

THE FREE REPUBLIC OF LIBERLAND  
MINISTRY OF FINANCE



Summary Annual Report 2020

August 2021

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Sandy beaches in Liberland

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## FOREWORD BY THE FINANCE MINISTER

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SAMUEL DER-KAZARYAN

Deputy Minister of Interior

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Dear Reader,

It is a pleasure to present the annual financial statement for 2020 on the occasion of the Liberland Summer Conference of 2021.

We have closed the 2020 budget with a surplus of BTC 9, or around USD 260 000. The total income has more than doubled compared to 2019. This was partially due to the appreciation of crypto assets throughout the year but mostly due to the ever-growing support of Liberlanders from all around the world. More than one half of our supporters and voluntary taxpayers chose to donate via cryptocurrencies, which shows the positive attitude of Liberlanders towards digital assets.

In 2020, the Floating project was continually developing in order to expand our regional presence. Overall, more than 50% of expenses have been carried out to cover operations, such as diplomacy and administration in the territory. Diplomacy, marketing, and PR together with legal and IT were other significant expenses in 2020, which we consider to be crucial long-term investments into our development.

In 2020, we decided to transfer our concept of the blockchain E-Governance from the EOS.IO technology to our own Polkadot ecosystem that is to be launched in Q4 2021.

Next year we are going to work on launching the Floating project and also on gradually connecting our electronic services to create a full-featured package for our E-Residents and citizens. We will start providing regular passports to our citizens in Q4 2021.

Long live Liberland!

Samuel Der-Kazaryan, August 2021

A handwritten signature in black ink that reads "Samuel Der-Kazaryan". The signature is written in a cursive style with a period at the end.

# FINANCIALS

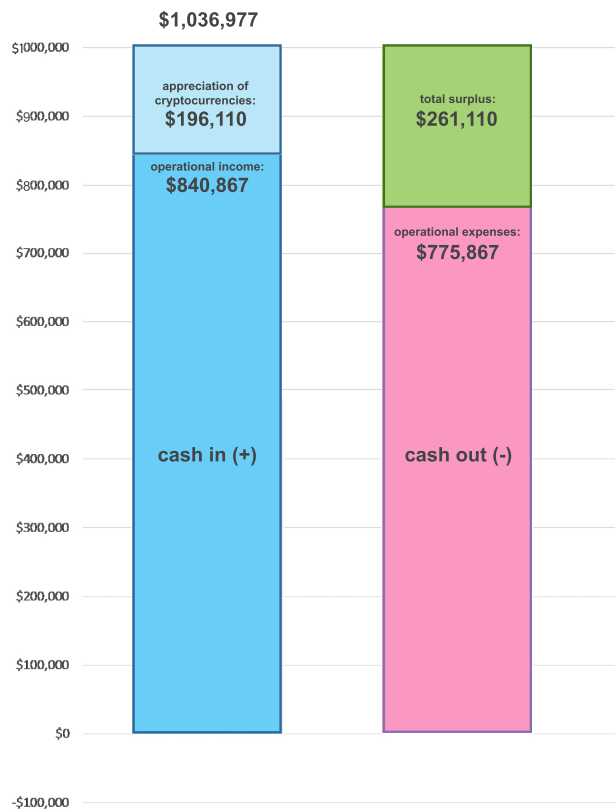
# SUMMARY

The total Liberland **income** has reached the amount of **USD 1 036,977** in calendar year 2020 (note: “USD” means “USD equivalent” recalculated to USD with the exchange rate valid at 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 775 867**, total cash income exceeded expenses by **USD 261 110** in 2020. All of the closing balance by the end of 2020 was held in Bitcoin. Neither public debts nor any other form of bonds have been issued in 2020. 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 Liberland State and Liberland Limited Ltd., a state service provider.

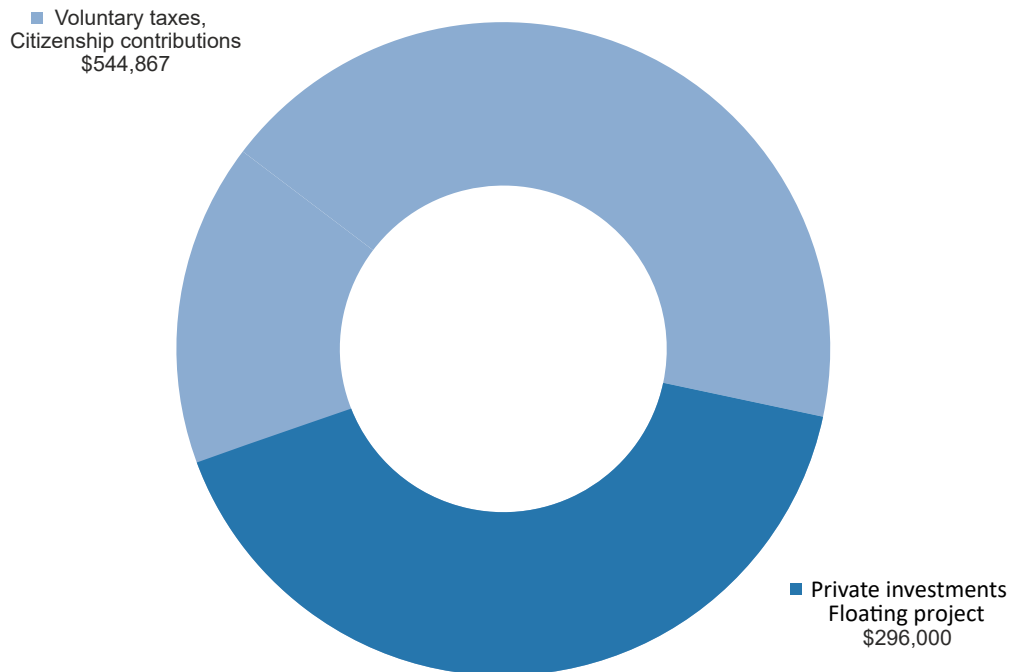
## 2020 CASH OVERVIEW (USD EQ.)



# FINANCIALS INCOME

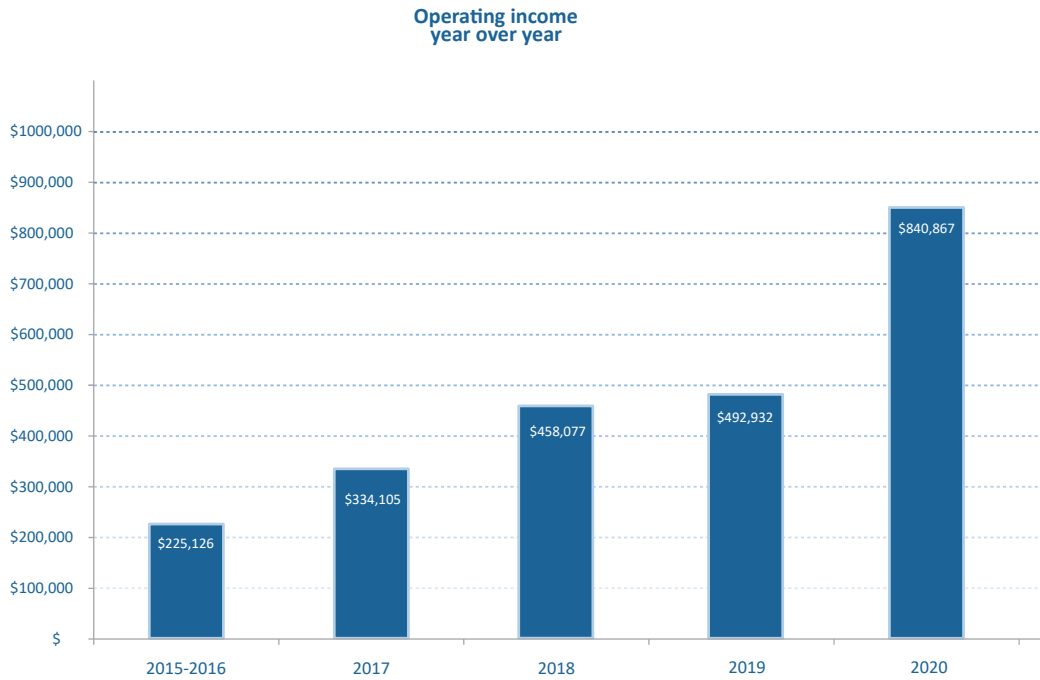
The total operating income of **USD 840 867** was mainly represented by two major streams. Firstly, **USD 296 000 eq.** (35.2%) represents payments identified as strategic investments, while the remaining 64.8% (**USD 544 867 eq.**) is represented by voluntary taxes and contributions from our supporters. Most of them were received over one of the online payment gateways, small cryptocurrency transfers, or via PayPal.

<b>Total Income 2020</b>		<b>840,867 USD</b>	
<b>Category</b>	<b>Amount</b>	<b>Currency equivalent</b>	<b>Share</b>
Private investments - Floating project	<b>296,000</b>	USD	35.2%
Voluntary taxes, contributions	<b>544,867</b>	USD	64.8%
<b>Total Income 2020</b>	<b>840,867</b>	<b>USD</b>	<b>100%</b>



## FINANCIALS | INCOME YEAR OVER YEAR

	2015-2016	2017	2018	2019	2020
Operatin income	\$ 225,126	\$ 334,105	\$ 458,077	\$ 492,932	\$ 840,867



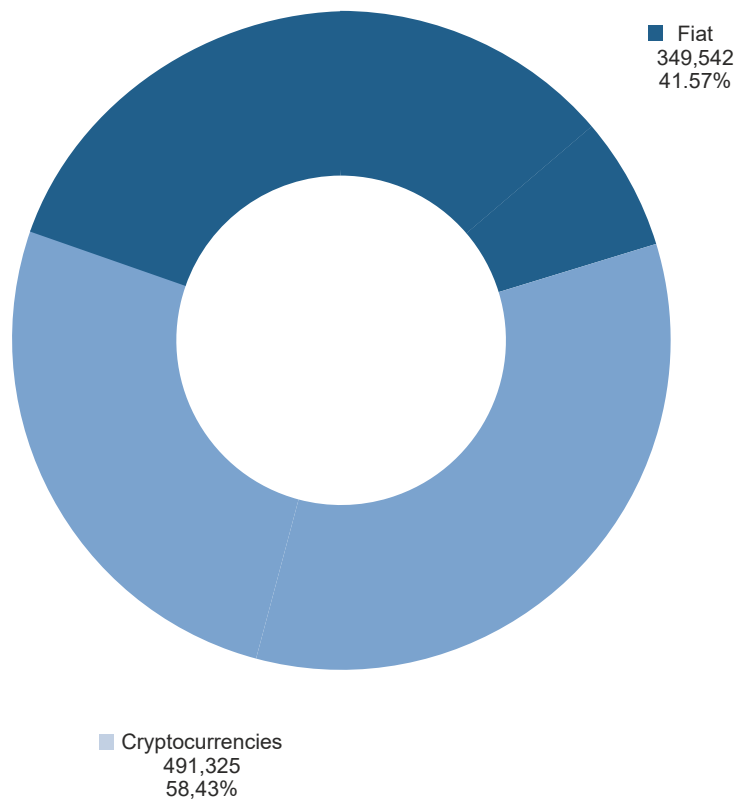
### INCOME BY PURPOSE ASSIGNMENT

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

## FINANCIALS | INCOME PER CURRENCIES

In 2020, Liberia state income was over 58% in cryptocurrencies. This number is lower compared to 2019. All of the state reserves are held in Bitcoin.

Currency	Amount	Currency equivalent	% share
Fiat	<b>349,542</b>	USD	41.57%
Cryptocurrencies	<b>491,325</b>	USD	58,43%
<b>Total Income 2020</b>	<b>840,867</b>	<b>USD</b>	<b>100%</b>



# FINANCIALS

# EXPENSES

The total expenses have reached the amount of USD 775 867 in 2020. The main portion were the private investments to the Floating project in equivalent to USD 296 000. Further expenses on development and operations in Liberland and the surrounding areas have followed with USD 172 536. Another significant sum has been spent on promotion and diplomacy including conferences with the overall sum of USD 135 331.

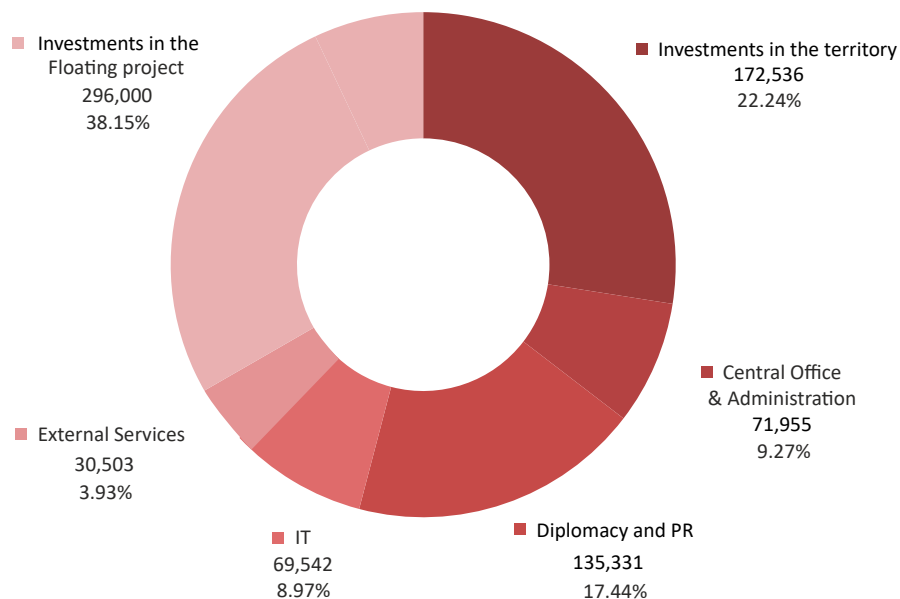
A smaller portion of expenses has then been spent on the administration of Liberland (USD 71 955), the central office, and IT (USD 69 542). The remaining amounts have been spent on legal, payment processors, and other external services.

## Total Expenses 2020

**775,867** USD eq.

Expenses per category	Amount	Currency equivalent	% Share
Investments in the Floating project	<b>296,000</b>	USD	38.15%
Investments in the territory	<b>172,536</b>	USD	22.24%
Diplomacy and PR	<b>135,331</b>	USD	17.44%
Central Office & Administration	<b>71,955</b>	USD	9.27%
IT	<b>69,542</b>	USD	8.97%
External Services	<b>30,503</b>	USD	3.93%
<b>Total</b>	<b>775,867</b>	<b>USD</b>	<b>100%</b>

## Expense categories 2019





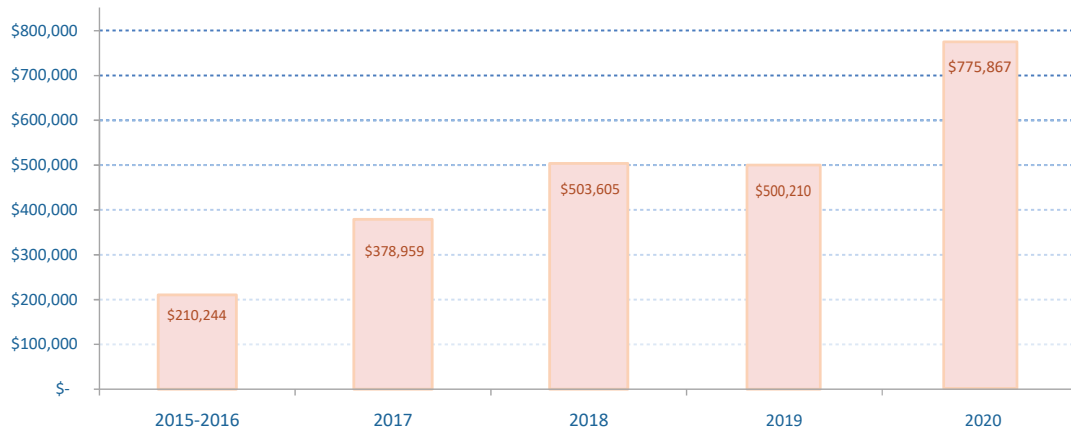
# FINANCIALS | EXPENSES YEAR OVER YEAR



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

	2015-2016	2017	2018	2019	2020
Operatng expenses	\$ 210,244	\$ 378,959	\$ 503,605	\$ 500,210	\$ 775,867

**Operatng expenses  
year over year**

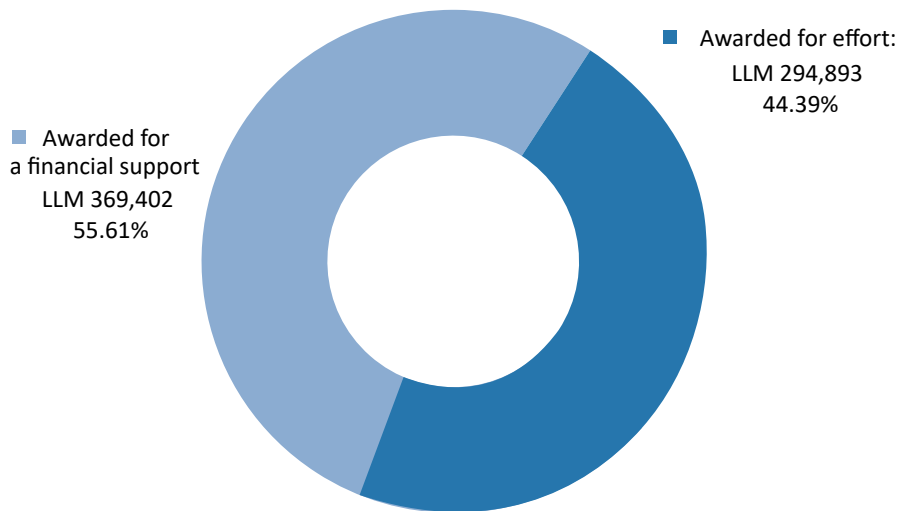


# FINANCIALS MERITS

The Liberland merit is an 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 4 799,695** as of 31st December 2020. All contributions and most of the third-party related expenses have been rewarded with merits by 1:1 to USD equivalent unless asked otherwise.

This year we have issued overall **LLM 664 295** out of which **55.61%** was a reward for voluntarily submitted taxes. The remaining **44.39%** was compensation for provided work instead of using our state budget.



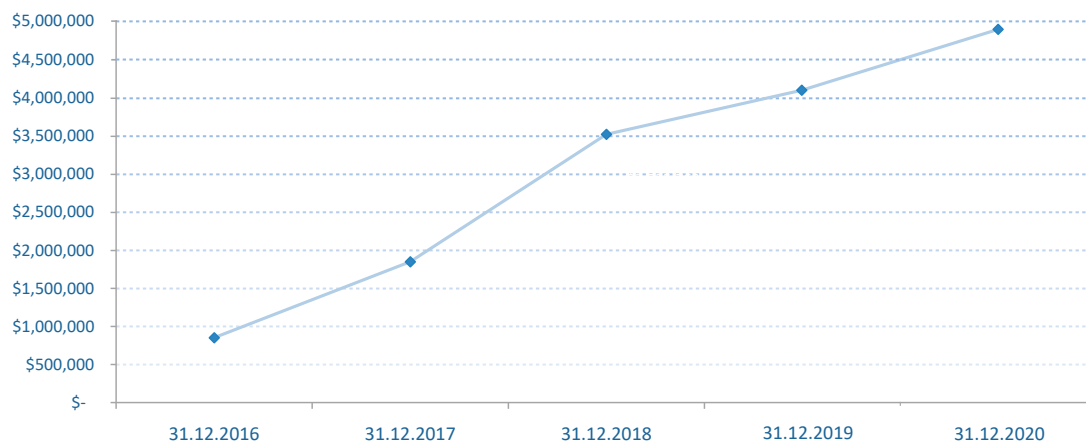
Category	Amount	% Share
Awarded for effort	<b>LLM 294,893</b>	44.39%
Awarded for a financial support	<b>LLM 369,402</b>	55.61%
<b>Total Liberland Merits issued in 2020</b>	<b>LLM 664,295</b>	<b>100%</b>

– FINANCIALS | LIBERLAND MERITS YEAR OVER YEAR –

	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020
Merits issued	\$ 852,059	\$ 1,850,486	\$ 3,525,763	\$ 4,135,400	\$ 4,799,695

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
2020	LLM	664,295	LLM	4,799,695

Balance of issued Merits



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