transfers, or via PayPal.

Total Income 2019		492,932 USD	
Category	Amount	Currency equivalent	Share
Strategic and Larger Investments incl. citizenship	150,000	USD	30.43%
Voluntary tax & donations	342,932	USD	69.57%
Total Income 2019	492,932	USD	100%

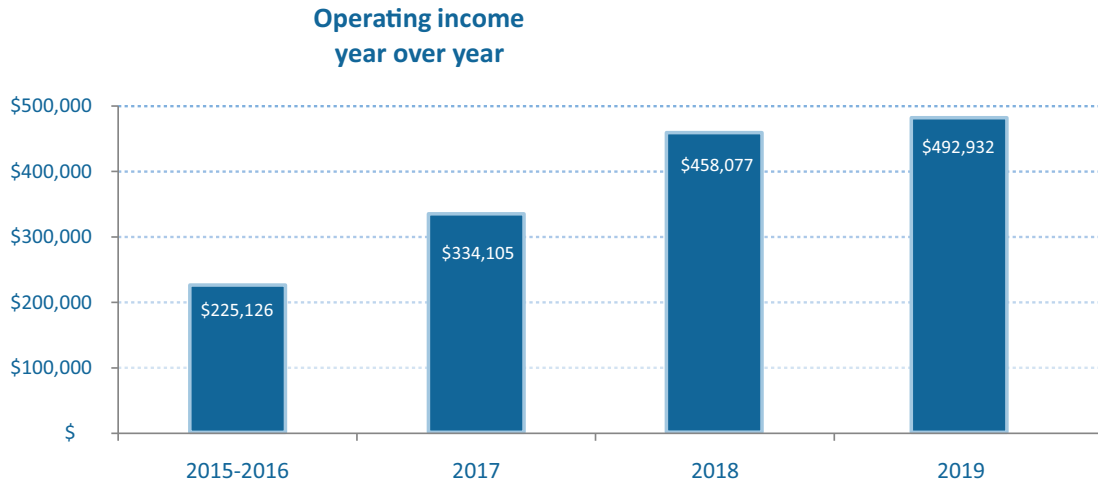
■ Voluntary taxes, E-Residency fees and Citizenship contributions
\$342,932



■ Strategic and Larger Investments in Liberia
\$150,000

FINANCIALS | INCOME YEAR-OVER-YEAR

	2015-2016	2017	2018	2019
Operating income	\$ 225,126	\$ 334,105	\$ 458,077	\$ 492,932



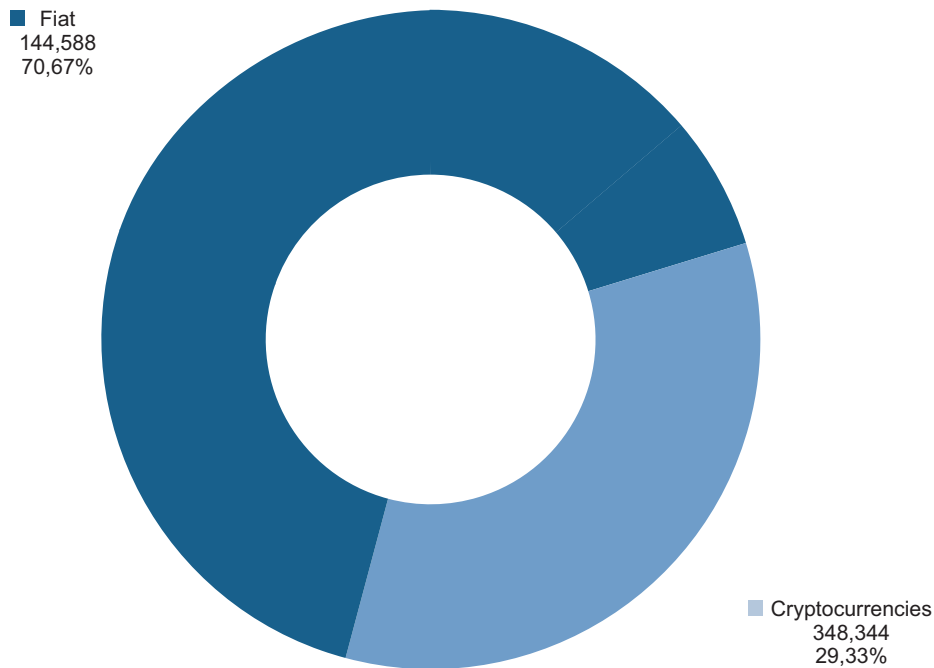
INCOME BY PURPOSE ASSIGNMENT

All donors who do not wish otherwise are rewarded with Liberland merits at the nominal value 1:1 USD the equivalent of their donation calculated based on the exchange rate valid at the transaction date.

FINANCIALS | INCOME PER CURRENCIES

In 2019, Liberland state income was almost 70% cryptocurrencies. This is a growth from 60% of income collected in cryptocurrencies in 2018. As in the previous years, most of the state budget is held in cryptocurrencies because both Liberland and its citizens see a bright future for digital assets.

Currency	Amount	Currency equivalent	% share
Fiat	144,588	USD	70,67%
Cryptocurrencies	348,344	USD	29,33%
Total Income 2019	492,932	USD	100%



FINANCIALS

EXPENSES

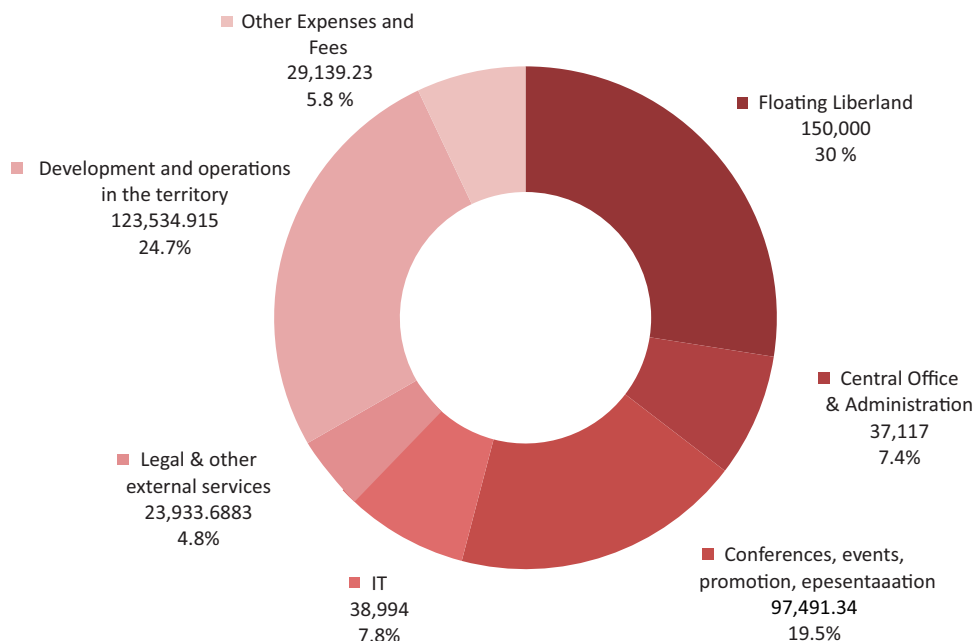
The total expenses have reached the amount of \$500,210 in 2019. The main expense was the investments to the Floating Liberland in equivalent to \$150,000. Further expenses on development and operations in Liberland and the surrounding areas have followed with \$123,534.91. Another significant sum has been spent on promotion and diplomacy including conferences with the overall sum of \$97,491.34.

Smaller expenses have then been spent on the overall IT structure of Liberland (\$38,994), the central office, and administration (\$37,117). The remaining amounts have been spent on legal and some other external services.

Total Expenses 2019 **500,210** USD eq.

Expenses per category	Amount	Currency equivalent	% Share
Development and operations in the territory	123,534.91	USD	24.7%
Floating Liberland	150,000	USD	30%
Central Office & Administration	37,117	USD	7.4%
IT	38,994	USD	7.8%
Legal & other external services	23,933.68	USD	4.8%
Conferences, events, promotion, representation	97,491.34	USD	19.5%
Other Expenses and Fees	29,139.23	USD	5.8%
Total	500,210.16	USD	100%

Expense categories 2019



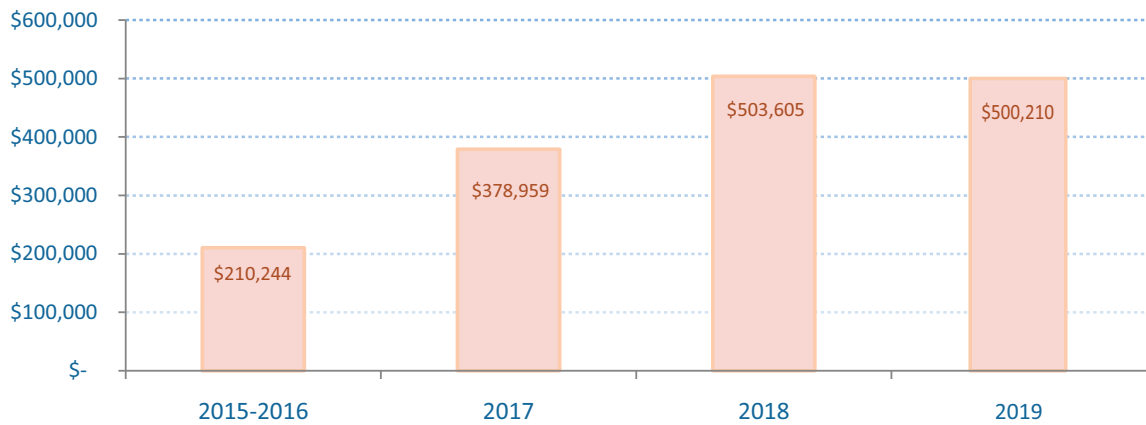
FINANCIALS | EXPENSES YEAR-OVER-YEAR



In the annual comparison, the expenses are growing steadily every consecutive year, fully in correlation with growth of income.

	2015-2016	2017	2018	2019
Operating expenses	\$ 210,244	\$ 378,959	\$ 503,605	\$ 500,210

**Operating expenses
year over year**



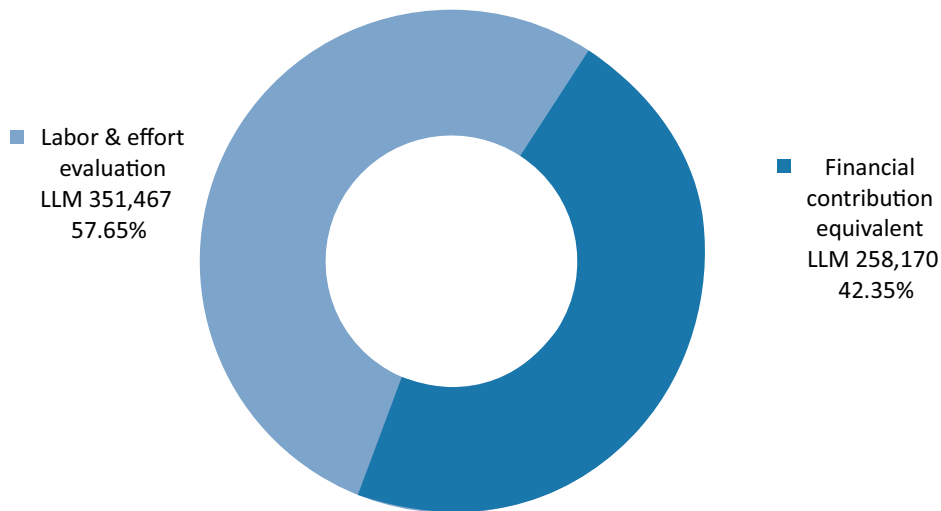
FINANCIALS

LIBERLAND MERITS

The Liberland Merit is a unique evaluation token system, rewarding any contribution and energy coming into Liberland for international recognition and settlement in the territory. After registration, anyone can contribute either by donation, by labour, or any other acceptable way.

The total amount of issued Liberland merits was LLM 4,135,400 as of 31st December 2019. All contributions and most of the third-party related expenses have been rewarded with merits by 1:1 to USD equivalent.

This year we have issued an overall LLM 609,637 out of which 57.65% was compensation for provided work instead of using state our budget. The remaining 42.35% was a reward for voluntarily submitted taxes.



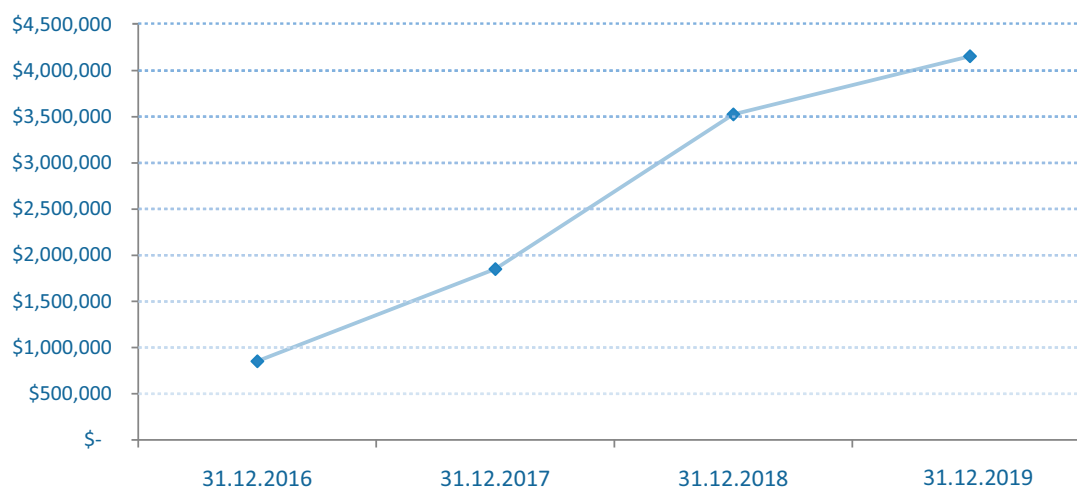
Category	Amount	% Share
Financial contribution equivalent LLM	258,170	42.35%
Labor & effort evaluation LLM	351,467	57.65%
Total Liberland Merits issued in 2018 LLM	609,637	100%

– FINANCIALS | LIBERLAND MERITS YEAR-OVER-YEAR –

	31.12.2016	31.12.2017	31.12.2018	31.12.2019
Merits issued	\$ 852,059	\$ 1,850,486	\$ 3,525,763	\$ 4,135,400

Year	Incremental LLM	Cummulative total issued
2015	LLM -	LLM -
2016	LLM 852,059	LLM 852,059
2017	LLM 998,427	LLM 1,850,486
2018	LLM 1,675,277	LLM 3,525,763
2019	LLM 609,637	LLM 4,135,400

Balance of issued Merits



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