



*Meeting of the Libertarian National Committee, Inc.*

*August 19-20, 2017*

*Kansas City, Missouri*

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LNC Meeting "Giant Printed Handout"

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To save printing costs, some reports are excluded from this printout, including region reports. Other reports were not submitted in time to include with this page-numbered printout. Other reports for this meeting, not included in this handout, can be found online here:

<https://www.lp.org/event/lnc-meeting-2/>

**Libertarian National Committee  
Chair's Proposed Agenda  
August 19-20, 2017 - Kansas City, MO**

Opening Ceremony

Call to Order	9:00 am
Opportunity for Public Comment	10 minutes

Housekeeping

Credentials Report and Paperwork Check	2 minutes
Adoption of Agenda	10 minutes
Report of Potential Conflicts of Interest (Mattson)	3 minutes

Officer Reports

Chair's Report (Sarwark)	15 minutes
Treasurer's Report (Hagan)	15 minutes
Secretary's Report (Mattson)	15 minutes

Reports of Standing Committees

Convention Oversight Committee	25 minutes
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Recess

10 minutes

Staff Reports

45 minutes

General Counsel's Report

30 minutes

(portions may be in Executive Session)

Discussion of Protecting Party Assets (Mattson)	15 minutes
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Adjourn (Lunch)

12:15pm - 1:30 pm

Reports of Standing Committees (cont.)

Audit Committee	15 minutes
Affiliate Support Committee	15 minutes
Awards Committee	5 minutes
Employment Policy & Compensation Committee	5 minutes
IT Committee	20 minutes
Platform Committee	5 minutes
Bylaws Committee	5 minutes
Credentials Committee	5 minutes
Ballot Access Committee (portions may be in Executive Session)	25 minutes

Recess 10 minutes

Reports of Special Committees

Historical Preservation Committee 15 minutes

Social Media Process Review Committee 15 minutes

New Business with Previous Notice

Creation of a Process for Supporting Candidates (Starchild) 30 minutes

Creation of a Candidate Support Committee (Goldstein) 30 minutes

Evening Adjournment

Sunday Morning Session 9:00 am

Opportunity for Public Comment 10 minutes

New Business with Previous Notice (cont.)

Staff Directive Regarding APRC Functions (Mattson) 15 minutes

Document Destruction and Whistleblower policies (Mattson) 15 minutes

Discussion of Membership Decline (McKnight) 15 minutes

Resolution on Withdrawal from NATO (Vohra) 10 minutes

New Business without Previous Notice

Regional Reports (supplements to printed reports)

Region 1 5 minutes

Region 2 5 minutes

Region 3 5 minutes

Region 4 5 minutes

Region 5 5 minutes

Region 6 5 minutes

Region 7 5 minutes

Region 8 5 minutes

Announcements 10 minutes

TOTAL: 510 minutes

## **Chair's Report - 4/17/17 - 8/19/17**

- Gave many interviews, including Salon, Glenn Beck, PJ Media, Buzzfeed, Planet Forward, IVN, and others.
- Worked with staff to put out timely press releases and statements on issues.
- Traveled and spoke at Libertarian Party events in Wisconsin, Ohio, Oregon, New Hampshire.
- Conducted conference calls for Libertarian Party members and potential new members.
- Testified in a deposition in Shaber lawsuit against the FEC.
- Consulted with Oliver Hall on legal issues, including lawsuits, appeals, and employment and petitioning contracts.
- Engaged with candidates and LP members on social media.
- Responded to LP member correspondence regarding official positions and concerns.
- Represented the Libertarian Party to the public at conferences in Las Vegas and Puerto Rico.
- In person and telephone meetings with major donors and potential donors.
- Interviewed nearly 20 candidates for the position of Press Secretary.



## **JULY 2017 DRAFT END OF MONTH FINANCIAL REPORTS**

Page 2 – EOM Membership and Revenue Charts and Graphs

Page 4 – EOM Financial Summary Reports

Page 5 - Statement of Operations Budget vs. Actual

Page 6 - 2017 v. 2015 Comparisons Statement of Operations

Page 7 - P&L Detail (w-Functional Allocation of Expenses) by Month

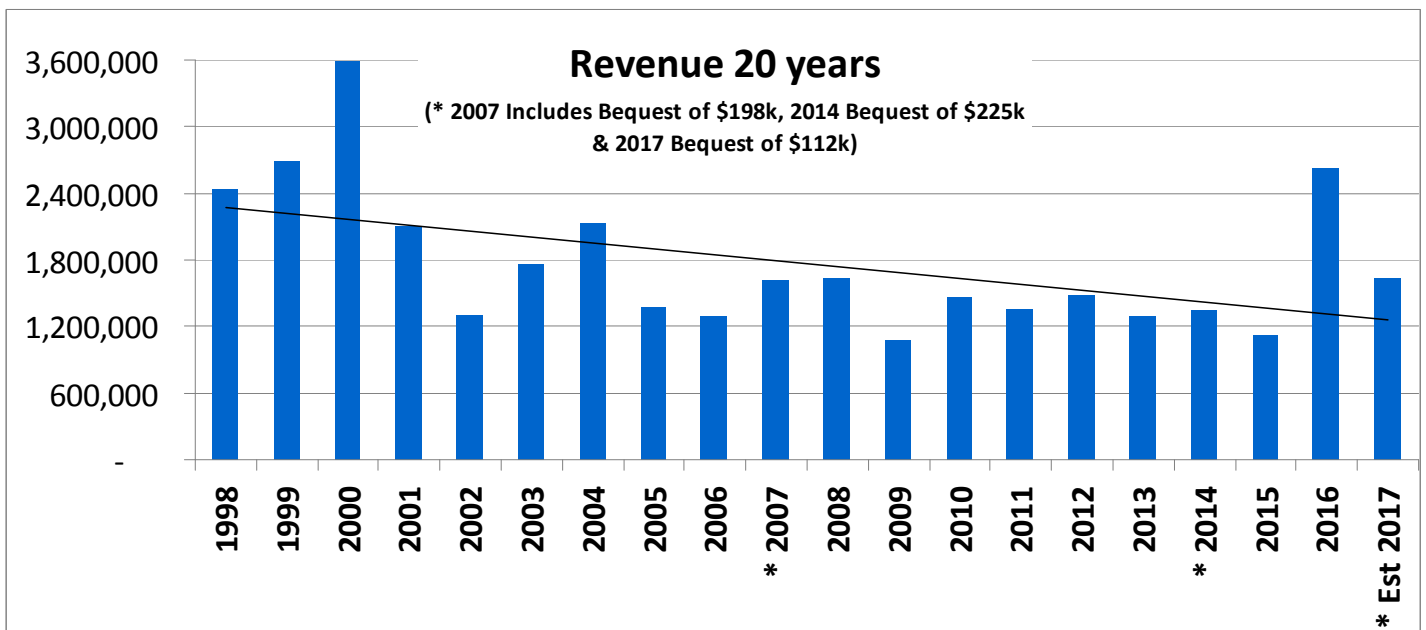
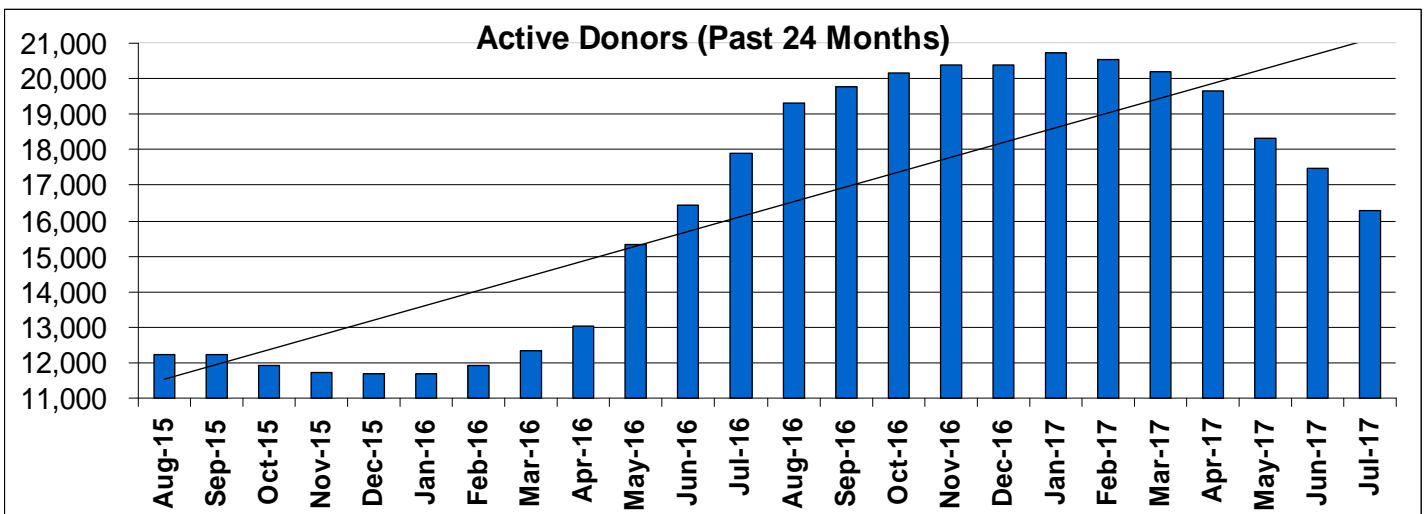
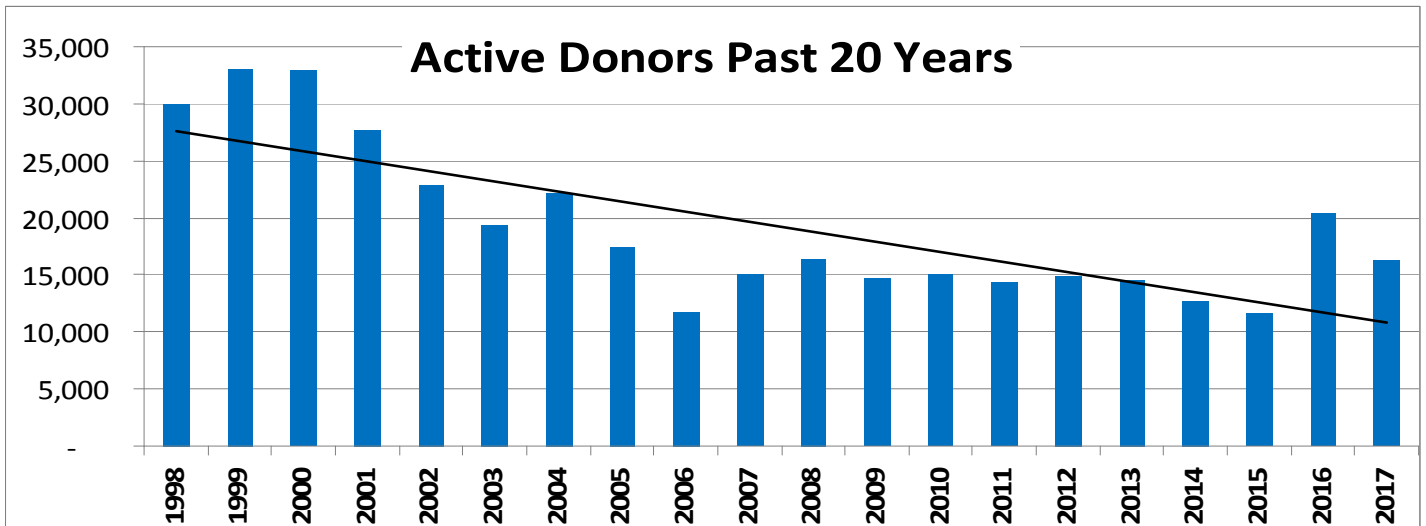
Page 10 – Balance Sheet Curr v. Prior Month Comparison

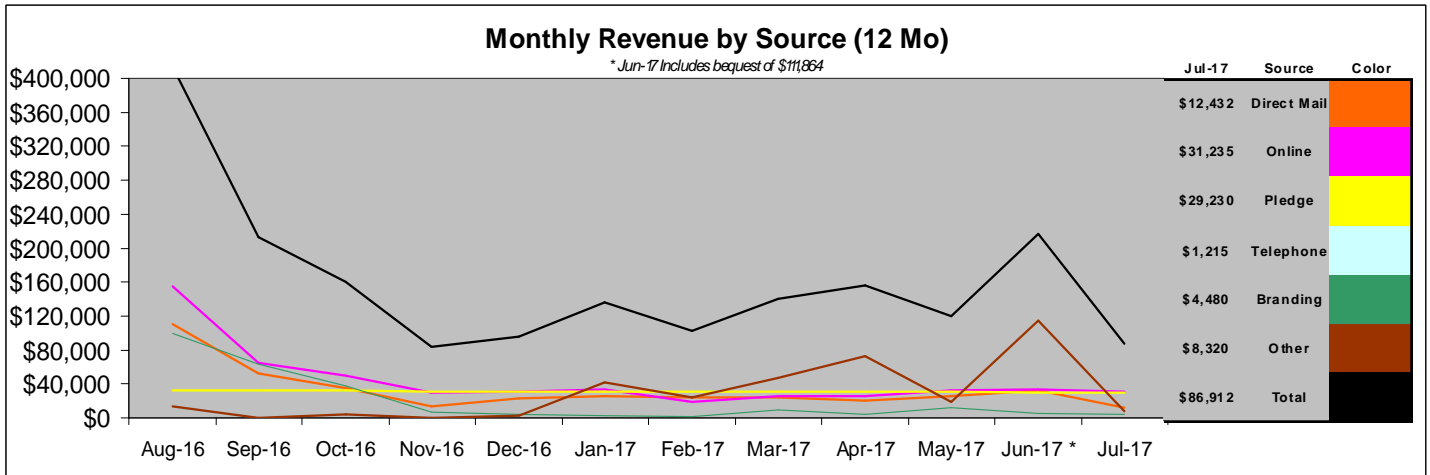
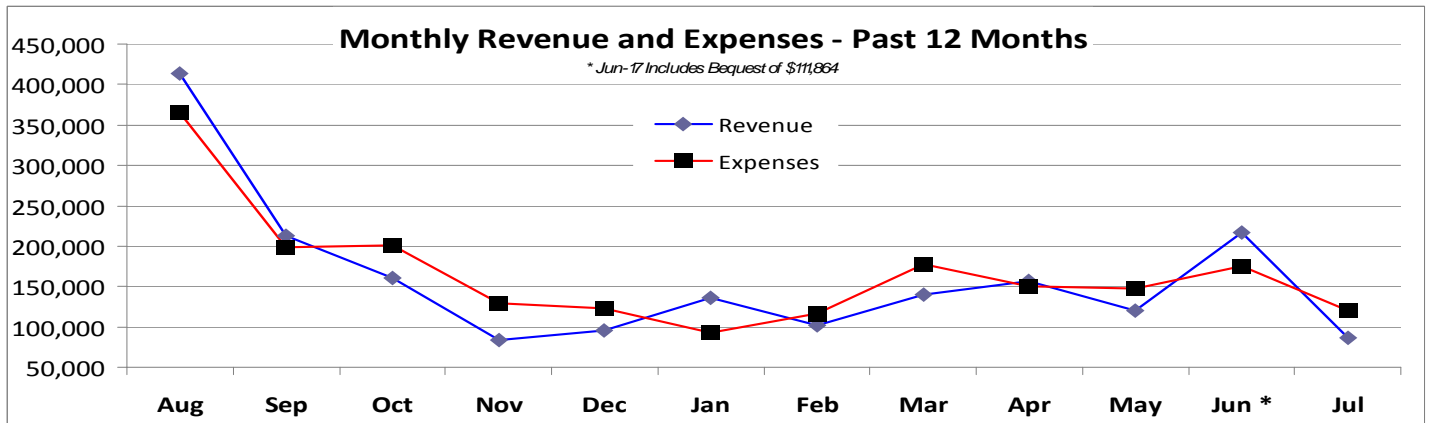
Page 12 - Cash Flow Report

Page 13 – Related Party Contributions and Disbursements

Page 13 – Chair’s Discretionary Disbursements

## End of Month Reports – Charts

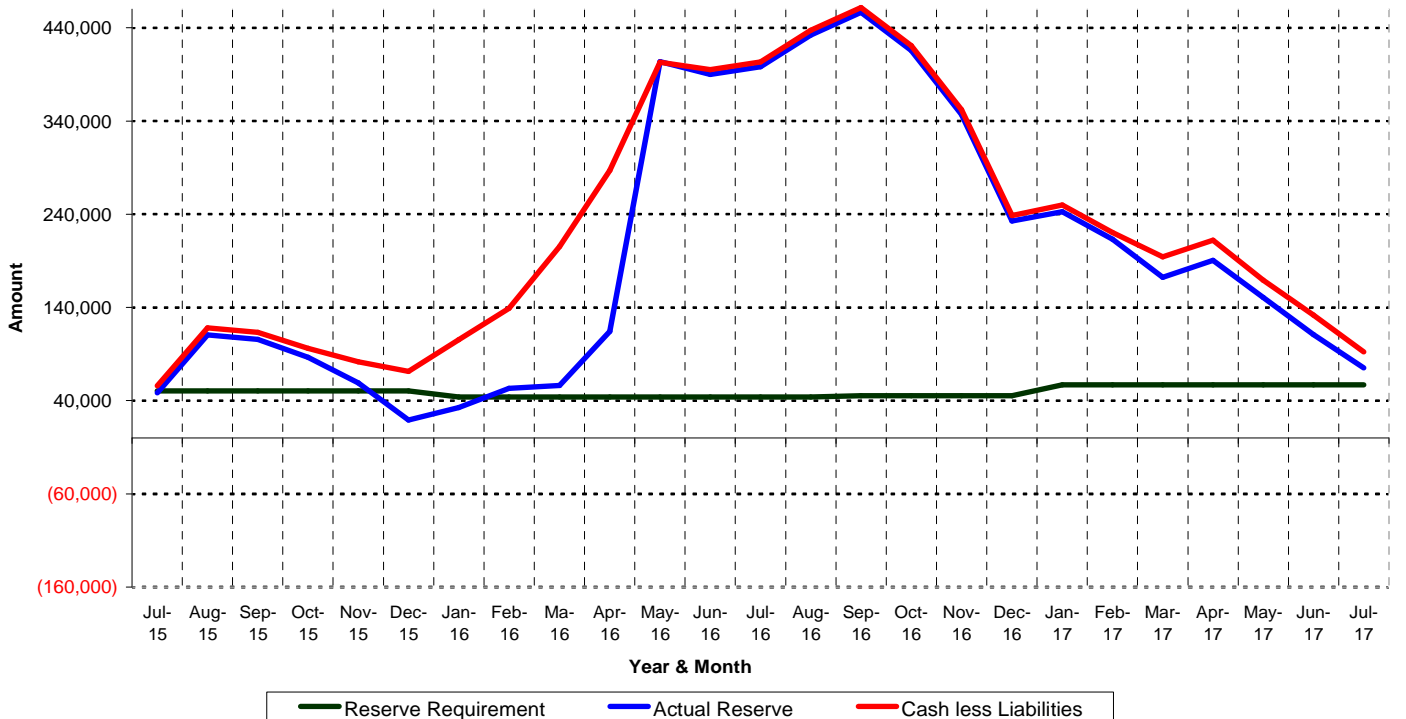




### Reserve Adequacy Trend & Cash Less Liabilities (24 Months)

**2017 Resv Target = \$57,042 - Curr Month Resv = \$75,124 - Curr Month C-L = \$92,438**

*Reserve Requirement = sum of monthly occupancy, labor & governance expenses*  
*Actual Reserve = total cash less the sum of restricted funds & accounts payable at month end*  
*Cash less Liabilities = cash less the sum of capital liabilities & accounts payable*



## End of Month Reports – Financial Summary

### Statement of Operations Summary

Last Month & YTD

	Total July 17	2017 YTD	2017 Budget Year to Date	Actual vs. Budget YTD	Total Annual Budget 2017	2017 Budget Remaining
Support and Revenue	86,912	956,381	819,117	137,264	1,404,200	447,819
Cost of Support and Revenue	19,112	220,463	197,167	23,296	338,000	117,537
Net Support Available for Programs	67,800	735,918	621,950	113,968	1,066,200	330,282
Program Expense	101,426	727,592	727,183	408	1,246,600	519,008
<b>Net Operating Surplus (or Deficit)</b>	<b>(33,626)</b>	<b>8,326</b>	<b>(105,233)</b>	<b>113,560</b>	<b>(180,400)</b>	<b>(188,726)</b>

### P&L Acct Summary Last Month Plus YTD

January through July 2017

	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	TOTAL
<b>Income</b>								
4000 · General Fundraising	94,348	76,566	126,654	149,625	100,595	208,790	78,142	834,720
4100 · Project Revenue	36,263	21,963	4,084	555	225	107	10	63,207
4300 · Program Revenue	3,989	3,545	9,080	6,066	19,000	7,887	8,760	58,327
4600 · Refunds of Contributions	0	0	(50)	(25)	0	0	0	(75)
4700 · Other Receipts	0	0	105	0	0	97	0	202
<b>Total Income</b>	<b>134,600</b>	<b>102,074</b>	<b>139,873</b>	<b>156,221</b>	<b>119,820</b>	<b>216,881</b>	<b>86,912</b>	<b>956,381</b>
<b>Gross Net Revenue</b>	<b>134,600</b>	<b>102,074</b>	<b>139,873</b>	<b>156,221</b>	<b>119,820</b>	<b>216,881</b>	<b>86,912</b>	<b>956,381</b>
<b>Expense</b>								
7000 · General Fundraising Expense	21,563	29,712	46,723	29,588	45,819	47,148	21,555	242,108
7100 · Project-Related Expenses	0	913	54	739	0	750	0	2,456
7200 · Events and Conventions Exp	81	101	924	538	319	454	407	2,824
7300 · Program-Related Expenses	17,304	42,558	64,989	65,360	48,173	49,553	51,697	339,634
8000 · Salary & Related Expense	21,877	21,505	25,483	23,591	25,046	25,553	21,507	164,562
8100 · Admin & Overhead Expense	14,945	18,487	24,968	24,533	19,618	19,082	17,271	138,904
8200 · Professional Services	6,374	1,601	12,054	4,560	6,486	6,057	6,045	43,177
8300 · Depreciation Expense	2,055	2,055	2,055	2,055	2,055	2,055	2,055	14,385
<b>Total Expense</b>	<b>84,199</b>	<b>116,932</b>	<b>177,250</b>	<b>150,964</b>	<b>147,516</b>	<b>150,652</b>	<b>120,537</b>	<b>948,050</b>
<b>Net Revenue or Loss</b>	<b>50,401</b>	<b>(14,858)</b>	<b>(37,377)</b>	<b>5,257</b>	<b>(27,696)</b>	<b>66,229</b>	<b>(33,625)</b>	<b>8,331</b>

### Balance Sheet Summary - Current vs Prior Month

	Jul 31, 17	Jun 30, 17	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
Total Checking/Savings	96,938.22	131,855.20	(34,916.98)	-26.48%
Total Other Current Assets	57,095.48	58,585.42	(1,489.94)	-2.54%
<b>Total Current Assets</b>	<b>154,033.70</b>	<b>190,440.62</b>	<b>(36,406.92)</b>	<b>-19.12%</b>
<b>Total Fixed Assets</b>	<b>847,875.70</b>	<b>849,931.14</b>	<b>(2,055.44)</b>	<b>-0.24%</b>
<b>Total Non Current - Other</b>	<b>210,567.33</b>	<b>210,567.33</b>	<b>0.00</b>	<b>0.00%</b>
<b>TOTAL ASSETS</b>	<b>1,212,476.73</b>	<b>1,250,939.09</b>	<b>(38,462.36)</b>	<b>-3.08%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
Total Current Liabilities	51,188.96	54,154.24	(2,965.28)	-5.48%
Total Long Term Liabilities	270,062.28	271,933.57	(1,871.29)	-0.69%
<b>Total Liabilities</b>	<b>321,251.24</b>	<b>326,087.81</b>	<b>(4,836.57)</b>	<b>-1.48%</b>
<b>Total Equity</b>	<b>891,225.49</b>	<b>924,851.28</b>	<b>(33,625.79)</b>	<b>-3.64%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,212,476.73</b>	<b>1,250,939.09</b>	<b>(38,462.36)</b>	<b>-3.08%</b>



**Standard Statement of Operations - Jan-Dec 2017**  
**Budget vs. Actual**

	Un- restricted July-17	Temp. Restricted	Total July 17	Total Jan- July 17	Budget Year to Date	Actual vs. Budget YTD	* Annual Budget 2017	2017 Budget Remaining
<b>Support and Revenue</b>								
20-Membership Dues	37,197		37,197	305,500	307,008	(1,509)	526,300	220,800
21-Donations **	7,685		7,685	180,493	119,233	61,260	204,400	23,907
22-Recurring Gifts	29,230		29,230	213,347	210,000	3,347	360,000	146,653
23-Board/ED Solicitation Major Gifts	2,950		2,950	18,188	17,500	688	30,000	11,812
24-Convention Revenue	0		0	0	0	0	0	0
25-Project Program Revenue	2,350	10	2,360	75,582	37,333	38,248	64,000	(11,582)
26-Brand Dev / Political Materials Rev	4,480		4,480	39,842	35,000	4,842	60,000	20,158
27-Ballot Access & Related Donations	1,080		1,080	117,118	87,500	29,618	150,000	32,882
28-Membership Communication	1,930		1,930	6,109	5,542	568	9,500	3,391
29-Other Revenue	0		0	202	0	202	0	(202)
<b>Total Support and Revenue</b>	<b>86,902</b>	<b>10</b>	<b>86,912</b>	<b>956,381</b>	<b>819,117</b>	<b>137,264</b>	<b>1,404,200</b>	<b>447,819</b>
<b>Cost of Support and Revenue</b>								
32-Fundraising Costs	9,522		9,522	93,730	84,058	9,671	144,100	50,370
33-Membership Fundraising Costs	9,590		9,590	116,899	90,533	26,366	155,200	38,301
35-Convention	0		0	0	0	0	0	0
36-Ballot Access Fundraising Exp	0		0	9,732	15,050	(5,318)	25,800	16,068
37-Building Fundraising Exp	0		0	101	7,525	(7,424)	12,900	12,799
<b>Total Cost of Support and Revenue</b>	<b>19,112</b>	<b>0</b>	<b>19,112</b>	<b>220,463</b>	<b>197,167</b>	<b>23,296</b>	<b>338,000</b>	<b>117,537</b>
<b>Net Support Available for Programs</b>	<b>67,790</b>	<b>10</b>	<b>67,800</b>	<b>735,918</b>	<b>621,950</b>	<b>113,968</b>	<b>1,066,200</b>	<b>330,282</b>
<b>Program Expense</b>								
40-Administrative Costs	25,326		25,326	195,459	196,758	(1,299)	337,300	141,841
45-Compensation	37,207		37,207	290,613	324,450	(33,837)	556,200	265,587
50-Affiliate Support	4,736		4,736	31,718	26,250	5,468	45,000	13,282
55-Brand Dev / Political Materials	3,991		3,991	45,487	35,000	10,487	60,000	14,513
58-Campus Outreach	0		0	750	583	167	1,000	250
60-Candidate, Campaign & Initiatives	5,000		5,000	10,000	7,000	3,000	12,000	2,000
70-Ballot Access VR & Related Exp	22,482		22,482	102,698	75,833	26,865	130,000	27,302
75-Litigation	0		0	(241)	3,500	(3,741)	6,000	6,241
80-Media	0		0	496	350	146	600	104
85-Member Communication	800		800	39,664	48,300	(8,637)	82,800	43,137
88-Outreach	1,702		1,702	5,646	3,325	2,321	5,700	54
90-Project Program Other	182		182	5,301	5,833	(532)	10,000	4,699
<b>Total Program Expense</b>	<b>101,426</b>	<b>0</b>	<b>101,426</b>	<b>727,592</b>	<b>727,183</b>	<b>408</b>	<b>1,246,600</b>	<b>519,008</b>
<b>Total Net Operating Surplus (or Deficit)</b>	<b>(33,636)</b>	<b>10</b>	<b>(33,626)</b>	<b>8,326</b>	<b>(105,233)</b>	<b>113,560</b>	<b>(180,400)</b>	<b>(188,726)</b>
<b>Unrestricted Net Operating Surplus (or Deficit)</b>			<b>(33,636)</b>	<b>(24,000)</b>			<b>(19,814)</b>	

\* Annual Total Budget has been updated to reflect amendments from various Mail Ballots

\*\* June-17 includes bequest for \$111,863.52

## Statement of Operations - 2017 v. 2015 Comparision

### Statement of Ops YTD 17 v 15

	Jul-17	Jul-15	Diff 17 v 15	Jan - Dec 17	Jan -Dec 15	Diff 17 v 15
<b>Support and Revenue</b>						
20-Membership Dues	37,197	22,100	15,097	305,500	203,083	102,417
21-Donations	7,685	18,900	-11,215	180,493	328,426	-147,933
22-Recurring Gifts	29,230	27,701	1,528	213,347	192,919	20,428
23-BoardSolicitation MajorGifts	2,950	20,000	-17,050	18,188	53,400	-35,212
24-Convention Revenue	0	0	0	0	0	0
25-Project Program Revenue	2,360	1,130	1,230	75,582	20,393	55,189
26-Brand Dev / Pol Materials Rev	4,480	1,699	2,781	39,842	16,966	22,876
27-Ball of Access Donations	1,080	19,424	-18,344	117,118	38,031	79,087
28-Publications Materials Other	1,930	0	1,930	6,109	0	6,109
29-Other Revenue	0	0	0	202	0	202
<b>Total Support and Revenue</b>	<b>86,912</b>	<b>110,955</b>	<b>-24,043</b>	<b>956,381</b>	<b>853,218</b>	<b>103,163</b>
<b>Cost of Support and Revenue</b>						
32-Fundraising Costs	9,522	12,393	-2,871	93,730	66,051	27,679
33-Membership Fundraising Costs	9,590	2,069	7,521	116,899	53,744	63,155
35-Convention	0	0	0	0	0	0
36-Ball of Access Fundraising Exp	0	3,152	-3,152	9,732	9,517	215
37-Building Fundraising Exp	0	0	0	101	81	20
<b>Total Cost of Support and Revenue</b>	<b>19,112</b>	<b>17,614</b>	<b>1,498</b>	<b>220,463</b>	<b>129,393</b>	<b>91,070</b>
<b>Net Support Available for Programs</b>	<b>67,800</b>	<b>93,341</b>	<b>-25,541</b>	<b>735,918</b>	<b>723,825</b>	<b>12,093</b>
<b>Program Expense</b>						
40-Administrative Costs	25,326	15,154	10,172	195,459	135,816	59,643
45-Compensation	37,207	31,585	5,622	290,613	259,678	30,935
50-Affiliate Support	4,736	1,400	3,336	31,718	5,236	26,482
55-Brand Dev / Pol Materials	3,991	1,640	2,351	45,487	17,045	28,442
58-Campus Outreach	0	0	0	750	732	18
60-Candidate, Campaign & Initiatives	5,000	0	5,000	10,000	0	10,000
70-Ball of Access Petitioning Related Exp	22,482	0	22,482	102,698	28,047	74,651
75-Litigation	0	0	0	-241	0	-241
80-Media	0	10	-10	496	91	405
85-Member Communication	800	980	-180	39,664	18,749	20,915
88-Outreach	1,702	170	1,532	5,646	2,995	2,651
90-Project Program Other	182	100	82	5,301	5,100	201
<b>Total Program Expense</b>	<b>101,426</b>	<b>51,039</b>	<b>50,387</b>	<b>727,592</b>	<b>473,489</b>	<b>254,103</b>
<b>Net Operating Surplus (or Deficit)</b>	<b>-33,626</b>	<b>42,302</b>	<b>-75,927</b>	<b>8,326</b>	<b>250,336</b>	<b>-242,010</b>

**P&L Acct Detail w-Funct Alloc of Exps Last Month Plus YTD**  
**July 2017 & YTD**

	<b>Jul 17</b>	<b>TOTAL</b>
<b>Revenue</b>		
<b>4000 · General Fundraising</b>		
<b>4010 · Direct Mail Fundraising</b>		
4010-10 · DM - House Fundraising General	5,165.00	55,112.08
4010-11 · DM - House Fundraising Renewal	430.00	6,910.00
4010-12 · DM - House Fundraising New Donor	0.00	225.00
4010-20 · DM - Donor Renewal	5,632.17	83,959.73
4010-30 · DM - New Donor Prospecting	1,205.00	16,485.07
<b>Total 4010 · Direct Mail Fundraising</b>	12,432.17	162,691.88
<b>4020 · Direct Solicitation Major Donor</b>		
4020-10 · Board Solicitation	450.00	5,467.76
4020-20 · Chair Solicitation	2,500.00	12,520.00
4020-30 · ED Solicitation	0.00	200.00
<b>Total 4020 · Direct Solicitation Major Donor</b>	2,950.00	18,187.76
<b>4030 · Online Contributions - Web</b>		
4030-10 · Online Cont - General	2,520.00	13,506.75
4030-20 · Online Cont - Donor Renewal	14,960.00	110,429.74
4030-30 · Online Cont - New Donor Prosp	13,755.00	74,251.23
<b>Total 4030 · Online Contributions - Web</b>	31,235.00	198,187.72
<b>4040 · Tele Fundraising - Phone Bank</b>		
4040-10 · Tele Fund - General	0.00	86.00
4040-20 · Tele Fund - Donor Renewal	1,215.00	12,889.00
4040-30 · Tele Fund - New Donor Prosp	0.00	350.00
<b>Total 4040 · Tele Fundraising - Phone Bank</b>	1,215.00	13,325.00
4080 · Recurring Contrib - Pledge	29,229.73	213,346.58
4085 · Bequests	0.00	111,863.52
4090 · Ballot Access / Voter Reg	1,080.00	117,118.15
<b>Total 4000 · General Fundraising</b>	78,141.90	834,720.61
<b>4100 · Project Revenue</b>		
4108 · Building Fund	10.00	62,706.65
4111 · Legal Offense Fund	0.00	500.00
<b>Total 4100 · Project Revenue</b>	10.00	63,206.65
<b>4300 · Program Revenue</b>		
4310 · Affiliate Development	10.00	1,420.00
4340 · LP News	1,930.00	6,109.49
4375 · Brand / Political Materials	4,480.00	39,841.80
4395 · LPedia Historical Preservation	2,340.00	10,955.00
<b>Total 4300 · Program Revenue</b>	8,760.00	58,326.29
4600 · Refunds of Contributions	0.00	(75.00)
<b>4700 · Other Receipts</b>		
4710 · Interest & Dividends	0.00	202.00
<b>Total 4700 · Other Receipts</b>	0.00	202.00
<b>Total Revenue</b>	86,911.90	956,380.55
<b>Gross Net Revenue</b>	86,911.90	956,380.55

Expense	Jul 17	TOTAL
<b>7000 - General Fundraising Expense</b>		
7010 - Direct Mail Fundraising Exp		
7010-10 - DM - House General Expense	4,426.30	53,413.43
7010-20 - DM - Donor Renewal Expense	8,164.51	49,322.88
7010-30 - DM - New Donor Prospecting Exp	428.83	55,974.13
Total 7010 - Direct Mail Fundraising Exp	13,019.64	158,710.44
7020 - Direct Sol Major Donor Expense		
7020-10 - Board Solicitation Expense	135.31	135.31
Total 7020 - Direct Sol Major Donor Expense	135.31	135.31
7030 - Online Contributions Exp - Web		
7030-20 - Online Cont Exp - Donor Renewal	0.00	600.04
7030-30 - Online Cont Exp - New Donor	175.03	6,038.25
Total 7030 - Online Contributions Exp - Web	175.03	6,638.29
7040 - Tele Fundraising Expense		
7040-20 - Tele Fund Exp - Donor Renewal	822.00	4,964.00
Total 7040 - Tele Fundraising Expense	822.00	4,964.00
7080 - Recurring Contrib - Pledge	1,558.57	13,833.17
7085 - Building Fund Fundraising Exp	0.00	100.98
7090 - Ballot Access Fundraising Exp	0.00	9,732.47
7095 - Credit Card Prc Fees	3,401.41	26,347.92
7099 - Gen Fundraising Staff Salary	2,443.25	21,645.00
Total 7000 - General Fundraising Expense	21,555.21	242,107.58
<b>7100 - Project-Related Expenses</b>		
7106 - Campus Outreach Project		
7106-10 - Campus Outreach General	0.00	750.00
7106-20 - Campus Outreach Staff Salary	0.00	967.72
Total 7106 - Campus Outreach Project	0.00	1,717.72
7111 - Legal Offense Fund	0.00	739.44
Total 7100 - Project-Related Expenses	0.00	2,457.16
<b>7200 - Events and Conventions Exp</b>		
7200-40 - Events & Conv Staff Salary	407.21	2,825.01
Total 7200 - Events and Conventions Exp	407.21	2,825.01
<b>7300 - Program-Related Expenses</b>		
7310 - Affiliate Support		
7310-10 - Affiliate Development & Support	4,735.79	31,718.37
7310-20 - Affiliate Support Staff Salary	180.98	4,042.82
Total 7310 - Affiliate Support	4,916.77	35,761.19
7320 - Outreach - PR & Marketing		
7320-10 - Outreach PR & Marketing General	1,701.73	5,645.63
7320-20 - Outreach PR Mrktng Staff Salary	2,081.29	6,682.45
Total 7320 - Outreach - PR & Marketing	3,783.02	12,328.08
7330 - Media Relations		
7330-10 - Media Relations General	0.00	496.36
7330-20 - Media Relations Staff Salary	135.74	874.19
Total 7330 - Media Relations	135.74	1,370.55
7340 - Membership Communications		
7340-10 - LP News	800.00	39,663.50
7340-20 - Mem Comm & Support Staff Salary	8,687.09	66,327.34
Total 7340 - Membership Communications	9,487.09	105,990.84
7360 - Campaign Support & Initiatives		
7360-40 - Campaign/Candidate Suprt/Traing	5,000.00	10,000.00
7360-60 - Camp/Cand Support -Staff Salary	226.23	8,359.15
Total 7360 - Campaign Support & Initiatives	5,226.23	18,359.15
7375 - Brand Development		
7375-10 - Brand / Political Materials	3,990.61	45,487.38
7375-20 - Brand Development Staff Salary	859.66	8,320.39
Total 7375 - Brand Development	4,850.27	53,807.77
7380 - Ballot Access - Other Related		
7380-10 - Ballot Access Petitioning Exp.	22,482.38	102,698.26
7380-30 - Ballot Access Legal	0.00	(574.58)
7380-60 - B/A & Petitioning Staff Salary	633.44	5,331.70
Total 7380 - Ballot Access - Other Related	23,115.82	107,455.38
7395 - LPedia Historical Preservation	182.12	4,561.65
Total 7300 - Program-Related Expenses	51,697.06	339,634.61

<b>8000 - Salary &amp; Related Expense</b>	<b>Jul 17</b>	<b>TOTAL</b>
8005 - Salary Bonus Sick & Vac (Admn)	5,789.80	51,195.87
8010 - Hourly Wages (Admin Portion)	1,132.74	8,549.51
8015 - Contract & Paid Internships	9,075.68	63,450.61
8020 - Employer Cont to P/R Tax	2,114.67	13,785.66
8030 - Employer Cont to 401K & Adm	741.46	4,949.57
8040 - Fed & State Unemployment	45.00	1,450.82
8060 - Health Insurance	2,371.99	19,012.58
8065 - Workers Comp Insurance	0.00	831.00
8070 - Other Bens, Gdwill & Training	97.28	147.76
8080 - Payroll Service Fees	138.01	1,186.76
<b>Total 8000 - Salary &amp; Related Expense</b>	<b>21,506.63</b>	<b>164,560.14</b>
<b>8100 - Admin &amp; Overhead Expense</b>		
8110 - Ofc Supplies & Non Cap Equipt	1,755.18	5,130.78
8120 - Telephone & Data Services	298.74	7,506.39
8125 - Equipment Leases & Maint.	189.75	4,723.47
8130 - Postage & Shipping	812.78	7,041.08
8140 - Travel, Meeting, & Meals Exp	1,942.68	8,178.14
8160 - Insurance - D/O Cyber - Other	0.00	6,919.00
<b>8170 - Occupancy Expenses</b>		
8170-10 - Mortgage Interest Expense	1,028.92	7,843.80
8170-20 - Utilities Expense	494.85	3,005.31
8170-30 - Property Taxes, Fees & Permits	990.78	5,432.10
8170-40 - Maintenance, Cleaning & Repairs	476.11	6,395.58
8170-50 - Property / GL Insurance	498.00	3,568.00
8170-60 - Assc Fees, Rent & Storage	553.05	3,846.02
<b>Total 8170 - Occupancy Expenses</b>	<b>4,041.71</b>	<b>30,090.81</b>
8180 - Printing & Copying	87.40	3,390.18
8190 - Software, Hardware & Other IT	7,788.34	62,754.43
8195 - Other Expenses & Bank Fees	354.31	3,170.02
<b>Total 8100 - Admin &amp; Overhead Expense</b>	<b>17,270.89</b>	<b>138,904.30</b>
<b>8200 - Professional Services</b>		
<b>8210 - Legal</b>		
8210-10 - Legal - General	4,500.00	31,666.95
8210-20 - Legal - Proactive	0.00	333.33
8210-30 - Litigation-Lobbing Staff Salary	45.25	677.08
<b>Total 8210 - Legal</b>	<b>4,545.25</b>	<b>32,677.36</b>
8230 - FEC Filing & Consulting	1,500.00	10,500.00
<b>Total 8200 - Professional Services</b>	<b>6,045.25</b>	<b>43,177.36</b>
<b>8300 - Depreciation Expense</b>	<b>2,055.44</b>	<b>14,388.08</b>
<b>Total Expense</b>	<b>120,537.69</b>	<b>948,054.24</b>
<b>Net Revenue or Loss</b>	<b>(33,625.79)</b>	<b>8,326.31</b>

## Balance Sheet Current vs Prior Month

As of July 31, 2017

	Jul 31, 17	Jun 30, 17	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
<b>11 - Cash</b>				
111U - PNC Check Acct 1 (Unrestricted)	73,361.51	95,220.39	(21,858.88)	(22.96%)
112U - BBT Check Acct 1 (Unrestricted)	3,154.07	15,854.76	(12,700.69)	(80.11%)
113R - PNC Check Acct 2 (Restricted)	17,314.51	17,681.92	(367.41)	(2.08%)
114R - BBT Chck Acct 2 (Restricted BF)	3,108.13	3,098.13	10.00	0.32%
<b>Total 11 - Cash</b>	<b>96,938.22</b>	<b>131,855.20</b>	<b>(34,916.98)</b>	<b>(26.48%)</b>
<b>Total Checking/Savings</b>	<b>96,938.22</b>	<b>131,855.20</b>	<b>(34,916.98)</b>	<b>(26.48%)</b>
<b>Other Current Assets</b>				
<b>13 - Other Current Collectables</b>				
130 - Bequests Expected - Current	33,900.00	33,900.00	0.00	0.0%
<b>Total 13 - Other Current Collectables</b>	<b>33,900.00</b>	<b>33,900.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>16 - Prepaid Expenses</b>				
<b>161 - Bulk Mail Account</b>				
161-10 - Prepaid Bulk Mail VA	1,497.01	1,497.01	0.00	0.0%
161-20 - Prepaid Bulk Mail DC	505.56	505.56	0.00	0.0%
<b>Total 161 - Bulk Mail Account</b>	<b>2,002.57</b>	<b>2,002.57</b>	<b>0.00</b>	<b>0.0%</b>
165 - Prepaid Licenses	12,015.02	13,872.32	(1,857.30)	(13.39%)
166 - Prepaid Insurance	7,037.93	7,037.93	0.00	0.0%
<b>167 - Prepaid Convention</b>				
167-10 - Prepaid Convention General Exp	639.96	272.55	367.41	134.81%
167-20 - Prepaid Convention Travel/Other	1,500.00	1,500.00	0.00	0.0%
<b>Total 167 - Prepaid Convention</b>	<b>2,139.96</b>	<b>1,772.55</b>	<b>367.41</b>	<b>20.73%</b>
168 - Prepaid Rent	0.00	0.05	(0.05)	(100.0%)
<b>Total 16 - Prepaid Expenses</b>	<b>23,195.48</b>	<b>24,685.42</b>	<b>(1,489.94)</b>	<b>(6.04%)</b>
<b>Total Other Current Assets</b>	<b>57,095.48</b>	<b>58,585.42</b>	<b>(1,489.94)</b>	<b>(2.54%)</b>
<b>Total Current Assets</b>	<b>154,033.70</b>	<b>190,440.62</b>	<b>(36,406.92)</b>	<b>(19.12%)</b>
<b>Fixed Assets</b>				
<b>17 - Fixed Assets</b>				
172 - Furniture & Fixtures	25,878.73	25,878.73	0.00	0.0%
173 - Office Equipment	4,365.98	4,365.98	0.00	0.0%
174 - Computer Hardware	22,801.27	22,801.27	0.00	0.0%
175 - Computer Software	84,645.15	84,645.15	0.00	0.0%
176 - Capital Lease Assets	32,961.61	32,961.61	0.00	0.0%
<b>177 - Office Building</b>				
177-10 - Physical Structure	477,119.00	477,119.00	0.00	0.0%
177-20 - Land	347,881.00	347,881.00	0.00	0.0%
<b>Total 177 - Office Building</b>	<b>825,000.00</b>	<b>825,000.00</b>	<b>0.00</b>	<b>0.0%</b>
178 - Ofc Imprmnt Acq & Capt Expense	51,451.11	51,451.11	0.00	0.0%
179 - Accumulated Depreciation	(199,228.15)	(197,172.71)	(2,055.44)	(1.04%)
<b>Total 17 - Fixed Assets</b>	<b>847,875.70</b>	<b>849,931.14</b>	<b>(2,055.44)</b>	<b>(0.24%)</b>
<b>Total Fixed Assets</b>	<b>847,875.70</b>	<b>849,931.14</b>	<b>(2,055.44)</b>	<b>(0.24%)</b>
<b>Other Assets</b>				
<b>18 - Non Current Collectables</b>				
180 - Bequests Expected - Non Current	210,567.33	210,567.33	0.00	0.0%
<b>Total 18 - Non Current Collectables</b>	<b>210,567.33</b>	<b>210,567.33</b>	<b>0.00</b>	<b>0.0%</b>
<b>Total Other Assets</b>	<b>210,567.33</b>	<b>210,567.33</b>	<b>0.00</b>	<b>0.0%</b>
<b>TOTAL ASSETS</b>	<b>1,212,476.73</b>	<b>1,250,939.09</b>	<b>(38,462.36)</b>	<b>(3.08%)</b>

LIABILITIES & EQUITY	Jul 31, 17	Jun 30, 17	\$ Change	% Change
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
21 - Accounts Payable	4,500.00	0.00	4,500.00	100.0%
<b>Total Accounts Payable</b>	4,500.00	0.00	4,500.00	100.0%
<b>Other Current Liabilities</b>				
24 - Accrued Expenses				
241 - Accrued Payroll	8,292.00	8,630.46	(338.46)	(3.92%)
242 - Accrued Vacation	22,131.00	27,587.00	(5,456.00)	(19.78%)
245 - Accrued Real Estate Tax	776.01	(214.77)	990.78	461.32%
<b>Total 24 - Accrued Expenses</b>	31,199.01	36,002.69	(4,803.68)	(13.34%)
25 - Accrued Payroll Taxes				
252 - 401(k) Liability	0.00	2,661.60	(2,661.60)	(100.0%)
<b>Total 25 - Accrued Payroll Taxes</b>	0.00	2,661.60	(2,661.60)	(100.0%)
27 - Deferred Liabilities				
272 - Deferred Convention Revenue	15,489.95	15,489.95	0.00	0.0%
<b>Total 27 - Deferred Liabilities</b>	15,489.95	15,489.95	0.00	0.0%
<b>Total Other Current Liabilities</b>	46,688.96	54,154.24	(7,465.28)	(13.79%)
<b>Total Current Liabilities</b>	51,188.96	54,154.24	(2,965.28)	(5.48%)
<b>Long Term Liabilities</b>				
28 - Long Term Liabilities				
281 - Capital Lease - Postage Machine	2,664.93	2,664.93	0.00	0.0%
282 - Capital Lease - Copier	14,692.31	14,692.31	0.00	0.0%
<b>Total 28 - Long Term Liabilities</b>	17,357.24	17,357.24	0.00	0.0%
29 - Loans & Mortgages (Principal)	252,705.04	254,576.33	(1,871.29)	(0.74%)
<b>Total Long Term Liabilities</b>	270,062.28	271,933.57	(1,871.29)	(0.69%)
<b>Total Liabilities</b>	321,251.24	326,087.81	(4,836.57)	(1.48%)
<b>Equity</b>				
31 - General Operating	877,326.53	877,336.53	(10.00)	(0.0%)
32 - Temp. Restricted Balances				
3204 - Fund - Campus	1,805.41	1,805.41	0.00	0.0%
3210 - Fund - Building	3,108.13	3,098.13	10.00	0.32%
3213 - Fund - Legal Offense Fund	659.11	659.11	0.00	0.0%
<b>Total 32 - Temp. Restricted Balances</b>	5,572.65	5,562.65	10.00	0.18%
<b>Net Revenue or Loss</b>	8,326.31	41,952.10	(33,625.79)	(80.15%)
<b>Total Equity</b>	891,225.49	924,851.28	(33,625.79)	(3.64%)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,212,476.73</b>	<b>1,250,939.09</b>	<b>(38,462.36)</b>	<b>(3.08%)</b>

# Statement of Cash Flows

July 2017 & YTD

	Jul 17	Jan - Jul 17
<b>OPERATING ACTIVITIES</b>		
Net Revenue (Loss)	(33,625.79)	8,326.31
Adjustments to reconcile Net Income to net cash provided by operations:		
161-10 · Prepaid Bulk Mail VA	0.00	(575.14)
165 · Prepaid Licenses	1,857.30	171.08
167-10 · Prepaid Convention General Exp	(367.41)	(639.96)
168 · Prepaid Rent	0.05	587.96
169 · Other Prepaid Expense	0.00	5,159.16
21 · Accounts Payable	4,500.00	4,500.00
241 · Accrued Payroll	(338.46)	(3,162.81)
242 · Accrued Vacation	(5,456.00)	(11,671.00)
244 · Other Accrued Expenses	0.00	(24,160.75)
245 · Accrued Real Estate Tax	990.78	776.01
252 · 401(k) Liability	(2,661.60)	0.00
272 · Deferred Convention Revenue	0.00	15,489.95
Net cash provided by Operating Activities	(35,101.13)	(5,199.19)
<b>INVESTING ACTIVITIES</b>		
179 · Accumulated Depreciation	2,055.44	14,388.08
180 · Bequests Expected - Non Current	0.00	(77,644.37)
Net cash provided by Investing Activities	2,055.44	(63,256.29)
<b>FINANCING ACTIVITIES</b>		
29 · Loans & Mortgages (Principal)	(1,871.29)	(74,457.67)
31 · General Operating	(10.00)	282.79
3204 · Fund - Campus	0.00	(750.00)
3210 · Fund - Building	10.00	706.65
3211 · Fund - Radio Ad Project	0.00	(348.55)
3213 · Fund - Legal Offense Fund	0.00	109.11
Net cash provided by Financing Activities	(1,871.29)	(74,457.67)
Net cash increase for period	(34,916.98)	(142,913.15)
Cash at beginning of period	131,855.20	239,851.37
Cash at end of period	96,938.22	96,938.22



**RELATED PARTY TRANSACTIONS AS OF: 07/31/17**

Related Party Donations	Mem Expires / BSM Expires	MTD Contributions	YTD Contributions	Lifetime Giving (Since 1990)	Liberty Pledge Club
Starchild	04/08/18 - 03/28/18	\$ -	\$ 25.00	\$ 3,340.00	
Ms. Erin Adams	12/31/17 - 08/01/18	\$ 10.00	\$ 210.00	\$ 365.70	Yes
Mr. Danny Bedwell **	06/06/18 - 05/17/18	\$ -	\$ 25.00	\$ 1,504.00	
Ms. Whitney Bilyeu	12/31/17 - 08/14/18	\$ 50.00	\$ 370.00	\$ 1,064.00	Yes
Mr. Brett Bittner	12/31/17 - 08/08/18	\$ 15.00	\$ 115.00	\$ 1,365.96	Yes
Mr. David Pratt Demarest	Life Member	\$ 150.00	\$ 1,310.00	\$ 5,540.47	Yes
Ms. Ruth Demarest *	02/23/18 - 12/29/17	\$ -	\$ -	\$ 100.00	
Mr. Sam Goldstein	12/31/17 - 08/01/18	\$ 50.00	\$ 370.00	\$ 4,955.45	Yes
Mr. Kevin Hagan *	02/22/17 - 02/22/17	\$ -	\$ -	\$ 308.00	
Mr. Timothy Hagan	Life Member	\$ 15.00	\$ 120.00	\$ 8,401.82	Yes
Ms. Caryn Ann Harlos	Life Member	\$ -	\$ 1,655.00	\$ 3,329.09	
Mr. Daniel Hayes	Life Member	\$ 150.00	\$ 4,065.00	\$ 8,129.00	Yes
Mr. Jeffery Hewitt	04/06/18 - 04/01/18	\$ -	\$ 25.00	\$ 499.00	
Mr. Joshua Katz	06/20/18 - 06/14/18	\$ -	\$ 25.00	\$ 968.00	
Dr. James Lark	Life Member	\$ 15.00	\$ 60.00	\$ 76,838.30	Yes
Mr. Edward Marsh	Life Member	\$ -	\$ -	\$ 5,026.00	
Ms. Alicia Mattson	Life Member	\$ -	\$ -	\$ 4,310.00	
Mr. Patrick McKnight	03/29/18 - 02/26/18	\$ -	\$ 350.00	\$ 2,391.75	
Mr. Kenneth Moellman	12/31/17 - 08/06/18	\$ 10.00	\$ 70.00	\$ 1,004.00	Yes
Mr. Steven Nekhaila	01/28/18 - 01/28/18	\$ -	\$ 36.00	\$ 845.00	
Mr. Steven Nielson	12/23/17 - 12/23/17	\$ -	\$ -	\$ 75.00	
Mr. Sean O'Toole	Life Member	\$ 100.00	\$ 700.00	\$ 12,847.00	Yes
Mr. William Redpath	Life Member	\$ 208.34	\$ 1,458.38	\$ 105,003.66	Yes
Mr. Nicholas Sarwark	Life Member	\$ 20.00	\$ 160.00	\$ 4,939.00	Yes
Mr. Frank Sarwark *	10/31/17 - 10/31/17	\$ -	\$ -	\$ 3,436.00	
Ms. Valerie Sarwark *	07/14/18 - 08/16/18	\$ 25.00	\$ 37.00	\$ 407.00	
Mr. Larry Sharpe	Life Member	\$ 25.00	\$ 450.00	\$ 3,904.00	Yes
Mr. Trent Somes	01/06/18 - 05/05/18	\$ -	\$ 186.00	\$ 664.99	
Dr. Cisse Spragins *	Life Member	\$ 25.00	\$ 175.00	\$ 12,944.71	Yes
Mr. Aaron Starr	Life Member	\$ -	\$ -	\$ 20,725.00	
Mr. Arvin Vohra	11/01/17 - 11/02/17	\$ -	\$ -	\$ 1,243.00	
Total Contributions:		\$ 868.34	\$ 11,997.38	\$ 296,474.90	

\* Non LNC Member disclosed related party ^^ Thru 05/17 only

Related Party Disbursements	Memo	MTD Disbursements	YTD Disbursements
Arkansas Libertarian Party	Ballot Access	\$ -	\$ 19,786.00
Ms. Caryn Ann Harlos	Reimbursed Expense	\$ 182.12	\$ 1,492.21
LSLA	State Chairs Conference	\$ -	\$ 198.00
Mr. Nicholas Sarwark	Reimbursed Expense	\$ 888.37	\$ 1,891.91
Mr. Arvin Vohra	Reimbursed Expense	\$ -	\$ 361.00
Total Disbursements:		\$ 1,070.49	\$ 23,729.12

**CHAIR'S DISCRETIONARY TRANSACTIONS AS OF: 07/31/17**

Chair	Memo	Disbursements	Disbursements
Mr. Nicholas Sarwark	None yet	\$ -	\$ -

## **Secretary's Report**

For August 19-20, 2017 LNC Session

Following is a status report for minutes of LNC and EC meetings since the previous regular LNC session on April 15-16, 2017:

- May 27-30, 2016 National Convention – adopted during April 15-16, 2017 LNC session
- April 15-16, 2017 LNC session – auto-approved on May 21, 2017
- August 8, 2017 EC teleconference – scheduled for auto-approval on August 25, 2017

LNC membership changes since the previous regular LNC session:

- On May 22, 2017 Danny Bedwell emailed the LNC to indicate he was resigning as Region 7 Alternate effective at 12:01 am, May 24, 2017.
- On June 26, 2017 Region 7 Representative Whitney Bilyeu notified me by email that the state chairs of Region 7 elected Erin Adams as Region 7 Alternate.

Committee membership changes since the previous regular LNC session:

- The LNC is scheduled to make its 5 appointments to the Credentials Committee at this meeting. The following state appointments have already been made: George Zsidisin (VA), Mark Potwora (NY)
- The LNC created a Social Media Process Review Committee during its April 15-16, 2017 session, appointing Brett Bittner, Daniel Hayes, Steve Nekhaila and granting them the power to select two additional members from outside the LNC. On April 28, 2017 the committee announced they had selected Alison Foxall and Elizabeth Van Horn for those two positions.
- Erin Adams had been appointed to a non-LNC position on the Convention Oversight Committee. Her appointment as Region 7 Alternate made her ineligible to serve in that position, creating a vacancy. After a policy amendment was adopted with email ballot 2017-14, she was again eligible to serve and was re-appointed to the Convention Oversight Committee by email ballot 2017-15.

Other tasks I have completed include:

- Notified the applicants for Platform Committee and for Bylaws and Rules Committee of the results of the LNC appointments.
- Contacted all states eligible to make appointments to the remaining positions on the Platform Committee to notify them of their eligibility and the appointment deadline.
- Provided staff an article for LPNews summarizing the April LNC meeting
- The upcoming Credentials Committee appointments were advertised to the membership via email blast one month prior to this meeting.
- Assembled applications for Credentials Committee from 29 applicants for the LNC's review

LNC Policy Manual Section 2.07.2 requires that the Secretary:

“distribute to each affiliate party the Presidential vote totals which the Secretary proposes to use for purposes of delegate allocation for National Conventions as provided for in the Bylaws, no later than the last day of April in the year following a Presidential election. If any Party member seeks a modification of the vote totals proposed by the Secretary, the member shall file with the Secretary a written request to modify the totals along with any documentation supporting the request no later than the last day of May of the same year. The Secretary shall review all such requests to modify the Presidential vote totals and

distribute a final allocation of delegates based on Presidential vote totals no later than the last day of July of the same year.”

The distribution of the proposed vote totals was completed on April 26, 2017. I received no requests to modify the totals, and the final allocation of delegates based on the Presidential vote totals was completed on July 28, 2017. Thank you to Daniel Hayes (Affiliate Support Committee Chair) and to the LNC region reps who assisted me in distributing this info to the current state chairs.

The following 9 email ballots were completed since the December 10-11, 2016 LNC session:

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Motion 2017-08: The 2017 LNC budget meeting shall be held at the New Orleans Hyatt Regency on December 9th and 10th, 2017.

Sponsors: Hayes, Harlos, Goldstein, Bilyeu, Redpath

Started: 04/21/17

Ended: 05/01/17

Voting “aye”: Bilyeu, Bittner, Demarest, Goldstein, Hagan, Harlos, Hayes, Lark, Marsh, Mattson, McKnight, Redpath, Starr

Voting “nay”: (none)

With a final vote tally of 13-0, the motion PASSES.

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Motion 2017-09: The Libertarian National Committee expresses its sorrow at the passing of Lee Wrights, and extends its condolences to his family and friends. In addition, the LNC expresses its appreciation and gratitude for his work for liberty, and for his many years of service to the Libertarian Party.

Sponsors: Lark, Starchild, Harlos, Bilyeu, Hagan, Hayes, Bittner, Goldstein, Marsh, Demarest, McKnight

Started: 05/05/17

Ended: 05/15/17

Voting “aye”: Bilyeu, Bittner, Demarest, Goldstein, Hagan, Harlos, Hayes, Hewitt, Katz, Lark, Marsh, Mattson, McKnight, Redpath, Sarwark, Starchild, Vohra

Voting “nay”: (none)

With a final vote tally of 17-0, the motion PASSES.

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Motion 2017-10: that the LNC to contribute \$5,000 to the Mark Wicks for Congress campaign.

Sponsors: Sarwark

Started: 05/09/17

Ended: 05/19/17

Voting “aye”: Bilyeu, Bittner, Demarest, Harlos, Hayes, Hewitt, Katz, Sarwark, Vohra

Voting “nay”: Goldstein, Hagan, Lark, Marsh, Mattson, McKnight, Redpath, Starchild

With a final vote tally of 9-8, the motion PASSES.

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Motion 2017-11:

Whereas, We support the maintenance of a sufficient military to defend the United States against aggression and believe that the United States should both avoid entangling alliances and abandon its attempts to act as policeman for the world;

Whereas, We oppose any form of compulsory national service and recognize that many members of the military were unjustly conscripted in the past;

Whereas, Most voluntary members of the military joined with the idea and/or goal of defending the United States and, thereby, their property, families, and friends;

Whereas, The United States Military-Industrial-Complex has used many well-meaning military service members for purposes other than defense against aggression and further involved them in foreign entanglements during attempts to act as the world’s policeman; and

Whereas, Many current and former military service members are able to relate, identify, and speak out on the ways in which the United States military mission has been expanded and corrupted beyond a legitimate role of defense against aggression; now, therefore, be it;

Resolved, Present and former members of the military who give such unique and powerful voice to the libertarian principles of peace and the non-initiation of force add great value to the Libertarian Party, and are welcomed as a vital part of our membership.

Sponsors: Hayes, Hewitt, Hagan, Mattson

Started: 05/20/17

Ended: 05/30/17

Voting “aye”: Bilyeu, Goldstein, Hagan, Harlos, Hayes, Katz, Lark, Mattson, McKnight, Moellman, Nekhaila, Redpath, Starr, Vohra

Voting “nay”: Demarest, Starchild

With a final vote tally of 14-2, the motion PASSES, having achieved the  $\frac{3}{4}$  vote (with previous notice) required by LP Bylaws Article 7.11 to adopt public policy resolutions.

---

Motion 2017-12: to amend the budget by changing line 26-Branding Development/Political Materials Revenue from \$30,000 to \$60,000, and changing line 55-Branding Development/Political Materials Expenses from \$30,000 to \$60,000.

Sponsors: Hagan, Hayes, Katz, Harlos

Started: 06/05/17

Ended: 06/15/17

Voting “aye”: Bilyeu, Bittner, Demarest, Goldstein, Hagan, Harlos, Hayes, Hewitt, Katz, Lark, Marsh, Mattson, McKnight, Redpath, Starchild, Vohra

Voting “nay”: (none)

With a final vote tally of 16-0, the motion PASSES.

---

Motion 2017-13: to allow staff the discretion to choose between publishing a total of five or six physical issues of LPNews for the year of 2017, subject to the approval of the Chairman.

Sponsors: Hayes, Bilyeu, Goldstein, Redpath, Harlos, Demarest

Started: 06/21/17

Ended: 07/01/17

Voting “aye”: Bilyeu, Bittner, Demarest, Goldstein, Hagan, Hayes, Hewitt, Katz, Lark, Marsh, McKnight, Redpath

Voting “nay”: Harlos, Starchild

With a final vote tally of 12-2, the motion PASSES.

---

Motion 2017-14: Amend the LNC policy manual section 1.03.1 to define the size of the Convention Oversight Committee as follows, “Seven members, with a minimum of f~~Four~~ LNC Members or Alternates, plus ~~3~~a minimum of two non-LNC members who are recommended by the Convention Oversight Committee.”

Sponsors: Hayes, Demarest, Goldstein, Harlos, Bittner, Katz

Started: 06/30/17

Ended: 07/10/17

Voting “aye”: Bilyeu, Bittner, Demarest, Goldstein, Hagan, Harlos, Hayes, Katz, Lark, Marsh, Mattson, McKnight, Redpath

Voting “nay”: (none)

With a final vote tally of 13-0, the motion PASSES.

---

Motion 2017-15: to appoint LNC Region 7 Alternate Erin Adams to the Convention Oversight Committee.

Sponsors: Hayes, Starchild, Bittner, Goldstein, Demarest, Harlos

Started: 07/01/17

Ended: 07/11/17

Voting “aye”: Bilyeu, Bittner, Demarest, Goldstein, Hagan, Harlos, Hayes, Hewitt, Katz, Lark, Marsh, Mattson, McKnight, Redpath, Starchild

Voting “nay”: (none)

With a final vote tally of 15-0, the motion PASSES.

---

Motion 2017-16: for the LNC to contribute \$5,000 to support the Congressional campaign of Joe Buchman (Utah).

Sponsors: Harlos, Bilyeu, Demarest, Starchild

Started: 07/15/17

Ended: 07/25/17

Voting “aye”: Adams, Demarest, Hagan, Harlos, Hayes, Hewitt, Sarwark, Starchild, Vohra

Voting “nay”: Bittner, Goldstein, Katz, Lark, Marsh, Mattson, McKnight, Redpath

With a final vote tally of 9-8, the motion PASSES.

---

Alicia Mattson  
LNC Secretary

## **Convention Oversight Committee Report**

This is by far the best Convention Oversight Committee I have been part of at the National level, aside from 2008. Participation rate is high from all members and everyone is working hard to ensure a good convention. We meet at least twice a month.

Ticket prices are set and the website should be live before the August LNC meeting. Because of accelerating costs in the area of A/V and F&B, the committee felt it necessary to accept a loss on each ticket sold hoping to raise money through higher ticket sales and increased sponsorship. We begin to recoup those losses after we sell 500 tickets. Our fundraiser on the convention theme has shaved off some of the loss.

Audio Visual Group is to supply our A/V needs at the 2018 convention. The contract should be signed either this week or sometime in the near future.

Significant progress in securing meal, opening and keynote speakers for little or no money has been made. Names will not be in a written report until contracts are signed. However, Daniel Hayes, who has been working on this, can speak to that privately. If he secures any signed contracts we will supplement the report.

The website is set up and we have an ad schedule for the future LP News publications. We are looking for suggestions for advertising the convention. Suggestions can be forwarded to Erin Adams and Whitney Bilyeu.

Volunteers are working on a silent auction and other ways to raise money during the convention. If you have something to donate, please contact me. Lauren is helping us to upgrade our fundraising to attract higher donors.

Next step is to schedule and assign rooms to our various seminars, trainings, and meetings. Once done, we will know what rooms are available for member led events. If you have seminar ideas, please pass them to William Brackeen.

We have narrowed the bids for 2020 convention sites to seven. If the committee has any questions about the process, they may direct their questions to me.

About future conventions:

We must find a way to fund the conventions other than through ticket sales. Because we have a set number of delegates but the price of putting on a convention keeps expanding, each ticket will cost significantly more each time, which means fewer ticket sales in the future. This could cause a spiral that we won't be able to recover from. Here are a few suggestions to help ease this burden.

1. Link the POTUS and the non-POTUS conventions together so that the proceeds from one can help support the other. Had we done this for 2016/2018 there would be no anticipated loss in 2018.

2. Raise annual dues \$5 per member and set aside that amount per year in an account strictly for the convention. The delegates are working on the behalf of all members, just as the office staff is, and therefore the membership should be responsible for the cost of the convention.
  
3. Increase awareness of the convention as a seminar and training get together to encourage non-delegates to attend. It can be billed as an event to inform, inspire, and invigorate (inform new people; inspire those who are involved to become more involved; invigorate those who are working hard.) It can be billed as a fun place to be. We simply need more than delegate ticket sales if we want future conventions to be successful.

### **Convention Oversight Committee**

Meeting Dates and Attendance Roster for August 19-20, 2017 LNC Meeting

	Adams	Bilyeu	Brackeen	Goldstein	Hayes	Mattson	Ryan
04/24/17	Y	Y	Y	Y	Y	Y	Y
05/08/17	Y	Y	Y	Y	Y	Y	Y
05/22/17	Y	Y	N	Y	Y	Y	Y
06/05/17	Y	Y	Y	Y	Y	Y	Y
06/19/17	Y	Y	Y	N	Y	Y	Y
07/03/17	Y	Y	N	Y	Y	N	N
07/17/17	Y	Y	Y	Y	Y	Y	Y
07/31/17	Y	Y	Y	N	Y	Y	Y
08/10/17	Y	Y	Y	Y	Y	Y	Y



# Libertarian National Committee - Membership Report

"Donor" Totals - Jul-17

## 4 Year & 12 Month Comparison

	Dec-13	Dec-14	Dec-15	Dec-16	Jun-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Active w-MEM	13670	12053	11184	18592	15477	17568	17888	18327	18564	18592	18908	18715	18334	17843	16652	16065	15110
Active w/out MEM	967	747	509	1814	981	1736	1890	1843	1822	1814	1806	1838	1862	1829	1655	1424	1185
<b>Total Active Donors</b>	<b>14637</b>	<b>12800</b>	<b>11693</b>	<b>20406</b>	<b>16458</b>	<b>19304</b>	<b>19778</b>	<b>20170</b>	<b>20386</b>	<b>20406</b>	<b>20714</b>	<b>20553</b>	<b>20196</b>	<b>19672</b>	<b>18307</b>	<b>17489</b>	<b>16295</b>
<b>Percent Change</b>	<b>-2.05%</b>	<b>-12.55%</b>	<b>-8.65%</b>	<b>74.51%</b>	<b>7.44%</b>	<b>7.97%</b>	<b>2.46%</b>	<b>1.98%</b>	<b>1.07%</b>	<b>0.10%</b>	<b>1.51%</b>	<b>-0.78%</b>	<b>-1.74%</b>	<b>-2.59%</b>	<b>-6.94%</b>	<b>-4.47%</b>	<b>-6.83%</b>
Lapsed/Drop MEM	1245	1733	909	1016	662	681	599	753	589	1016	672	831	1533	1314	1995	1844	1626
Lapse w/out MEM	82	203	30	27	14	24	29	37	29	27	25	34	32	50	206	270	254
<b>Lapsed/Drop Total</b>	<b>1327</b>	<b>1936</b>	<b>939</b>	<b>1043</b>	<b>676</b>	<b>705</b>	<b>628</b>	<b>790</b>	<b>618</b>	<b>1043</b>	<b>697</b>	<b>865</b>	<b>1565</b>	<b>1364</b>	<b>2201</b>	<b>2114</b>	<b>1880</b>
<b>Percent Change</b>					<b>42.32%</b>	<b>34.54%</b>	<b>-10.92%</b>	<b>25.80%</b>	<b>-21.77%</b>	<b>68.77%</b>	<b>-33.17%</b>	<b>24.10%</b>	<b>80.92%</b>	<b>-12.84%</b>	<b>61.36%</b>	<b>-3.95%</b>	<b>-11.07%</b>
New Donors w-MEM	267	110	103	321	1184	1054	469	526	485	321	481	299	386	262	307	428	354
New w/out MEM	168	6	6	11	163	535	176	52	22	11	14	13	47	14	27	21	7
<b>New Total</b>	<b>435</b>	<b>116</b>	<b>109</b>	<b>332</b>	<b>1347</b>	<b>1589</b>	<b>645</b>	<b>578</b>	<b>507</b>	<b>332</b>	<b>495</b>	<b>312</b>	<b>433</b>	<b>276</b>	<b>334</b>	<b>449</b>	<b>361</b>
<b>Percent Change</b>					<b>-14.15%</b>	<b>12.62%</b>	<b>-59.41%</b>	<b>-10.39%</b>	<b>-12.28%</b>	<b>-34.52%</b>	<b>49.10%</b>	<b>-36.97%</b>	<b>38.78%</b>	<b>-36.26%</b>	<b>21.01%</b>	<b>34.43%</b>	<b>-19.60%</b>
Renewed w-MEM	966	729	792	723	423	539	450	666	341	723	507	339	766	561	497	829	317
Renewed w/out MEM	55	14	20	8	45	2	7	-62	-14	8	3	53	9	3	5	18	8 *
<b>Total Renewals</b>	<b>1021</b>	<b>743</b>	<b>812</b>	<b>731</b>	<b>468</b>	<b>541</b>	<b>457</b>	<b>604</b>	<b>327</b>	<b>731</b>	<b>510</b>	<b>392</b>	<b>775</b>	<b>564</b>	<b>502</b>	<b>847</b>	<b>325</b>
<b>Percent Change</b>					<b>-60.90%</b>	<b>1.31%</b>	<b>-15.53%</b>	<b>32.17%</b>	<b>-45.86%</b>	<b>123.55%</b>	<b>-30.23%</b>	<b>-23.14%</b>	<b>97.70%</b>	<b>-27.23%</b>	<b>-10.99%</b>	<b>68.73%</b>	<b>-61.63%</b>
<b>Total "MEM"</b>	<b>130507</b>	<b>133400</b>	<b>135197</b>	<b>145814</b>	<b>140413</b>	<b>143319</b>	<b>143935</b>	<b>144707</b>	<b>145455</b>	<b>145814</b>	<b>146350</b>	<b>146869</b>	<b>147222</b>	<b>136069</b>	<b>136362</b>	<b>136819</b>	<b>137174</b>
<b>Percent Change</b>	<b>2.84%</b>	<b>2.22%</b>	<b>1.35%</b>	<b>7.85%</b>	<b>0.65%</b>	<b>1.01%</b>	<b>0.43%</b>	<b>0.54%</b>	<b>0.52%</b>	<b>0.25%</b>	<b>0.37%</b>	<b>0.35%</b>	<b>0.24%</b>	<b>-7.58%</b>	<b>0.22%</b>	<b>0.34%</b>	<b>0.26%</b>
<b>Total "LIFETIME"</b>	<b>2295</b>	<b>2446</b>	<b>2458</b>	<b>2571</b>	<b>2514</b>	<b>2554</b>	<b>2560</b>	<b>2567</b>	<b>2566</b>	<b>2571</b>	<b>2574</b>	<b>2577</b>	<b>2580</b>	<b>2588</b>	<b>2596</b>	<b>2596</b>	<b>2603</b>
<b>Total "BSM"</b>	<b>13869</b>	<b>12526</b>	<b>11045</b>	<b>19003</b>	<b>15448</b>	<b>17541</b>	<b>18071</b>	<b>18486</b>	<b>18805</b>	<b>19003</b>	<b>19293</b>	<b>19152</b>	<b>18864</b>	<b>18399</b>	<b>17301</b>	<b>16622</b>	<b>15706</b>

## Last Year vs. This Year

	Jun-16	Jul-17	Change	12 Mo Ave	Active Donors w-MEM =	15110
Active w-MEM	15477	15110	-2.37%	17714	Lapsed & Zero Dues MEM =	122064
Active w/out MEM	981	1185	20.80%	1725	Total "MEM" w-Signed Certificate =	137174
<b>Total Active Donors</b>	<b>16458</b>	<b>16295</b>	<b>-0.99%</b>	<b>19439</b>	Member Signed Certificate =	"MEM"
Lapsed/Dropped	676	1880	178.11%	1206	Total "BSM" =	15706
New Donors	1347	361	-73.20%	526	Bylaws Defined Sustaining Member =	"BSM"
Renewals	468	325	-30.56%	548		

\* Neg "sub" due to email push to convert Sub's to Mem's in Oct-16 & Nov-16

Jul-17 MEMBERSHIP BY STATE --- ACTIVE AND NON ACTIVE

STATE	TOTAL "MEM"	ACTIVE "MEM"	ACTIVE "SUB"	TOTAL "ACTIVE"	TOTAL "BSM"
AK	697	92	4	96	94
AL	1797	226	13	239	233
AR	910	103	6	109	105
AZ	3221	331	32	363	340
CA	19350	1666	145	1811	1714
CO	3838	507	38	545	525
CT	1489	169	15	184	171
DC	380	32	3	35	35
DE	401	37	3	40	39
FL	8212	840	88	928	877
GA	5883	480	36	516	506
HI	547	59	5	64	62
IA	1057	158	7	165	163
ID	768	63	3	66	68
IL	4508	537	46	583	570
IN	3313	402	28	430	425
KS	1196	141	8	149	145
KY	1202	142	13	155	146
LA	1134	192	14	206	196
MA	2859	258	26	284	269
MD	2472	302	18	320	318
ME	808	76	12	88	78
MI	5257	525	27	552	541
MN	2052	222	16	238	234
MO	2333	264	17	281	277
MS	712	83	5	88	85

STATE	TOTAL "MEM"	ACTIVE "MEM"	ACTIVE "SUB"	TOTAL "ACTIVE"	TOTAL "BSM"
MT	548	74	5	79	74
NC	3409	377	35	412	390
ND	235	48	3	51	45
NE	646	84	2	86	87
NH	1416	174	12	186	178
NJ	3083	329	31	360	339
NM	1196	168	10	178	168
NV	1901	174	19	193	181
NY	5095	639	52	691	656
OH	4970	609	41	650	649
OK	1057	143	9	152	148
OR	2227	181	26	207	184
PA	5988	604	47	651	637
RI	308	31	6	37	32
SC	1876	218	17	235	231
SD	269	36	2	38	38
TN	2606	400	9	409	417
TX	9300	1148	89	1237	1194
UT	1188	109	8	117	112
VA	4849	698	49	747	734
VT	394	32	5	37	35
WA	4576	497	39	536	524
WI	2038	268	24	292	278
WV	601	56	3	59	60
WY	321	37	1	38	35
XX	681	69	13	82	64

SUSTAINING MEMBERSHIP STATE RANKINGS - "BSM"

State	Total BSM	Rank	State	Total BSM	Rank
CA	1714	1	NV	181	27
TX	1194	2	NH	178	28
FL	877	3	CT	171	29
VA	734	4	NM	168	30
NY	656	5	IA	163	31
OH	649	6	OK	148	32
PA	637	7	KY	146	33
IL	570	8	KS	145	34
MI	541	9	UT	112	35
CO	525	10	AR	105	36
WA	524	11	AK	94	37
GA	506	12	NE	87	38
IN	425	13	MS	85	39
TN	417	14	ME	78	40
NC	390	15	MT	74	41
AZ	340	16	ID	68	42
NJ	339	17	HI	62	43
MD	318	18	WV	60	44
WI	278	19	ND	45	45
MO	277	20	DE	39	46
MA	269	21	SD	38	47
MN	234	22	DC	35	48
AL	233	23	VT	35	49
SC	231	24	WY	35	50
LA	196	25	RI	32	51
OR	184	26	XX	64	52

	TOTAL "MEM"	ACTIVE "MEM"	ACTIVE "SUB"	TOTAL "ACTIVE"	TOTAL "BSM"
<b>TOTALS</b>	<b>137174</b>	<b>15110</b>	<b>1185</b>	<b>16295</b>	<b>15706</b>

DEFINITIONS: MEM = Member Signed Certificate

Total MEM = Total # Constituents Per State w-Member Signed Certificate

ACTIVE MEM = Current Dues Paying or Lifetime Donor w-Signed Certificate

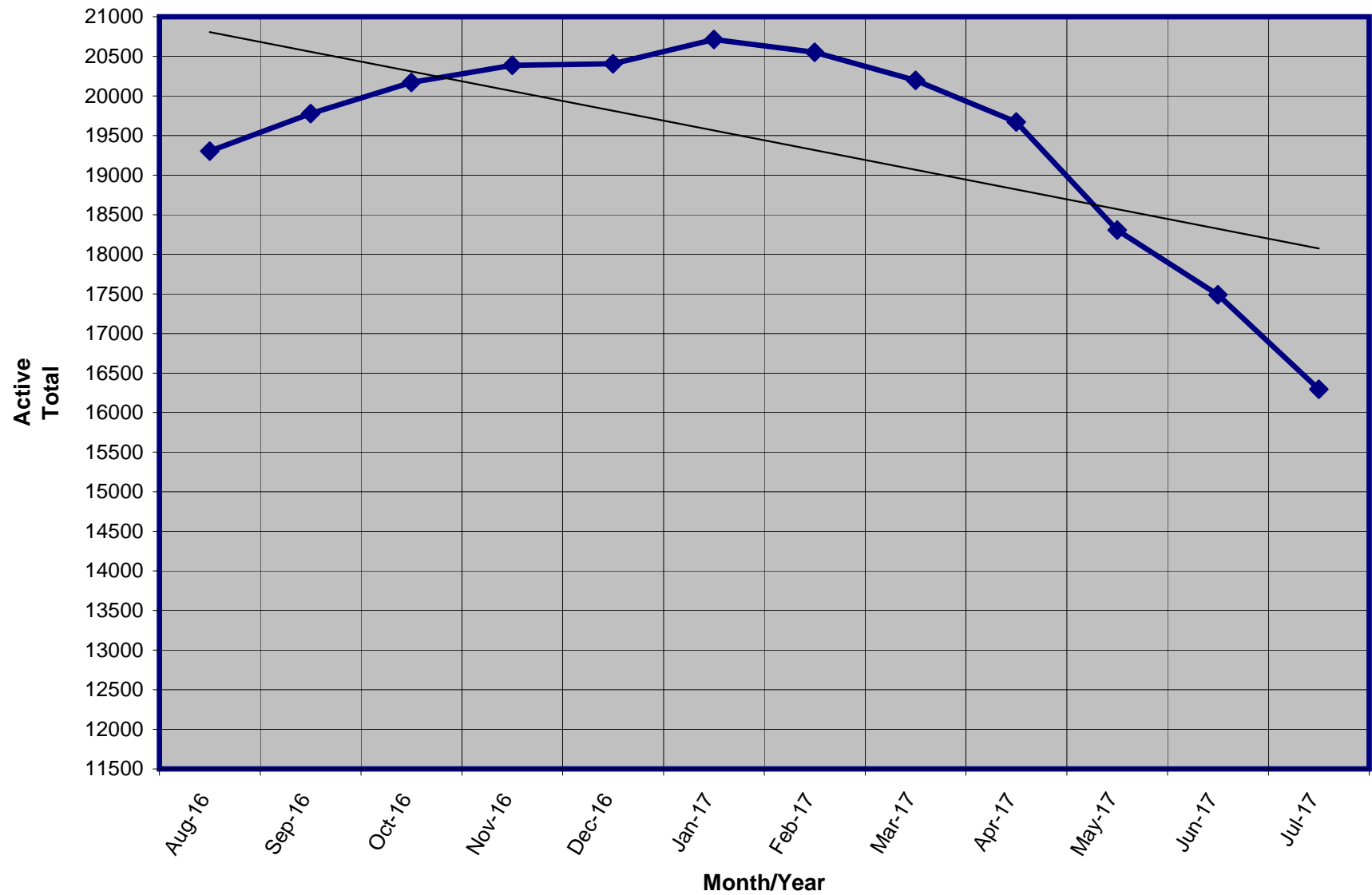
ACTIVE SUB (ACTIVE NON MEM) = Current Dues Paying or Lifetime Donors Who Have NOT Signed the Certificate (Formerly Called "Subscriber")

TOTAL ACTIVE = Current Dues Paying or Lifetime Donor

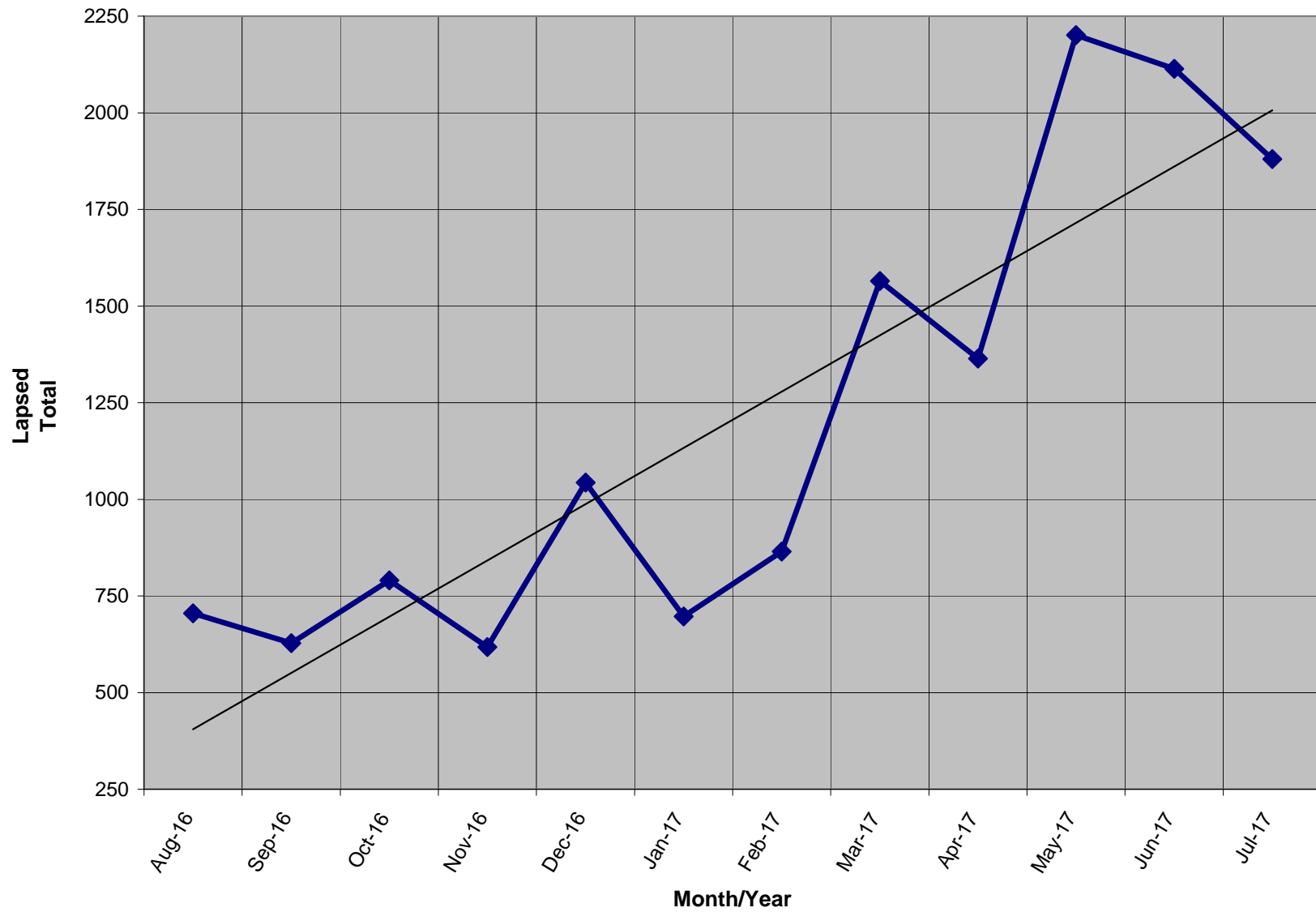
BSM = By Law Definition of "Sustaining Member" and number used for delegate count

(Art 5-3: "Sustaining member" is any Party member who has given at least \$25 to the Party in the prior twelve months, or who is a life member.)

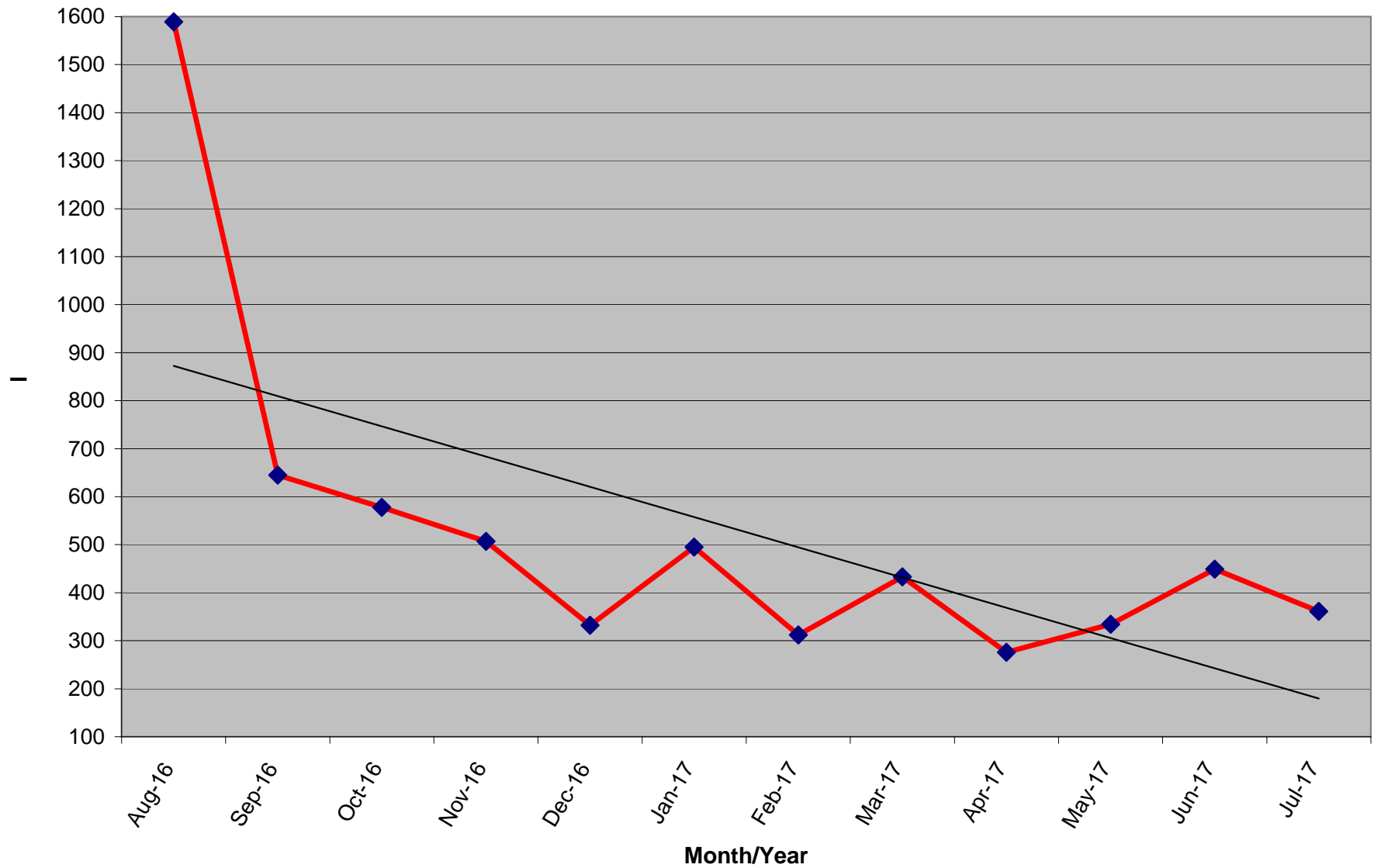
Active Donors - Past 12 Months



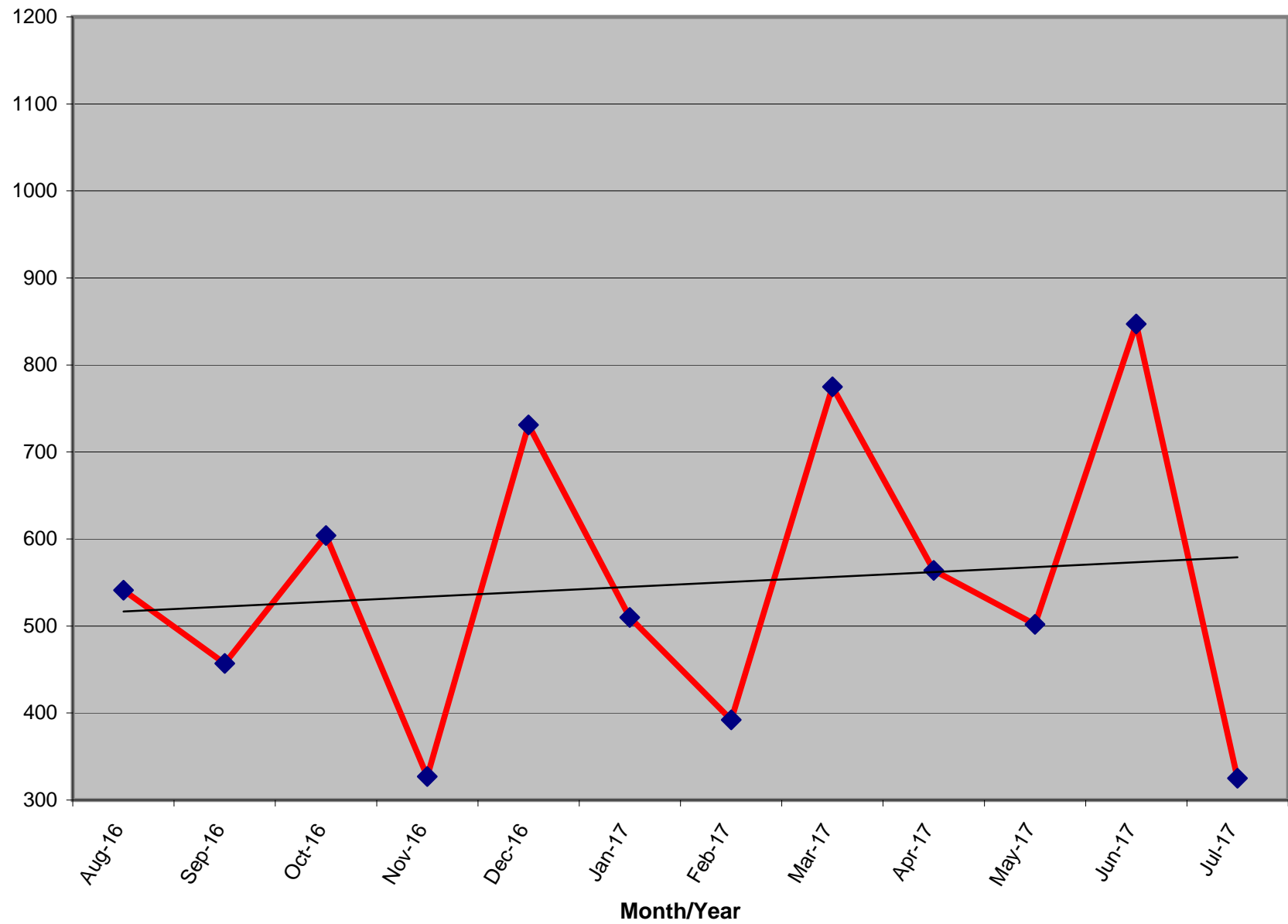
**Lapsed - Dropped - Donors - Past 12 Months**



**New Donors Past 12 Months**



### Renew Donors - Past 12 Months



**DRAFT**

**LIBERTARIAN NATIONAL COMMITTEE, INC.  
(THE LIBERTARIAN PARTY)**



**AUDITED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

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**INDEPENDENT AUDITORS' REPORT  
ON FINANCIAL STATEMENTS**

To the Board of Directors  
Libertarian National Committee, Inc.  
Alexandria, Virginia

**DRAFT**

***Report on Financial Statements***

We have audited the accompanying financial statements of Libertarian National Committee, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

To the Board of Directors  
Libertarian National Committee, Inc.

***Auditor's Responsibility – Continued***

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Libertarian National Committee as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited the Libertarian National Committee's financial statements as of and for the year ended December 31, 2015, and our report dated July 11, 2016 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**DRAFT** *Frye & Company, CPAs*  
**Frye & Company, CPAs**  
**Manassas, Virginia**  
**August 9, 2017**

**LIBERTARIAN NATIONAL COMMITTEE, INC.**

**STATEMENT OF FINANCIAL POSITION**

**AS OF DECEMBER 31, 2016**

**(WITH 2015 COMPARATIVE TOTALS)**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 239,852	\$ 71,383
Bequests receivable, net	166,823	201,892
Prepaid expenses and other	27,899	21,820
Property and equipment:		
Land	347,881	347,881
Building and improvements	528,570	521,816
Furniture and equipment	63,206	62,001
Computer equipment	22,801	22,801
Computer software	84,645	84,645
Property and equipment, at cost	<u>1,047,103</u>	<u>1,039,144</u>
Accumulated depreciation	<u>(184,840)</u>	<u>(160,175)</u>
Property and equipment, net	<u>862,263</u>	<u>878,969</u>
<b>Total Assets</b>	<u><u>\$ 1,296,837</u></u>	<u><u>\$ 1,174,064</u></u>
 <b>Liabilities and Net Assets</b>		
Liabilities		
Unsecured lines of credit	\$ -	\$ 1,471
Accounts payable and accrued expenses	24,161	2,142
Accrued salaries and related benefits	11,455	6,879
Accrued vacation	33,802	24,628
Deferred registrations	-	44,921
Capital lease liabilities	17,357	23,758
Mortgage payable	<u>327,163</u>	<u>461,955</u>
Total liabilities	413,938	565,754
Net Assets		
Unrestricted	877,044	601,015
Temporarily restricted	<u>5,855</u>	<u>7,295</u>
Total net assets	<u>882,899</u>	<u>608,310</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,296,837</u></u>	<u><u>\$ 1,174,064</u></u>

**See accompanying auditors' report and notes to financial statements.**

**LIBERTARIAN NATIONAL COMMITTEE, INC.**

**STATEMENT OF ACTIVITIES  
& CHANGE IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2016  
(WITH 2015 COMPARATIVE TOTALS)**

	2016			2015
	Unrestricted	Temporarily Restricted	Total	
<b>Revenue and Support</b>				
Contributions and membership	\$ 1,879,708	\$ 15,560	\$ 1,895,268	\$ 1,073,367
Convention registrations income	398,690	-	398,690	-
Political campaign materials	316,269	-	316,269	30,360
Sponsorships and classifieds	15,836	-	15,836	13,968
Interest and dividends	215	-	215	56
Net assets released from restriction:				
Building, legal, and other funds	17,000	(17,000)	-	-
<b>Total revenue and support</b>	<b>2,627,718</b>	<b>(1,440)</b>	<b>2,626,278</b>	<b>1,117,751</b>
<b>Expense</b>				
Program services:				
Communications	306,091	-	306,091	198,741
Ballot access	444,485	-	444,485	126,051
Brand development	500,693	-	500,693	54,240
Campaign programs	94,308	-	94,308	44,216
Affiliate support	59,174	-	59,174	39,509
Outreach programs	23,470	-	23,470	39,309
Litigation and lobbying	7,338	-	7,338	16,007
Media relations	16,021	-	16,021	10,228
Campus outreach	3,580	-	3,580	6,573
Conventions and meetings	249,971	-	249,971	2,755
<b>Total program services</b>	<b>1,705,131</b>	<b>-</b>	<b>1,705,131</b>	<b>537,629</b>
Supporting services:				
Management and general	239,326	-	239,326	261,443
Fundraising and donor acquisition	407,232	-	407,232	310,434
<b>Total supporting services</b>	<b>646,558</b>	<b>-</b>	<b>646,558</b>	<b>571,877</b>
<b>Total expense</b>	<b>2,351,689</b>	<b>-</b>	<b>2,351,689</b>	<b>1,109,506</b>
<b>Change in Net Assets</b>	<b>276,029</b>	<b>(1,440)</b>	<b>274,589</b>	<b>8,245</b>
Net assets, beginning of year	601,015	7,295	608,310	579,967
Prior period adjustments	-	-	-	20,098
Net assets, beginning of year, restated	601,015	7,295	608,310	600,065
<b>Net Assets, End of Year</b>	<b>\$ 877,044</b>	<b>\$ 5,855</b>	<b>\$ 882,899</b>	<b>\$ 608,310</b>

See accompanying auditors' report and notes to financial statements.

**LIBERTARIAN NATIONAL COMMITTEE, INC.**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2016  
(WITH 2015 COMPARATIVE TOTALS)**

	<u>2016</u>	<u>2015</u>
<b>Cash Provided (Used) by Operating Activities</b>		
Change in net assets	\$ 274,589	\$ 8,245
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	24,665	36,803
Prior period adjustments	-	(20,098)
Changes in assets and liabilities:		
Bequests receivable	35,069	44,258
Prepaid expenses and other	(6,079)	(2,271)
Accounts payable and accrued expenses	20,548	483
Accrued salaries and related benefits	4,576	(22,058)
Accrued vacation	9,174	1,994
Deferred registrations	(44,921)	44,921
Total adjustments	<u>43,032</u>	<u>84,032</u>
Net cash provided (used) by operating activities	317,621	92,277
<b>Cash Provided (Used) by Investing Activities</b>		
Purchases of property and equipment	<u>(7,959)</u>	<u>(2,220)</u>
Net cash provided (used) by investing activities	(7,959)	(2,220)
<b>Cash Provided (Used) by Financing Activities</b>		
Principal payments on capital lease liability	(6,401)	(3,713)
Principal payments on mortgage payable	<u>(134,792)</u>	<u>(33,816)</u>
Net cash provided (used) by financing activities	<u>(141,193)</u>	<u>(37,529)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	168,469	52,528
Cash and cash equivalents, beginning of year	<u>71,383</u>	<u>18,855</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 239,852</u></u>	<u><u>\$ 71,383</u></u>
<b>Supplemental Cash Flows Information:</b>		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	<u>\$ 22,866</u>	<u>\$ 24,586</u>

**See accompanying auditors' report and notes to financial statements.**

# **LIBERTARIAN NATIONAL COMMITTEE, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

### **Note A – Organization & Nature of Activities**

Organization: The Libertarian National Committee, Inc. (the Committee) was founded in 1971 as a national, tax-exempt political organization which is the operational arm of the Libertarian Party, a grassroots political organization. The Committee was incorporated in February 1995 and its affairs are directed by its National Board of Directors, who are elected by delegates bi-annually at the national convention. The Committee, with the consent of the delegates, also establishes the platform of the Libertarian Party, which is based upon the basic premises of civil liberties and personal freedom, a free-market economy, free trade, and a foreign policy of non-intervention and peace. The Committee has approximately 25,700 contributing members.

Programs: The Committee's program activities consist of affiliate support, which comprises developing or supporting state and county affiliate parties; ballot access, which comprises getting candidates on ballots and includes corresponding lawsuits required to accomplish such; brand development, which is the process of developing an image in the minds of voters; campus outreach, which represents campus recruiting and support groups; candidate support, which comprises recruiting and supporting candidates with their electoral ambitions; litigation support, which includes proactive lawsuits to change public policy, other than ballot access; lobbying, which includes efforts to persuade legislators to change laws, including ballot access laws; media relations, which consists of direct communication with the media; member communications, which is comprised of the Libertarian Party News periodical and other member communications; outreach, which includes initiatives to reach the general public and outside groups; and voter registration, which consist of voter registration campaign initiatives.

### **Note B - Summary of Significant Accounting Policies**

Basis of Accounting & Presentation: The Committee prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expense when obligations are incurred.

Income Tax Status: The Committee is recognized as a tax-exempt political organization under Section 527 of the Internal Revenue Code (IRC). Under IRC Section 527, the Committee's exempt functions include all activities that relate to and support the process of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to a public or political office. Certain activities unrelated to the exempt purpose, such as net investment income, are subject to taxation. During the years ended December 31, 2016 and 2015, the Committee incurred no significant income tax expense on its net investment income, which was under the specific deduction amount of \$100 available on Form 1120-POL. Although the Committee has not received any notice of intent to examine its tax returns, the Committee's tax returns remain subject to examination by tax authorities pursuant to various statutes of limitation. The Committee is also subject to oversight by the Federal Election Commission.

# LIBERTARIAN NATIONAL COMMITTEE, INC.

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

### Note B – Summary of Significant Accounting Policies – Continued

Cash and Cash Equivalents: For financial statement presentation purposes, the Committee considers highly liquid debt instruments with maturities of three months or less, including money market funds, to be cash equivalents. The Committee periodically has cash balances in excess of federal insurance limits available for depository accounts.

Bequests Receivable: The Committee's bequests receivable consist of amounts due from decedent members' last wills and testaments. The most significant bequest pertains to a deceased member's unconditional promise-to-give the Committee a portion of the estate after liquidation of debts and payment of expenses. The Committee's portion of the net estate was determined to be approximately \$235,600, which was transfer to a trustee and is being held in trust for the benefit of the Committee given the annual contribution limits allowable under Federal Election Commission (FEC) guidelines. The trustee and escrow agent is annually releasing the amount allowable under FEC guidelines to the Committee. The remaining funds resulting from the distributions from the decedent's estate is being held in trust at a federally insured financial institution in money market funds for the benefit of the Committee. The Committee received approximately \$33,400 from the trustee during each of the years ended December 31, 2016 and 2015 with the remaining bequest reflected at its net realizable value, which was determined by the Committee by initially discounting the initial bequest by an allowance for doubtful accounts and present value discount. Given the nature of the bequest and that the funds are being held in interest bearing accounts for the benefit of the Committee, the Committee determined that discounts for present value and collectability were unnecessary.

Prepaid Expenses and Other Assets: The Committee's prepaid expenses and other assets consist principally of prepaid rent, insurance, licenses, promotional supplies, and refundable deposits.

Property and Equipment: The Committee capitalizes property and equipment acquisitions at cost or fair value at time of donation and depreciates these items using the straight-line method of depreciation over their estimated useful lives, which range from approximately 3 to 5 years for furniture, equipment, and software and 15 to 39 years for building and related improvements. Expenditures for repairs and maintenance that do not extend the useful life of an asset, consumable supplies, and de minimus items are expensed as incurred. Depreciation and amortization expense was approximately \$24,700 and \$26,300, respectively, for the years ended December 31, 2016 and 2015, and no significant loss on the dispositions or impairment of property and equipment was reported by the Committee during the years ended December 31, 2016 and 2016.

Deferred Rent: The Committee recognizes rent expense on its long-term operating leases on a straight-line basis. A deferred rent liability is reflected for the effects of rent escalation clauses and the difference between actual rental payments and the straight-line amortization. The Committee reported no leases with significant remaining escalation as of December 31, 2016.

**LIBERTARIAN NATIONAL COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Note B – Summary of Significant Accounting Policies – Continued**

Net Assets: The Committee classifies its net assets based upon the existence or lack of donor imposed restrictions. When the Committee receives contributions that are restricted by the donor or limited as to their use and the Committee has not met the donor's restriction by the end of the reporting year, then the Committee reports these amounts as temporarily restricted or permanently restricted depending upon the nature of the restriction. Contributions and donations with donor-imposed restrictions in which the Committee has met the donor's stipulations are reflected as net assets released from restriction in the accompanying financial statements. Temporarily restricted contributions and donations in which the Committee met the donor-imposed restriction during the same fiscal year as the contribution are reflected as unrestricted revenue and support. The components of the Committee's net assets are as follows:

- *Unrestricted – general operating* – Represents unrestricted resources that are available to support the Committee's operations at the discretion of the Board of Directors.
- *Temporarily restricted* – Represents amounts received and restricted by donors to support specific Committee programs and initiatives, such as the building fund, ballot access, candidacy initiatives, and college campus programs. Temporarily restricted net assets are released from restriction either by the passage of time or by the Committee meeting the donors' stipulations. The Committee reported temporarily restricted net assets of approximately \$5,900 and \$7,300, respectively, as of December 31, 2016 and 2015.
- *Permanently restricted* – Represents contributions with donor-imposed restrictions that stipulate that a certain amount or the corpus of the donation be held in perpetuity and generally with interest thereon restricted for certain purposes as directed by the donor. The Committee reported no significant permanently restricted net assets as of December 31, 2016 and 2015.

Revenue Recognition: The Committee treats membership dues as contributions and donations in the accompanying financial statements given that members receive de minimis benefits in exchange for their dues. Revenue from contributions and donations are recognized at the earliest point an unconditional promise-to-give is both determinable and measurable. Revenue from any program service activities and conventions and events are recognized when earned.

Contributions and Donations: Contributions and donations are recognized at fair value in the period in which an unconditional promise-to-give is known or when a contribution is received, at the earliest point the contribution is both determinable and measurable by the Committee. Contributions are recognized as unrestricted, temporarily restricted, or permanently restricted revenue and support based upon the existence or lack of donor-imposed restrictions. Contributions and donations with donor-imposed restrictions in which the Committee has met the donor's stipulations are reflected as net assets released from restriction. Temporarily restricted contributions and donations in which the Committee met the donor-imposed restriction during the same fiscal year as the contribution are reflected as unrestricted revenue and support.



**LIBERTARIAN NATIONAL COMMITTEE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**Note B – Summary of Significant Accounting Policies – Continued**

Intentions-to-Give: The Committee receives commitment cards from members who many times provide their credit card information for future contribution purposes. The members are generally making recurring contributions to the Committee and do not commit to a specific number of payments or period of time for which the Committee may charge the recurring gifts. The members may also decline the charges or request that the Committee cease making charges against their credit card at any time and completely at their discretion. The Committee treats these recurring contributions as intentions-to-give or conditional promises to give and as such, revenue is not recognized until the contribution is both determinable and measurable, which generally occurs when the credit card is processed and receipt received by the Committee.

Functional Allocation of Expenses: The Committee summarizes the cost of providing its various programs and activities on a functional basis in the accompanying financial statements. Accordingly, certain expenses were allocated to the program and supporting services benefited based upon management estimates of the time and effort devoted to each activity.

Fair Value Measurements: The Committee established a reporting framework for measuring and disclosing fair value measurements. Fair value measurement disclosures are required for assets and liabilities measured and reported at fair value in the accompanying financial statements. The Committee determines fair value using a hierarchy based upon the lowest level of any input that is significant to the measurement with Level 3 being the lowest recognized level. The Corporation attempts to maximize the use of observable inputs (Level 1 and 2) and minimize unobservable inputs (Level 3). Accordingly, the Committee would classify financial instruments measured at fair value in any of the following categories: Level 1, which refers to instruments traded in an active market, Level 2, which refers to instruments not traded on an active market but for which observable market inputs are readily available or Level 1 instruments where there is a contractual restriction, and Level 3, which refers to instruments not traded in an active market and for which no significant observable market inputs are available. As of December 31, 2016, the Committee determined that no significant assets or liabilities were reported at fair value on a recurring basis in the accompanying financial statements. Disclosures about estimated fair values and fair value measurements were determined by the Committee based upon pertinent market data and other information available as of December 31, 2016. Considerable judgment may be necessary to interpret market and financial data and to develop fair value measurements in certain circumstances. The Committee's estimates of fair value may not be indicative of amounts realized at disposition.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and the difference could be material.

**LIBERTARIAN NATIONAL COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Note C – Concentration of Risk**

Cash Balances: Financial instruments that subject the Committee to potential concentrations of risk consist of cash balances with banking institutions that exceed the federal insurance limits. As of December 31, 2016 and 2015, the Committee reported no significant bank balance in excess of federal insurance limits.

Bequests Receivable: As of December 31, 2016 and 2015, all of the Committee's bequests receivable pertain to the remaining corpus, plus accrued interest, due from a decedent's estate held in trust by a financial institution for the benefit of the Committee. Accordingly, as of December 31, 2016 and 2015, the approximately 13% and 17%, respectively, of the Committee's total assets pertain to amounts due under from a single bequest.

**Note D – Related Party Transactions**

During the years ended December 31, 2016 and 2015, the Committee received approximately \$29,800 and \$17,100, respectively, in membership dues and contributions from current and former board members and current and former employees. Additionally during the year ended December 31, 2016, the Committee paid \$206,100 and \$96,500 to related state affiliates for ballot access petitioning and voter registration campaigns and related travel reimbursements.

**Note E – Bequests Receivable**

From time-to-time the Committee receives bequests and legacies from decedent members' last wills and testaments. In October 2014, the Committee received notification from the executor and trustee of a deceased member in which the Committee was a named beneficiary of the member's estate, less any debt and expenses. In September 2015, the Committee entered into a release and indemnification agreement with the executor of the member's last will and testament in which the Committee's share of the estate was valued at approximately \$235,600. At the same time, the Committee entered into an escrow agreement with a trustee in which the Committee's interest in the member's estate was transfer and held in trust for the benefit of the Committee. The Committee receives annual distributions from the escrow in amounts allowed under the FEC regulations and guidelines. During each of the years ended December 31, 2016 and 2015, the Committee received approximately \$33,400 from the trustee with the remaining balance of approximately \$166,800 reflected as a bequest receivable as of December 31, 2016. The trustee is holding the remaining balance in money market funds at a federally insured financial institution for the benefit of the Committee. The Committee reported the bequest receivable at its net realizable value by discounting the initial bequest for an allowance for doubtful accounts and present value discount. The Committee determined that no significant discounts were necessary given the funds are held in interest bearing, insured accounts.

**LIBERTARIAN NATIONAL COMMITTEE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**Note E – Bequests Receivable – Continued**

The Committee expects to receive approximately \$33,900 annually from the trustee, which may be adjusted annual by the FEC based upon inflation, legislation and other regulatory matters.

**Note F – Unsecured Lines of Credit**

The Committee maintains two unsecured lines of credit with financial institutions in the form of business credit cards. The business credit cards have total available credit of \$103,000 as of December 31, 2016 and require monthly payments of interest at annual rates that range from approximately 9.4% to 11.5% as of the year then ended. The Committee reported the outstanding balances on the lines of credit to be approximately \$-0- and \$1,500, respectively as of December 31, 2016 and 2015, and no significant interest expense was incurred during the years then ended. The lines of credit are revolving and subject to restrictions and annual renewals and call provisions of the lender. The terms and balances owed on the lines of credit are as follows as of December 31, 2016:

Unsecured lines of credit with regional financial institutions in the form of two credit card accounts with total available credit of \$103,000. The lines are guaranteed by the authorized users and carry variable interest rates tied to the lenders' prime rates, which were approximately 9.4% and 11.5%. The Committee reported no significant outstanding balance on the lines of credit as of December 31, 2016, and no significant interest expense was incurred on the unsecured lines of credit during the year then ended. The lines of credit are revolving and subject to restrictions and renewals.

\$ -

**Note G – Debt Obligations**

Mortgage Payable: In April 2014, the Committee entered into a \$500,000 secured promissory note with a regional financial institution in conjunction with the Committee's purchase of its administrative headquarters. The promissory note is collateralized by underlying real property and improvements and a security interest in all depository accounts held with the financial institution. The secured note payable requires 119 monthly payments of principal and interest of approximately \$2,900 beginning in August 2014 at an annual fixed interest rate of 4.85%. The mortgage also requires a final balloon payment due in July 2024 that was originally projected to be approximately \$371,600; however, the Committee has made certain principal prepayments since inception of the loan. The Committee incurred interest expense of approximately \$22,000 and \$23,500, respectively, on the mortgage during the years ended December 31, 2016 and 2015.

**LIBERTARIAN NATIONAL COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Note G – Debt Obligations – Continued**

Mortgage Payable - Continued: The outstanding principal balance and terms of the mortgage payable are as follow as of December 31, 2016:

Secured promissory note in the form of a mortgage secured by the land and building purchased as the Committee's headquarters. The original principal balance resulting from the purchase in April 2014 was approximately \$500,000. The note agreement is secured by the Committee's headquarter. The note agreement requires 119 monthly payments of principal of interest totaling approximately \$2,900 with interest accruing at an annual interest rate of approximately 4.85%. The promissory note also requires a final final balloon payment due in July 2024 which was originally projected to be approximately \$371,600. However, the Committee has made certain prepayments since inception. Interest expense incurred on the promissory note was approximately \$22,000 during the year ended December 31, 2016.		\$ 327,163
Less current portion of notes payable		<u>19,381</u>
Long-term portion of notes payable		<u><u>\$ 307,782</u></u>

Capital Leases: During the year ended December 31, 2014, the Committee entered into two non-cancelable lease agreements for a digital copier and postage machine. The leases were determined by management to be capital leases and are secured by the underlying equipment. The leases are payable over 60 and 63 months, respectively, with monthly payments totaling approximately \$600. The original principal balance at imputed annual interest rates of 2.89% and 11.03%, respectively, totaled approximately \$33,000. As of December 31, 2016 and 2015, the net book values of the capitalized assets were approximately \$16,000 and \$22,500, respectively, which was net of accumulated depreciation of approximately \$6,500 for each of the years then ended. Interest expense incurred at the imputed interest rates noted above totaled approximately \$900 and \$1,100, respectively, during the years ended December 31, 2016 and 2015. The outstanding principal balance and terms of the capital lease liabilities are as follows as of December 31, 2016:

Capital lease liabilities resulting from the purchase of a digital copies and postage machine. The lease agreements are secured by the underlying asset and are payable over 60 and 63 months, respectively. The original principal balances at inputted interest rates of approximately 2.89% and 11.03% totaled approximately \$33,000 (or \$28,400 and \$4,600, respectively).

**LIBERTARIAN NATIONAL COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Note G – Debt Obligations – Continued**

Capital Leases - Continued:

The leases require monthly payments of principal and interest totaling approximately \$600 (or \$500 and \$100, respectively). Interest expense on the capital lease agreements totaled approximately \$900 (or \$500 and \$400, respectively) during the year ended December 31, 2016.

	\$ 17,357
Less current portion of capital lease liabilities	<u>6,659</u>
Long-term portion of capital lease liabilities	<u><u>\$ 10,698</u></u>

Future Principal Payments: Future principal payments on the mortgage payable and non-cancelable capital lease agreement are as follows for the years ending December 31:

	<u>Mortgage</u>	<u>Digital Copier</u>	<u>Postage Machine</u>	<u>Total</u>
2017	\$ 19,381	\$ 5,750	\$ 909	\$ 26,040
2018	20,323	5,918	1,015	27,256
2019	21,331	3,024	741	25,096
2020	22,389	-	-	22,389
2021	23,499	-	-	23,499
Thereafter	220,240	-	-	220,240
	<u><u>\$ 327,163</u></u>	<u><u>\$ 14,692</u></u>	<u><u>\$ 2,665</u></u>	<u><u>\$ 344,520</u></u>

Total future payments required on the capital lease agreements, including interest at inputted annual interest rates of 2.89% and 11.03% are as follows for the years ending December 31:

	<u>Digital Copier</u>	<u>Postage Machine</u>	<u>Total</u>
2017	\$ 6,099	\$ 1,158	\$ 7,257
2018	6,099	1,158	7,257
2019	3,049	772	3,821
	<u><u>\$ 15,247</u></u>	<u><u>\$ 3,088</u></u>	18,335
Less imputed interest at an annual rates of 2.89% and 11.03%			<u>(978)</u>

**LIBERTARIAN NATIONAL COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Note G – Debt Obligations – Continued**

Future Principal Payments – Continued:

Present value of net minimum lease payment	17,357
Less current portion of capital lease liabilities	<u>6,659</u>
Long-term portion of capital lease liabilities	<u>\$ 10,698</u>

Interest Expense: Total interest expense incurred on the debt obligations, including the above mortgage payable and capital lease obligations, total approximately \$22,900 and \$24,600, respectively, during the years ended December 31, 2016 and 2015.

**Note H – Temporarily Restricted Net Assets**

The Committee's temporarily restricted net assets consist of various funds restricted for the building fund, college campus programs, and radio advertisements. The Committee's temporarily restricted net assets consist of the following as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Building acquisition fund	\$ 2,402	\$ 4,391
College campus programs	2,555	2,555
Radio advertising fund	<u>898</u>	<u>349</u>
	<u>\$ 5,855</u>	<u>\$ 7,295</u>

The following net assets were released from restriction during the years ended December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Building acquisition fund	\$ 17,000	\$ 20,845
College campus programs	-	732
Legal offense fund	<u>-</u>	<u>7,261</u>
	<u>\$ 17,000</u>	<u>\$ 28,838</u>

**LIBERTARIAN NATIONAL COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Note I – Intentions-to-Give**

The Committee receives commitment cards from members who many times provide their credit card information for future contribution purposes. The members are generally making recurring contributions to the Committee and do not commit to a specific number of payments or period of time for which the Committee may charge the recurring gifts. The members may also decline the charges or request that the Committee cease making charges against their credit card at any time and complete at their discretion. The Committee treats these recurring contributions as intentions-to-give or conditional promises to give and as such, revenue is not recognized until the contribution is both determinable and measurable, which generally occurs when the credit card is processed and receipt received by the Committee. During the years ended December 31, 2016 and 2015, the Committee recognized approximately \$350,900 and \$323,500, respectively, from recurring contributions from members.

**Note J – Retirement Plan**

The Committee maintains a 401(k) defined contribution retirement plan that covers employees who meet certain minimum age and length of service requirements. As a qualified retirement plan, employees may contribute a portion of their salaries on a tax-deferred basis up to statutory limits. The Committee has elected to make matching contributions to the plan based upon 50% of employee contributions up to 6% of the participant's qualified salary. The Committee incurred matching contributions and plan administrative expenses totaling approximately \$9,500 and \$9,900, respectively, during the years ended December 31, 2016 and 2015.

**Note K – Commitments & Contingencies**

Litigation and Disputes: The Committee is currently involved in several lawsuits stemming primarily from state ballot access and presidential candidacy issues. These suits involve various legal actions, claims and disputes with affiliates that arise from the normal course of business and that, in the opinion of management, will not have significant impact upon the Committee.

Membership Commitment: The Committee provides nominal or token promotional items to contributors and members, such as a periodic newsletter designed to keep members informed of current developments, encourage participation in the political processes, and to promote the interests of the Committee and its candidates. Although there is no contractual or legal requirement for the Committee to provide such services, as a part of its purpose and out of courtesy to its contributors, the Committee is committed to providing timely information and promotional items to its members. The Committee recognizes expenses on these programs and items as incurred and, as such, no liability is accrued for any implied member commitment.

# LIBERTARIAN NATIONAL COMMITTEE, INC.

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

### Note K – Commitments & Contingencies – Continued

Federal Regulation: The Committee is subject to federal and state election laws and oversight by the Federal Election Commission (FEC). The Committee is subject to the Federal Election Campaign Act of 1971, the Bipartisan Campaign Reform Act of 2002 (BCRA), and various FEC and IRS regulations. As such, the Committee is required to file monthly and annual reports with the FEC regarding contributions and expenditures of its funds. Additionally, the Committee is precluded from receiving contributions from corporations, labor unions, and certain other third parties, and contributions received from individuals are limited to annual amounts as determined by the FEC, which was \$33,400 for each of the years ended December 31, 2016 and 2015. Furthermore, the Committee's books and records are subject to examination by regulatory bodies and such examinations can result in fines, penalties, or sanctions. Although the results of such examinations have not had a material impact upon the Committee to date, no assurance can be given regarding the uncertainty of any future compliance examinations.

Employment Contracts: In June 2016, the Committee entered into an employment agreement with its Executive Director. The term of the contract is for a two and half year period ending December 2018. The employment contract provides for a base monthly salary, benefits, and performance incentives based upon financial and other performance indicators. The employment agreement allows either party to terminate the agreement with a one month written notice without any liquidating damages. In May 2015, the Committee entered into an employment agreement with its former Executive Director to assume the role of Political Director. The term of the contract is for two years ending June 2017. The employment contract provides for a base monthly salary, benefits, and performance incentives based upon financial and other performance indicators. The employment agreement allows for one month severance in addition to the monthly salary required for the notice period unless the Committee terminates the agreement for cause by three-fourths vote of the board of directors, in which case no notice of termination or severance is required.

Hotel Contracts: The Committee has hotel contracts for future conventions and meetings. These contracts contain cancellation clauses that require the Committee to pay certain liquidating damages in the event of cancellation. The amount of damages varies depending upon the date of cancellation, numbers of rooms reserved, percentage of rooms resold by the hotel, etc. Also, in the event of cancellation, the Committee risks forfeiture of any deposits made with these hotels.

### Note L – Income Taxes

The Committee is recognized as a tax-exempt political organization under Section 527 of the Internal Revenue Code (IRC). Under IRC Section 527, the Committee's exempt functions include all activities that relate to and support the process of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to a public office.



**LIBERTARIAN NATIONAL COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Note L – Income Taxes – Continued**

Certain activities unrelated to the exempt purpose, such as net investment income, are subject to taxation as non-exempt income. During the years ended December 31, 2016 and 2015, the Committee did not incur any significant income tax expense on its net investment income, which was under the specific deduction amount of \$100 available on Form 1120-POL.

Although the Committee has not received any notice of intent to examine its tax returns, the Committee's tax returns remain subject to examination by tax authorities pursuant to various statutes of limitations. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Committee and to recognize a tax liability (or asset) if the Committee has taken uncertain tax positions that would more likely than not be sustained upon examination. Management is unaware of any significant uncertain tax positions arising during the years ended December 31, 2016 and 2015 that are more likely than not to be sustained should the Committee's tax returns be subject to examination. Accordingly, the Committee did not incur or accrue any penalties or interest associated with uncertain tax positions during the years ended December 31, 2016 and 2015.

**Note M – Subsequent Events Evaluation**

Management has evaluated subsequent events for the period January 1, 2017 through August 9, 2017, the date on which these financial statements were available to be issued and during this period, there were no subsequent events that required recognition or disclosure in the accompanying financial statements.

***DRAFT***

**LIBERTARIAN NATIONAL COMMITTEE, INC.  
(THE LIBERTARIAN PARTY)**

**BOARD DISCLOSURE LETTER**

**DECEMBER 31, 2016**

# *Frye & Company, CPAs*

*Advisors—Accountants—Auditors*

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9161 Liberia Avenue, Suite 304  
Manassas, Virginia 20110

www.fryeandco.com

Office: 703-257-0660  
Fax: 703-257-0661

August 9, 2017

To the Board of Directors  
Libertarian National Committee, Inc.  
Alexandria, Virginia

**DRAFT**

We have audited the financial statements of the Libertarian National Committee, Inc. (The Libertarian Party) (referred to as “the Committee”) as of and for the year ended December 31, 2016 and have issued our report thereon also dated August 9, 2017. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

## **Significant Audit Findings**

### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Committee are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2016. We also noted no transactions entered into by the Committee during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Committee’s financial statements were as follows:



### ***Qualitative Aspects of Accounting Practices – Continued***

Management's estimates used in the determination of the functional allocation of expenses, factors employed in the determination of the capital lease liabilities, and estimated useful lives of property and equipment. We evaluated the key factors and assumptions used by management in the development of the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were as follows:

The disclosures of the significant aspects of accounting for bequests and debt obligations (mortgage payable and capital lease liabilities).

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We provided a detailed schedule of the proposed audit adjustments and additionally, the following material misstatements detected as a result of audit procedures were corrected by management:

- an adjustment to record constructive receipt of contributions	\$ 1,303.45
- an adjustment to adjust the current portion of bequest receivable	\$ -0-
- an adjustment to reconcile and adjust prepaid expenses and expenses	\$ 1,263.36
- an adjustment to accrue professional fees and service provided	\$ (4,666.67)
- an adjustment to correct accrued payroll and related payroll taxes	\$ (809.38)
- an adjustment to accrued performance bonus awarded during year	\$ (3,229.50)
- an adjustment to correct accounting for capital lease liabilities	\$ 6,401.11
- an adjustment to record in-kind donations of books by director	\$ -0-

The cumulative effect of the proposed audit adjustments was to increase net assets and change in net assets by approximately \$300. No other significant uncorrected misstatements were noted during the audit.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter also dated August 9, 2017.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Committee's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Committee's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### ***Independent and Non-Audit Services Provided***

In accordance with our professional standards, all members of our firm were independent with respect to the Committee during the fiscal year and subsequently. Although originally anticipated, our firm did not prepare the corporate tax returns (IRS Form 1120-POL) as the client's staff had already prepared and filed the filing. All of the time and expenses incurred by us were in connection with the annual audit as set for our audit engagement letter.

\*\*\*\*\*

To the Board of Directors

August 9, 2017

Page 4

This information is intended solely for the use of the Committee's board of directors and management team and is not intended to be and should not be used by anyone other than these specified parties. We appreciate the cooperation and courtesies extended to us by the Committee, especially by Mr. Robert Kraus, and we look forward to serving the Committee in the future. Should you need additional clarification on these or any other matters please feel free to contact us at your convenience.

Very truly,

 **DRAFT**, CPAs

*Frye & Company, CPAs*



**2016 DRAFT END OF YEAR**

**POST AUDIT DRAFT FINANCIAL REPORTS**

Page 2 - Statement of Operations Budget vs. Actual

Page 3 - P&L Detail (w-Functional Allocation of Expenses) by Month

Page 6 - Balance Sheet Curr v. Prior Month Comparison

Page 8 - Cash Flow Report

## Statement of Operations - Jan-Dec 2016

### Budget vs. Actual

	Total Jan - Dec 16	* Annual Budget 2016	2016 Budget Remaining
<b>Support and Revenue</b>			
20-Membership Dues	807,450	415,000	(392,450)
21-Donations	678,904	318,800	(360,104)
22-Recurring Gifts	350,931	329,300	(21,631)
23-Board/ED Solicitation Major Gifts	0	60,000	60,000
24-Convention Revenue	291,294	240,000	(51,294)
25-Project Program Revenue	16,210	10,000	(6,210)
26-Brand Dev / Political Materials Rev	316,269	316,269	0
27-Ballot Access & Related Donations	149,819	213,700	63,881
28-Membership Communication	15,186	4,800	(10,386)
29-Other Revenue	216	0	(216)
<b>Total Support and Revenue</b>	<b>2,626,278</b>	<b>1,907,869</b>	<b>(718,409)</b>
<b>Cost of Support and Revenue</b>			
32-Fundraising Costs	200,978	201,364	386
33-Membership Fundraising Costs	130,127	127,200	(2,927)
35-Convention	218,607	200,000	(18,607)
36-Ballot Access Fundraising Exp	5,830	16,800	10,970
37-Building Fundraising Exp	1,175	0	(1,175)
<b>Total Cost of Support and Revenue</b>	<b>556,716</b>	<b>545,364</b>	<b>(11,352)</b>
<b>Net Support Available for Programs</b>	<b>2,069,562</b>	<b>1,362,505</b>	<b>(707,057)</b>
<b>Program Expense</b>			
40-Administrative Costs	354,121	310,050	(44,071)
45-Compensation	493,070	448,800	(44,270)
50-Affiliate Support	45,026	55,000	9,974
55-Brand Dev / Political Materials	368,331	366,269	(2,062)
58-Campus Outreach	0	1,000	1,000
60-Candidate, Campaign & Initiatives	36,948	49,000	12,052
70-Ballot Access VR & Related Exp	393,092	390,000	(3,092)
75-Litigation	11,508	20,000	8,492
80-Media	5,367	10,000	4,633
85-Member Communication	81,340	62,500	(18,840)
88-Outreach	6,169	5,200	(969)
90-Project Program Other	0	0	0
<b>Total Program Expense</b>	<b>1,794,973</b>	<b>1,717,819</b>	<b>(77,154)</b>
<b>Total Net Operating Surplus (or Deficit)</b>	<b>274,589</b>	<b>(355,314)</b>	<b>(629,903)</b>
<b>Unrestricted Net Operating Surplus</b>	<b>266,702</b>	<b>(19,814)</b>	



# Profit & Loss Account Detail

January through December 2016

	Jan - Dec 16
<b>Revenue</b>	
<b>4000 - General Fundraising</b>	
<b>4010 - Direct Mail Fundraising</b>	
4010-10 - DM - House Fundraising General	347,689.74
4010-11 - DM - House Fundraising Renewal	2,660.00
4010-12 - DM - House Fundraising NewDonor	875.00
4010-20 - DM - Donor Renewal	177,469.63
4010-30 - DM - New Donor Prospecting	31,528.85
<b>Total 4010 - Direct Mail Fundraising</b>	<b>560,223.22</b>
<b>4030 - Online Contributions - Web</b>	
4030-10 - Online Cont - General	222,242.71
4030-20 - Online Cont - Donor Renewal	201,871.28
4030-30 - Online Cont - New Donor Prosp	372,779.41
<b>Total 4030 - Online Contributions - Web</b>	<b>796,893.40</b>
<b>4040 - Tele Fundraising - Phone Bank</b>	
4040-10 - Tele Fund - General	831.00
4040-20 - Tele Fund - Donor Renewal	19,716.13
4040-30 - Tele Fund - New Donor Prosp	550.00
<b>Total 4040 - Tele Fundraising - Phone Bank</b>	<b>21,097.13</b>
4080 - Recurring Contrib - Pledge	350,930.88
4085 - Bequests	2,129.39
4090 - Ballot Access / Voter Reg	149,818.91
<b>Total 4000 - General Fundraising</b>	<b>1,881,092.93</b>
<b>4100 - Project Revenue</b>	
4108 - Building Fund	15,010.00
4111 - Legal Offense Fund	550.00
<b>Total 4100 - Project Revenue</b>	<b>15,560.00</b>
<b>4200 - Events and Conventions</b>	
4200-10 - Convention Revenue	291,294.00
4200-15 - Convention Banq Fundraising	105,961.00
4200-20 - Other Events	1,435.00
<b>Total 4200 - Events and Conventions</b>	<b>398,690.00</b>
<b>4300 - Program Revenue</b>	
4340 - LP News	15,185.67
4360 - Campaign Support & Initiatives	
4360-40 - Campaign/Candidate Suprt/Traing	650.00
<b>Total 4360 - Campaign Support &amp; Initiatives</b>	<b>650.00</b>
4375 - Brand / Political Materials	316,268.87
<b>Total 4300 - Program Revenue</b>	<b>332,104.54</b>
4600 - Refunds of Contributions	(1,385.00)
<b>4700 - Other Receipts</b>	
4710 - Interest & Dividends	215.56
<b>Total 4700 - Other Receipts</b>	<b>215.56</b>
<b>Total Revenue</b>	<b>2,626,278.03</b>
<b>Gross Proceeds</b>	<b>2,626,278.03</b>

Expense	Jan - Dec 16
<b>7000 · General Fundraising Expense</b>	
<b>7010 · Direct Mail Fundraising Exp</b>	
7010-10 · DM -House General Expense	104,865.49
7010-20 · DM -Donor Renewal Expense	49,144.17
7010-30 · DM -New Donor Prospecting Exp	57,266.01
<b>Total 7010 · Direct Mail Fundraising Exp</b>	<b>211,275.67</b>
<b>7030 · Online Contributions Exp - Web</b>	
7030-30 · Online Cont Exp - New Donor	11,271.56
<b>Total 7030 · Online Contributions Exp -Web</b>	<b>11,271.56</b>
<b>7040 · Tele Fundraising Expense</b>	
7040-20 · Tele Fund Exp - Donor Renewal	12,445.04
<b>Total 7040 · Tele Fundraising Expense</b>	<b>12,445.04</b>
7080 · Recurring Contrib - Pledge	23,789.25
7085 · Building Fund Fundraising Exp	1,175.00
7090 · Ballot Access Fundraising Exp	5,829.96
7095 · Credit Card Prc Fees	71,045.28
<b>Total 7000 · General Fundraising Expense</b>	<b>336,831.76</b>
<b>7200 · Events and Conventions Exp</b>	
7200-10 · Convention Expenses - General	85,036.46
7200-20 · Convention Expense - Travel/F&B	133,570.30
7200-30 · Other Events	1,277.60
<b>Total 7200 · Events and Conventions Exp</b>	<b>219,884.36</b>
<b>7300 · Program-Related Expenses</b>	
<b>7310 · Affiliate Support</b>	
7310-10 · Affiliate Development & Support	45,026.09
<b>Total 7310 · Affiliate Support</b>	<b>45,026.09</b>
<b>7320 · Outreach - PR &amp; Marketing</b>	
7320-10 · Outreach PR & Marketing General	6,169.11
<b>Total 7320 · Outreach - PR &amp; Marketing</b>	<b>6,169.11</b>
<b>7330 · Media Relations</b>	
7330-10 · Media Relations General	5,367.42
<b>Total 7330 · Media Relations</b>	<b>5,367.42</b>
<b>7340 · Membership Communications</b>	
7340-10 · LP News	81,339.90
<b>Total 7340 · Membership Communications</b>	<b>81,339.90</b>
<b>7360 · Campaign Support &amp; Initiatives</b>	
7360-10 · GOTV	2,362.48
7360-40 · Campaign/Candidate Suprt/Traing	34,585.69
<b>Total 7360 · Campaign Support &amp; Initiatives</b>	<b>36,948.17</b>
<b>7375 · Brand Development</b>	
7375-10 · Brand / Political Materials	368,330.95
<b>Total 7375 · Brand Development</b>	<b>368,330.95</b>
<b>7380 · Ballot Access - Other Related</b>	
7380-10 · Ballot Access Petitioning Exp.	370,655.37
7380-20 · Ballot Access TravelOther Exp	21,436.32
7380-30 · Ballot Access Legal	6,400.00
7380-50 · Voter Registration & Related	1,000.00
<b>Total 7380 · Ballot Access - Other Related</b>	<b>399,491.69</b>
<b>Total 7300 · Program-Related Expenses</b>	<b>942,673.33</b>

<b>8000 · Salary &amp; Related Expense</b>	<b>Jan - Dec 16</b>
8005 · Salary Bonus Sick & Vac (Admn)	307,076.26
8010 · Hourly Wages (Admin Portion)	39,302.65
8015 · Contract & Paid Internships	78,332.43
8020 · Employer Cont to P/R Tax	25,865.03
8030 · Employer Cont to 401K & Adm	9,459.76
8040 · Fed & State Unemployment	554.87
8060 · Health Insurance	29,322.30
8065 · Workers Comp Insurance	895.71
8070 · Other Bens, Gdwill & Training	109.60
8080 · Payroll Service Fees	2,151.50
<b>Total 8000 · Salary &amp; Related Expense</b>	<b>493,070.11</b>
<b>8100 · Admin &amp; Overhead Expense</b>	
8110 · Ofc Supplies & Non Cap Equipt	13,734.77
8120 · Telephone & Data Services	15,498.92
8125 · Equipment Leases & Maint.	2,652.51
8130 · Postage & Shipping	14,090.59
8140 · Travel, Meeting, & Meals Exp	24,454.87
8160 · Insurance - D/O Cyber - Other	6,811.46
<b>8170 · Occupancy Expenses</b>	
8170-10 · Mortgage Interest Expense	22,010.07
8170-20 · Utilities Expense	4,118.71
8170-30 · Property Taxes, Fees & Permits	8,937.58
8170-40 · Maintenance, Cleaning & Repairs	9,855.02
8170-50 · Property / GL Insurance	2,063.06
8170-60 · Assc Fees, Rent & Storage	6,528.53
<b>Total 8170 · Occupancy Expenses</b>	<b>53,512.97</b>
8180 · Printing & Copying	8,832.01
8190 · Software, Hardware & Other IT	100,259.09
8195 · Other Expenses & Bank Fees	9,021.62
<b>Total 8100 · Admin &amp; Overhead Expense</b>	<b>248,868.81</b>
<b>8200 · Professional Services</b>	
<b>8210 · Legal</b>	
8210-10 · Legal - General	46,087.00
8210-20 · Legal - Proactive	5,108.14
<b>Total 8210 · Legal</b>	<b>51,195.14</b>
8220 · Accounting	16,500.00
8230 · FEC Filing & Consulting	18,000.00
<b>Total 8200 · Professional Services</b>	<b>85,695.14</b>
<b>8300 · Depreciation Expense</b>	<b>24,665.32</b>
<b>Total Expense</b>	<b>2,351,688.83</b>
<b>Net Revenue</b>	<b>274,589.20</b>

## Balance Sheet as of December 31st, 2016

	Dec 31, 16
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
<b>11 - Cash</b>	
111 U - PNC Check Acct 1 (Unrestricted)	213,262.15
112 U - BBT Check Acct 1 (Unrestricted)	19,430.33
113 R - PNC Check Acct 2 (Restricted)	3,453.96
114 R - BBT Chck Acct 2 (Restricted BF)	2,401.48
<b>Total 11 - Cash</b>	<u>238,547.92</u>
<b>Total Checking/Savings</b>	238,547.92
<b>Other Current Assets</b>	
<b>13 - Other Current Collectables</b>	
130 - Bequests Expected - Current	<u>33,900.00</u>
<b>Total 13 - Other Current Collectables</b>	33,900.00
1499 - Undeposited Funds	1,303.45
<b>16 - Prepaid Expenses</b>	
<b>161 - Bulk Mail Account</b>	
161-10 - Prepaid Bulk Mail VA	921.87
161-20 - Prepaid Bulk Mail DC	<u>505.56</u>
<b>Total 161 - Bulk Mail Account</b>	1,427.43
165 - Prepaid Licenses	12,186.10
166 - Prepaid Insurance	7,037.93
167 - Prepaid Convention	
167-20 - Prepaid Convention Travel/Other	<u>1,500.00</u>
<b>Total 167 - Prepaid Convention</b>	1,500.00
168 - Prepaid Rent	587.96
169 - Other Prepaid Expense	<u>5,159.16</u>
<b>Total 16 - Prepaid Expenses</b>	<u>27,898.58</u>
<b>Total Other Current Assets</b>	<u>63,102.03</u>
<b>Total Current Assets</b>	301,649.95
<b>Fixed Assets</b>	
<b>17 - Fixed Assets</b>	
172 - Furniture & Fixtures	25,878.73
173 - Office Equipment	4,365.98
174 - Computer Hardware	22,801.27
175 - Computer Software	84,645.15
176 - Capital Lease Assets	32,961.61
177 - Office Building	
177-10 - Physical Structure	477,119.00
177-20 - Land	<u>347,881.00</u>
<b>Total 177 - Office Building</b>	825,000.00
178 - Ofc Imprmnt Acq & Capt Expense	51,451.11
179 - Accumulated Depreciation	<u>(184,840.07)</u>
<b>Total 17 - Fixed Assets</b>	<u>862,263.78</u>
<b>Total Fixed Assets</b>	862,263.78
<b>Other Assets</b>	
<b>18 - Non Current Collectables</b>	
180 - Bequests Expected - Non Current	<u>132,922.96</u>
<b>Total 18 - Non Current Collectables</b>	<u>132,922.96</u>
<b>Total Other Assets</b>	<u>132,922.96</u>
<b>TOTAL ASSETS</b>	<u><b>1,296,836.69</b></u>

LIABILITIES & EQUITY	Dec 31, 16
Liabilities	
Current Liabilities	
Credit Cards	
22 · Credit Cards	
2224 · PNC Visa Card	0.00
2225 · BB&T Visa	0.00
Total 22 · Credit Cards	0.00
Total Credit Cards	0.00
Other Current Liabilities	
24 · Accrued Expenses	
241 · Accrued Payroll	11,454.81
242 · Accrued Vacation	33,802.00
244 · Other Accrued Expenses	24,160.75
245 · Accrued Real Estate Tax	0.00
Total 24 · Accrued Expenses	69,417.56
Total Other Current Liabilities	69,417.56
Total Current Liabilities	69,417.56
Long Term Liabilities	
28 · Long Term Liabilities	
281 · Capital Lease - Postage Machine	2,664.93
282 · Capital Lease - Copier	14,692.31
Total 28 · Long Term Liabilities	17,357.24
29 · Loans & Mortgages (Principal)	327,162.71
Total Long Term Liabilities	344,519.95
Total Liabilities	413,937.51
Equity	
31 · General Operating	602,454.54
32 · Temp. Restricted Balances	
3204 · Fund - Campus	2,555.41
3210 · Fund - Building	2,401.48
3211 · Fund - Radio Ad Project	348.55
3213 · Fund - Legal Offense Fund	550.00
Total 32 · Temp. Restricted Balances	5,855.44
Net Revenue	274,589.20
Total Equity	882,899.18
TOTAL LIABILITIES & EQUITY	1,296,836.69

# Statement of Cash Flows

## January through December 2016

	<u>Jan - Dec 16</u>
<b>OPERATING ACTIVITIES</b>	
Net Revenue	274,589.20
Adjustments to reconcile Net Income	
to net cash provided by operations:	
130 · Bequests Expected - Current	(500.00)
161-10 · Prepaid Bulk Mail VA	151.41
161-20 · Prepaid Bulk Mail DC	59.51
165 · Prepaid Licenses	(101.99)
166 · Prepaid Insurance	(451.60)
167-10 · Prepaid Convention General Exp	340.50
167-20 · Prepaid Convention Travel/Other	(1,500.00)
168 · Prepaid Rent	(587.96)
169 · Other Prepaid Expense	(3,989.06)
241 · Accrued Payroll	5,462.33
242 · Accrued Vacation	9,174.00
244 · Other Accrued Expenses	20,548.05
252 · 401(k) Liability	(886.16)
272 · Deferred Convention Revenue	(44,821.00)
275 · Other Deferred Revenue	(100.00)
Net cash provided by Operating Activities	<u>257,387.23</u>
<b>INVESTING ACTIVITIES</b>	
173 · Office Equipment	(1,205.99)
178 · Ofc Imprmnt Acq & Capt Expense	(6,754.00)
179 · Accumulated Depreciation	24,665.32
180 · Bequests Expected - Non Current	35,569.12
Net cash provided by Investing Activities	<u>52,274.45</u>
<b>FINANCING ACTIVITIES</b>	
281 · Capital Lease - Postage Machine	(814.73)
282 · Capital Lease - Copier	(5,586.38)
29 · Loans & Mortgages (Principal)	(134,792.45)
31 · General Operating	1,440.00
3210 · Fund - Building	(1,990.00)
3213 · Fund - Legal Offense Fund	550.00
Net cash provided by Financing Activities	<u>(141,193.56)</u>
Net cash increase for period	168,468.12
Cash at beginning of period	71,383.25
Cash at end of period	<u>239,851.37</u>

# **EMPLOYMENT POLICY AND COMPENSATION COMMITTEE REPORT**

Submitted to: Libertarian National Committee, Aug. 14, 2017

Submitted by: James W. Lark, III  
Region 5 Representative, Libertarian National Committee  
Chair, Employment Policy and Compensation Committee

The members of the Employment Policy and Compensation Committee (EPCC) are Brett Bittner, Joshua Katz, and Jim Lark. They were elected during the LNC meeting on May 30, 2016.

- 1)** At this time the EPCC has prepared a draft revision of the Employee Manual. We have sent it to Oliver Hall (LNC special counsel) for his review. We await his comments and suggestions.
- 2)** During the previous LNC meeting, a motion was passed directing Mr. Sarwark to direct Mr. Hall to review the draft document retention and whistle blower policies. Mr. Hall has been provided with the draft policies. We await his comments and suggestions.
- 3)** In the previous EPCC report we noted that the LNC's FEC Policies and Procedures Manual had not been updated since 2006. We are pleased to report that LNC treasurer Tim Hagan prepared a revision of the manual.



IT Committee report to the Libertarian National Committee

Submitted August 17, 2017 by Sean O'Toole

The IT Committee continues to meet by telephone every two weeks in order to review and discuss our ongoing initiatives on which I will elaborate here.

### **Email Server**

Since our April meeting, the email server has gone live. States that have been configured are Kentucky, Ohio, Tennessee, New York, and Wyoming. Initially, we found our IP addresses were showing up on various blacklists. We believe that all blacklist issues have been resolved.

Ken Moellman has been the lead developer on this project and is currently configuring our list management software (GNU Mailman) and once this hurdle is complete, we are prepared to move lp.org email to the server. This will allow us to terminate our Softlayer server (\$514/month). The new server, hosted by johncompanies.com, costs \$418/month for an annual savings of \$1,152.

As part of the move to the new server, we have terminated the server at rackspace.com and have a physical backup stored at LPHQ. Annual saving will be \$8,544.

With the cutover to the new server, we recommend that we switch from using forwarders to using email boxes. The Internet is moving away from the use of forwarders in an effort to fight spam. Email boxes ensure that the data is housed with the LP and that email is delivered.

We should also examine an Acceptable Use policy for email ([LP.org](http://LP.org) and other hosted email). Using LP-branded email for "inappropriate" things can harm the image of the party and/or create legal liability for the party.

Any state interested in switching over to our service should contact Andy Burns to begin the process.



## **Candidate Database**

It has long been a goal of LNC staff and those involved in our web presence to have a page on lp.org where voters can easily find LP candidates in local and state-wide races particular to them. Andy Burns has investigated various Wordpress plugins and found nothing that suited our needs. As a long-term solution to this issue, the IT Committee has written a specification for a Ruby on Rails application that satisfies our needs.

The core of the application is an administrative layer that can accommodate multiple administrative users at the national level as well at the state level. Administrative users will have the ability to upload and update candidate data for their particular state (or any state for national administrators).

The application will accommodate voters throughout the U.S. by offering the following features in its initial version:

- Landing page available at lp.org
- Support for local lookup by address with zip code
- Lookup returns candidates at local, state and federal levels

Later enhancements will include the ability to insert landing pages in our affiliates' websites that will be geographically relevant to the affiliate.

This project has been started with the majority of work done by Committee members John Athayde, Steven Haddox. Committee member J.D. Drake, a database consultant, has played a strong role in database design.

This will be an open source project and we are actively seeking other Libertarians to step in, take on an issue and submit a pull request. The repository can be accessed at [https://gitlab.com/libertarians/oss/candidate\\_db/](https://gitlab.com/libertarians/oss/candidate_db/)

## **Voter Database**

Our voter database initiative has been put on hold in favor of the Candidate Database as we see greater need for the latter at this time. Once completed, we will turn our attention back to the design and building of a voter database.

## **Multi-state CRM**

Andy Burns has been putting quite a bit of work into designing the specification for a contact resource management system for our affiliates. Andy's work has led him to believe that (open source) civiCRM is a viable solution to our affiliates' needs.

A handful of states have had experience with the application with varying results. civiCRM is a powerful application but can be difficult to set up and maintain. For this reason, Andy has solicited proposals from consultants well-versed in civiCRM to host and maintain an instance of the software that would be provisioned to accommodate any and all of our affiliates.



# T LIBERTARIAN

PARTY HISTORICAL PRESERVATION COMMITTEE

## *Report*

### *Libertarian National Committee August 19-20, 2017*

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#### Committee Members

Caryn Ann Harlos (Chair)

Dr. Joe Buchman

Joe Dehn

Ed Fochler

James Gholson

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# Committee Overview

The purpose of the Libertarian Party Historical Preservation Committee (hereinafter "Committee" or "LPHPC") as per the LNC-creation mandate is to oversee the preservation and publication of Libertarian Party historical documents and to manage the LPedia site. The Committee was created on January 23, 2017 and the members appointed on February 20, 2017.

The scope of this work will last well into several years and LPedia will need to be maintained for the time of its existence. It is the hope of the Committee members that the LNC would establish a permanent Historical Preservation Committee to complete and maintain this work.

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## Meetings and Communications

The Committee is committed to transparency and conducts open meetings every two weeks (or as close as practicable) via Go To Meeting. Committee discussion is also conducted via email with a read-only subscription option available to all Party members by sending a message to [lphpc-request@lists.dehnbases.net](mailto:lphpc-request@lists.dehnbases.net) with "subscribe" in the subject line. Regular news updates are also sent to potential volunteers and history enthusiasts. The minutes and other records from its proceedings are preserved on LPedia: [http://lpedia.org/Historical\\_Preservation\\_Committee](http://lpedia.org/Historical_Preservation_Committee)

Meetings conducted since the last report:

April 19, 2017  
May 10, 2017  
May 24, 2017  
June 7, 2017  
June 21, 2017  
June 25, 2017  
July 12, 2017  
July 26, 2017  
August 16, 2017 (scheduled)

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## Motions Considered

*Move that the LPHPC authorize up to \$3,200 plus shipping for scanning the LP News at 300dpi.*  
Passed with no objections.

(Modifying prior motion, moved by James Gholston and seconded by Joe Dehn) *Move that the LPHPC authorize up to \$3,500 in scanning the LP News archive plus shipping and hard drive.*  
Passed with no objections.

*Move that Caryn Ann Harlos be authorized to purchase up to ten cases of bankers boxes from Amazon for up to \$350.00.*  
Passed with no objections.

# *Status of Document Preservation*

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## **Storage Unit**

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The Committee Chair and a volunteer (Sarah Ellsworth) have committed nearly every Saturday to sorting and organizing the records in the storage unit. This has been a monumental task. Some records were very neatly organized and others were basically thrown into the boxes as the equivalent of "junk drawers." Also due to age, some labels, rubber bands, and other materials had crumbled which are need to be re-done. The sorting process comprises making an initial pass through all the documents and sorting into broad accessible categories such as "LNC Minutes," "Conventions," "Training Guides," and the like. After this first phase is done (anticipated in about one month), the broad categories will be broken down and organized. The documents are being placed into fresh bankers' boxes or file cabinets which were donated to the Committee to supplement the several which were part of the original shipment.

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## **Digitization**

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The Committee is prioritizing items for digitization by focusing first on items of most general Party membership interest which have been determined to comprise newsletters such as Liberty Pledge and LP News. All of the Liberty Pledges<sup>1</sup> have been scanned in high-resolution tiff files and posted on LPedia ([http://lpedia.org/Liberty\\_Pledge](http://lpedia.org/Liberty_Pledge)). Additionally, all of the LP News have been organized, inventoried, and labeled and are presently being digitized.<sup>2</sup> Richard Winger kindly provided his notes on LP elections from the beginning of the Party which have been scanned and posted ([http://lpedia.org/Richard\\_Winger\\_Vote\\_Total\\_Archive](http://lpedia.org/Richard_Winger_Vote_Total_Archive)).

The next digitization priority to be sent for outside handling will be other newsletters and other items that are not feasible to scan with volunteers (over-sized newsprint, single copies that cannot be disassembled, or other special handling). Standard-sized documents are being farmed out to volunteers, a project that will accelerate when the initial sorting is completed. This is a project with many moving parts. A full box of Press Releases has been completed ([http://lpedia.org/National\\_Press\\_Releases](http://lpedia.org/National_Press_Releases)).

### **DETAILS OF LP NEWS DIGITIZATION**

Multiple vendors were sought to solicit bids and some sample scans were obtained with unsatisfactory results. A suitable vendor in Texas was located with a competitive price and quality, but in the interim a cultural preservation consortium (Lyrasis) was located offering more specific archiving services.<sup>3</sup> Lyrasis is a membership organization but upon hearing of our project, they agreed to do one project for us (with preferred rates) without membership, and we could consider whether the savings and quality, and our budget, warranted and allowed for a paid membership. This project is about 45 days out from anticipated completion at which point all of the LP News will be put onto LPedia. Some of the older issues are already uploaded ([http://lpedia.org/LP\\_News](http://lpedia.org/LP_News)).

### **REQUEST FOR AUTHORITY**

Lyrasis has asked for permission to put down the Libertarian Party as one as one of its participants in the digital collaborative. The Lyrasis site and project can be viewed at [lyrasis.org](http://lyrasis.org).

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<sup>1</sup> All that were in our initial possession. That project resulted in a list of missing issues some of which have been collected and need to be scanned.

<sup>2</sup> Similar circumstances exist as with Liberty Pledge.

<sup>3</sup> The Lyrasis vendor offered more formats (PDF, JPEG 2000, and TIFF) and at a higher resolution (400 DPI) as well as special handling to prevent bleed through. OCR was included in the services.

*Move that the LNC grant permission to Lyrisis to list the Libertarian Party as a participant in its digital preservation collaborative.*

### AUDIO/VIDEO/ELECTRONIC DATA MATERIALS

There are voluminous audio/video/electronic data materials on multiple formats spanning the gamut of technology from 1970s forward including: 2 inch quadraplex broadcast reels, audio cassettes, audio reels, Betacam tapes, VHS tapes, U-matic cartridges, 5 ¼ inch discs, 3 ½ inch discs, and ZIP drive disks. A great deal of this can be digitized/converted by volunteers and arrangements are being made for the audio cassettes, Betacam tapes, audio reels, and 3 ½ inch discs. Quotes and potentials for preservation of the 1970s broadcast reels are being explored. It is hoped that if any can be successfully retrieved that this provide a possibility for a short clip of interest at the 2018 National Convention.

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## Acquisitions

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As word of this project spreads, opportunities have arisen to supplement the institutional memory and acquire important early documents.

### DAVID NOLAN ARCHIVE

David Nolan's widow agreed to deliver his archives to Committee member Dr. Buchman, and this took place last month. The pertinent records will be kept with the Party archives, and the Committee will attempt to find a University archive for the items that are orthogonal. Dr. Buchman will be personally scanning these items and providing a copy of the archive to Elizabeth Nolan.

### ORIGINAL DRAFT OF STATEMENT OF PRINCIPLES WITH HOSPERS' NOTES

An extraordinary convergence took place in a random EBay check for historical items and to gauge potential market value of any extra items in the Party's possession. At that time Committee Chair Harlos noted that the original copy of the "Preamble" (later re-named the Statement of Principles) with notes of John Hospers (and a coffee stain) was for sale. The document was unquestionably genuine as the Committee had an old poor-quality scan of this item in order to compare the handwritten notes. A Party member, Lellius Rose, purchased this item and wishes to donate it to the Party for display at Headquarters. It will require archival preservation and framing. A high-resolution scan has been taken for LPedia. In an effort to document the travels of this document, inquiry was made with the seller of how it came into her possession, and this is the response received:

*"I'm more than happy to tell you about it. My mom, Shirley Gottlieb, ran the libertarian party office out of her home in the 1970's. My mom and dad had many meetings at their home and came to personally know Dr. John Hospers. I remember being in high school and coming home to a house full of people in the living room. My mom recruited me to go to downtown Los Angeles to help count votes when the party was trying to obtain ballot status. I didn't know that my parents even had it. I've been going thru the house after my dad's passing in March, (I lost my mom in 2005), and came across a picture frame containing a black and white photocopy of Ayn Rand. It seemed odd to me because it wasn't even a photo. More like a photocopy and I couldn't understand why they would have framed it. When I took it apart I found the document you now have!!"*

# *Status of LPedia*

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## Background

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LPedia is a collaborative history wiki of the Libertarian Party started in February 2005 by Shane Cory as a replacement for the older archive.lp.org. The site had gotten into maintenance trouble in June 2013 when new account creation was disabled and had fallen into technical disrepair as the MediaWiki engine went through version upgrades which were not installed on LPedia primarily due to the fact that there simply was not enough staff time to keep the site updated and the account creation was leading to potential security risks as it was installed on the same server as the main LP.org website. For those same reasons volunteers were not given access to update. During the IT infrastructure cleanup, LPedia was moved to a fully hosted wiki-farm host; however, the database was bloated with over 20 gigabytes of spam and required serious cleaning in addition to the desperately needed updates to the Wikimedia software. Volunteer Bonnie Scott (Vermont) spent dozens of hours over the course of over a month doing this cleanup work which was successfully transferred to the new host. LPedia was re-opened for general account creation and restoration to its purpose as a crowd-sourced collaborative effort on March 31, 2017. A good response of new users and returning former users has resulted with article creation and editing proceeding which is a satisfactory results of several months of hard work.

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## Completed and Ongoing Projects

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In order to keep LPedia functional and useful (as well as easier to maintain for successive custodians) a great deal of infrastructure work has been done with much more to come. Following is a bullet-list of project with explanatory notes as needed.

- Home page upgrades
  - A facelift was needed for the page while still maintaining a distinctive “wiki” look. The colours were refreshed and the logo was re-composited. The sidebar was improved with easier access to commonly used menus, and the overall text blurbs were tightened and clarified.
- Policies
  - A policies page was created to cover best practices and community guidelines. Contained therein were instructions on standard naming conventions to manage the internal files.
- Document Namespace
  - LPedia is not Wikipedia. Unlike Wikipedia, which is based on the model of an encyclopedia, LPedia is more like a library and collaborative center for historical research. LPedia includes encyclopedia-style articles, including articles based on or describing historical documents, but it also includes the historical documents themselves. To facilitate this structure a separate namespace was created to contain wikitext representations of such documents (in contrast to “file” formats like PDF, which are also supported). This namespace is contrasted by a purple background. Some documents are being made available in more than one format. Good examples are found of this in the entries for governing documents, for example see the 1985 National Party Bylaws ([http://lpedia.org/Document:National\\_Bylaws\\_and\\_Convention\\_Rules\\_1985](http://lpedia.org/Document:National_Bylaws_and_Convention_Rules_1985)) in which the text is presented in wikitext with “other formats” referencing the scan of the original document.
- Secure log-in
  - HTTPS was added to secure user log-in information.
- Licensing
  - Licensing templates were created and further work is being planned to place this in the footer of each page on a per-page licensing scheme.



- Database maintenance
  - Over one million spam accounts were deleted along with any accompanying spam pages. Each account now is manually approved to keep this from recurring.
- Categories
  - The former categorization system suffered from over-specificity and unwieldiness. The Committee is in the process of a long re-categorization project.
- Templates and Extensions
  - Templates were refreshed and are being changed to comport with the new categorization plan.
  - Extensions will be kept to a minimum (less to break) but several key extensions were installed.

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## User Statistics

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1,829 Articles / 1,162 Uploads / 19 Active Contributors

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## Volunteer Investment

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At least 300-350 volunteer hours have already been expended accomplishing all related tasks not including committee meeting times.

# Document Maintenance

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## Inventory and Management

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As boxes are sorted, basic inventories are being created. The final inventory will identify what items are preserved on LPedia with a location coding system so that they can be easily retrieved from the physical archives. Standard naming conventions will also make them easily retrievable in the electronic archives. Duplicates are being noted and culling recommendations made.

### REQUEST FOR AUTHORITY

*Move to authorize the LPHPC to retain up to three copies of any issues of LP News with any remainder being disposed of at the LPHPC's discretion with any proceeds to be credited to the LPHPC budget.*

- Possible uses for excess will be to contact any university repositories, LSLA, sell on eBay or similar, use for fundraising at NOLA, or giveaway at NOLA.

*Move that the LPHPC can dispose of any software-related disks for legacy and unused software and any related instruction manuals.*

*Move that the LPHPC can dispose of any utility/rent/ or related bills dating 2001 or earlier.*

A general inventory will be kept of disposed items.

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## Data Back-Ups

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The LPHPC has instituted a regular back-up regimen. For a description, please see Exhibit A to this report.

## Budget Expenditures and Fundraising

LNC funding for Committee projects came from two separate motions, the first for the records preservation portion (\$5,000) and the second for the records relocation (\$5,000) for a total of \$10,000.00 that potentially would have come from the general budget. However, fundraising efforts were undertaken to voluntarily fund all expenses. Fundraising exceeded minimum raising a total of \$10,955.00. Following are the current expenditures:

**Total Expenses Booked: 4,722.64**

**Total In Kind (Amazon): 199.69**

**Total Including In-Kind; 4,922.33**

**Total Revenue: 10,955**

View: First/Latest/Greatest ☐ Exclude largest gift ☐ Exclude smallest gift

	Date	Amount	Type	Constituent	
First	1/17/2017	\$25.00	Cash	[REDACTED]	
Latest	7/26/2017	\$10.00	Cash	[REDACTED]	
Greatest	5/1/2017	\$1,500.00	Cash	Caryn Ann Harlos	

Average: \$91.29

Median: \$25.00

Total gifts 120

Total donors: 107

Mode: \$25.00

Goal:

Total committed: \$10,955.00

Overall goal: \$0.00

Over (under): \$10,955.00

Percent of goal: 0.00%

## Recurring Expenses

- MyWikis hosting and maintenance: \$350/year
  - This is a fully supported option. The host installs all upgrades and resolved trouble tickets.
- Amazon server: up to \$25/month
  - Some files are too large to upload directly to the wiki host (audios, videos, large graphics) and are hosted on a separate server. The Amazon server also hosts LPedia database backups.
- Dropbox: \$100/year
  - This is the portal for volunteers to upload and retrieve documents for assignments by the LPHPC. It also contains backups of other maintenance documentation and a redundant copy of the database backups.

## Press Mentions

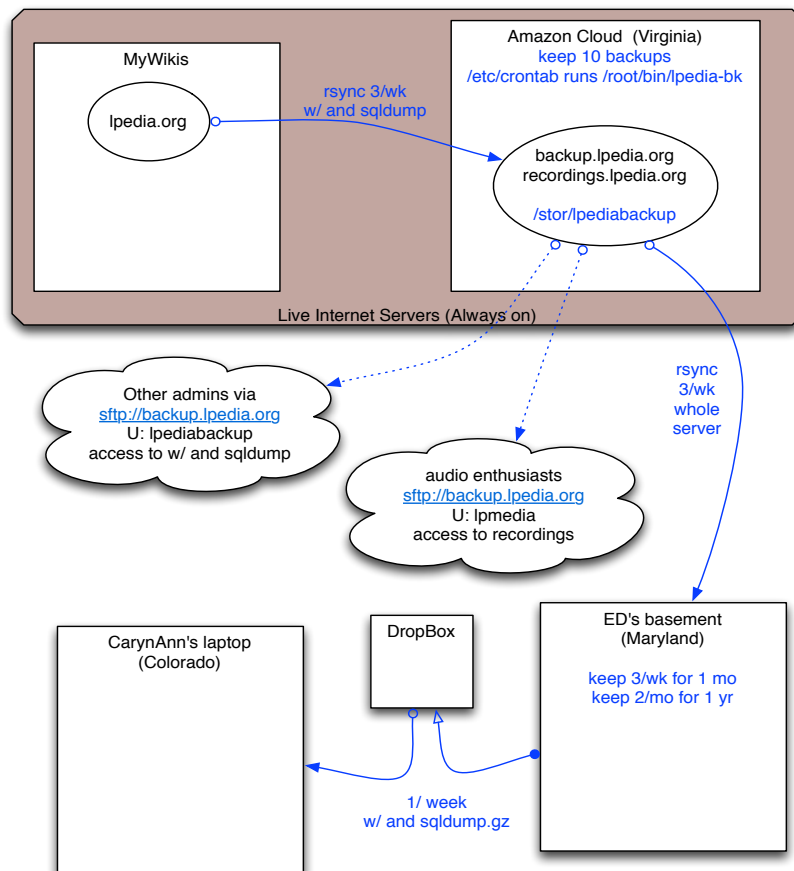
The LPHPC was mentioned in the *Washington Times* and Committee Chair Harlos was interviewed and appeared in the *Colorado Independent* and on *Colorado Matters (Colorado Public Radio)*.

RESPECTFULLY SUBMITTED, *Caryn Ann Harlos*, Committee Chair

It has truly been an honour and a pleasure to work on this project.

EXHIBIT 1 TO LPHPC REPORT AUGUST 19-20, 2017

As of August 2017, this is the backup strategy for lpedia.org.



lpedia.org is run on mediawiki. MyWiki's provides support and implements a competent and professional wiki service for lpedia.org, but we do not have full control over that server and they are a small company. Backups and the ability to restore from scratch if MyWikis disappears completely compels the design of a robust backup methodology.

To mitigate the size of the data managed by mediawiki, larger files (audio or video recordings) are hosted on a separate server, recordings.lmedia.org. In order to preserve the entirety of the site, both must be backed up.

For cost effectiveness, [backup.lpedia.org](http://backup.lpedia.org) and [recordings.lpedia.org](http://recordings.lpedia.org) are both hosted on the same server. [backup.lpedia.org](http://backup.lpedia.org) is a fresh Amazon Web Services image of a mediawiki server created by bitnami. The apache service is then additionally configured to host the separate recordings site if the machine is accessed by that name through a VirtualHost entry in `/opt/bitnami/apache2/conf/httpd.conf`. Configuration notes and restore recipes are stored along with the backups, some under `/root/docs/`

Backup of [lpedia.org](http://lpedia.org) to [backup.lpedia.org](http://backup.lpedia.org) occurs 3 times per week, MWF. This is initiated on [backup.lpedia.org](http://backup.lpedia.org) by `/etc/crontab`, calling `/root/bin/lpedia-bk.bash`. This script in turns specifies backup policy and calls `/root/bin/backup.bash`, a sophisticated rsync-based backup utility to write date-stamped backups and maintain a limited number of distinct backups.

Backup of [backup.lpedia.org](http://backup.lpedia.org) (and [recordings.lpedia.org](http://recordings.lpedia.org)) occurs 3 times per week, MWF. This is done with full admin ssh access to [backup.lpedia.org](http://backup.lpedia.org) by a private server in ED Fochler's basement. Backups can also be gathered through sftp access to the backup space as `lpediabackup` and to the recordings space as `lpedia`. This would afford enough of a backup that one could restore the entire [lpedia.org](http://lpedia.org) site from scratch. This backup is weekly sync'd over dropbox with CarynAnn.

`/root/docs/restoreLP.txt` has the following recipe for a restore of [lpedia.org](http://lpedia.org) to a fresh mediawiki install such as [backup.lpedia.org](http://backup.lpedia.org):

```
cd /root/lpBackups/ &&
zcat lpedia-sql.gz.mostrecent | mysql bitnami_mediawiki -p ;
# enter the DB password here, for bitnami it is the bitnami pwd
cd /root/lpBackups/lpedia-bk.mostrecent &&
rsync -PHOhavix w/images/ /opt/bitnami/apps/mediawiki/htdocs/
images/ ;
# Things like the default $wgLogo image must be set in
LocalSettings.php
```