

Libertarian National Committee, Inc.
(The Libertarian Party)
(A Not-for-Profit Organization)
Financial Statements
Years ended December 31, 2025 and 2024



Libertarian National Committee, Inc.
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Independent Auditor's Report

Board Members
Libertarian National Committee, Inc.
Houston, Tx

Opinion

We have audited the accompanying financial statements of Libertarian National Committee, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Libertarian National Committee, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Libertarian National Committee, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Libertarian National Committee, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Libertarian National Committee, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Libertarian National Committee, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Lehman Flynn Vollaro CPAs PLLC

Melville, NY
April 9, 2026

Libertarian National Committee, Inc.
Statements of Financial Position
December 31,

Assets	<u>2025</u>	<u>2024</u>
Current assets		
Cash and cash equivalents	\$ 1,269,312	\$ 440,513
Prepaid expenses and other assets	<u>48,801</u>	<u>65,787</u>
Total current assets	<u>1,318,113</u>	<u>506,300</u>
 Property and equipment		
Land	-	347,881
Building	-	547,638
Furniture and equipment	-	42,675
Computer equipment	-	36,449
Computer software	<u>-</u>	<u>134,614</u>
Total property and equipment	-	1,109,257
Accumulated depreciation	<u>-</u>	<u>(374,001)</u>
Total property and equipment, net	<u>-</u>	<u>735,256</u>
Total assets	<u><u>\$ 1,318,113</u></u>	<u><u>\$ 1,241,556</u></u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 492,703	\$ 338,754
Accrued salaries and related benefits	14,832	3,319
Accrued vacation	6,053	7,971
Deferred registrations	<u>32,167</u>	<u>-</u>
Total liabilities	<u>545,755</u>	<u>350,044</u>
 Net assets		
Without donor restrictions	770,627	889,781
With donor restrictions	<u>1,731</u>	<u>1,731</u>
Total net assets	<u>772,358</u>	<u>891,512</u>
Total liabilities and net assets	<u><u>\$ 1,318,113</u></u>	<u><u>\$ 1,241,556</u></u>

See notes to financial statements

Libertarian National Committee, Inc.

Statement of Activities

Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and membership	\$ 763,694	\$ -	\$ 763,694
Convention revenue	-	-	-
Joint fundraising commissions	119,300	-	119,300
Interest and other	23,909	1,962	25,871
Total contributions	906,903	1,962	908,865
Net assets released from restrictions	1,962	(1,962)	-
Total revenue, support, and gains	908,865	-	908,865
Expenses			
Program services expenses			
Candidate and campaign programs	62,022	-	62,022
Communications and membership	224,256	-	224,256
Conventions and events	-	-	-
Ballot access	33,522	-	33,522
Special projects and other programs	165,199	-	165,199
Affiliate support	62,845	-	62,845
Total program services	547,844	-	547,844
Supporting services expense			
Management and general	203,856	-	203,856
Fundraising	194,087	-	194,087
Total expenses	945,787	-	945,787
Loss on sale of property and equipment	82,232	-	82,232
Change in net assets	(119,154)	-	(119,154)
Net assets, beginning of year	889,781	1,731	891,512
Net assets, end of year	\$ 770,627	\$ 1,731	\$ 772,358

See notes to financial statements

Libertarian National Committee, Inc.

Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and membership	\$ 972,201	\$ 7,244	\$ 979,445
Convention revenue	580,398	-	580,398
Joint fundraising commissions	278,873	-	278,873
Total contributions	1,831,472	7,244	1,838,716
Net investment return	967	-	967
Other revenue	6,313	-	6,313
Net assets released from restrictions	7,244	(7,244)	-
Total revenue, support, and gains	1,845,996	-	1,845,996
Expenses			
Program services expenses			
Candidate and campaign programs	63,027	-	63,027
Communications and membership	294,741	-	294,741
Conventions and events	533,279	-	533,279
Ballot access	146,492	-	146,492
Special projects and other programs	130,320	-	130,320
Affiliate support	67,090	-	67,090
Total program services	1,234,949	-	1,234,949
Supporting services expense			
Management and general	218,722	-	218,722
Fundraising	363,986	-	363,986
Total expenses	1,817,657	-	1,817,657
Change in net assets	28,339	-	28,339
Net assets, beginning of year	861,442	1,731	863,173
Net assets, end of year	\$ 889,781	\$ 1,731	\$ 891,512

See notes to financial statements

Libertarian National Committee, Inc.
Statement of Functional Expenses
Years Ended December 31, 2025

	Program Services						Total Program Services	Management and General	Fundraising and Acquisition	Total
	Candidate & Campaign	Communciation & Membership	Convention & Events	Ballot Access	Special Projects & Other	Affiliate Support				
Direct program expenses	\$ 38,500	\$ 28,241	\$ -	\$ 10,000	\$ 8,387	\$ 120	\$ 85,248	\$ -	\$ 76,478	\$ 161,726
Salaries and wages	14,721	122,676	-	14,721	98,141	39,257	289,516	127,584	73,606	490,706
Professional fees	5,295	44,121	-	5,295	35,297	14,119	104,127	45,886	26,473	176,486
Computer expenses	812	6,767	-	812	5,414	2,166	15,971	7,038	4,060	27,069
Depreciation and amortization	388	3,230	-	388	2,584	1,034	7,624	3,360	1,938	12,922
Travel and meetings	535	4,460	-	535	3,568	1,427	10,525	4,638	2,676	17,839
Occupancy expense	808	6,729	-	808	5,384	2,153	15,882	6,999	4,038	26,919
Insurance expense	16	135	-	16	108	43	318	141	81	540
Telephone and data services	130	1,087	-	130	870	348	2,565	1,131	652	4,348
Postage and shipping	322	2,682	-	322	2,146	858	6,330	2,789	1,609	10,728
Office supplies and materials	102	3,343	-	102	683	273	4,503	888	513	5,904
Bank fees and interest	393	785	-	393	2,617	1,047	5,235	3,402	1,963	10,600
Total expenses	\$ 62,022	\$ 224,256	\$ -	\$ 33,522	\$ 165,199	\$ 62,845	\$ 547,844	\$ 203,856	\$ 194,087	\$ 945,787

See notes to financial statements

Libertarian National Committee, Inc.
Statement of Functional Expenses
Years Ended December 31, 2024

	& Campaign	& Membership	& Events	Ballot Access	Projects & Other	Affiliate Support	Program Services	and General	and Acquisition	Total
Direct program expenses	\$ 37,868	\$ 85,083	\$ 491,347	\$121,333	\$ 4,525	\$ -	\$ 740,156	\$ 679	\$ 238,191	\$ 979,026
Salaries and wages	11,959	99,655	19,931	11,959	59,793	31,890	235,187	103,641	59,793	398,621
Professional fees	6,890	57,415	11,483	6,890	34,449	18,373	135,500	59,712	34,449	229,661
Computer expenses	2,380	19,833	3,967	2,380	11,900	6,347	46,807	20,626	11,900	79,333
Depreciation and amortization	665	5,538	1,108	665	3,323	1,772	13,071	5,759	3,323	22,153
Travel and meetings	423	3,525	705	423	2,115	1,128	8,319	3,666	2,115	14,100
Occupancy expense	569	4,745	949	569	2,847	1,518	11,197	4,935	2,847	18,979
Insurance expense	826	6,886	1,377	826	4,131	2,203	16,249	7,161	4,131	27,541
Telephone and data services	196	1,635	327	196	981	523	3,858	1,700	981	6,539
Postage and shipping	984	8,201	1,640	984	4,921	2,624	19,354	8,529	4,921	32,804
Office supplies and materials	34	280	56	34	168	90	662	292	168	1,122
Bank fees and interest	233	1,945	389	233	1,167	622	4,589	2,022	1,167	7,778
Total expenses	<u>\$ 63,027</u>	<u>\$ 294,741</u>	<u>\$ 533,279</u>	<u>\$146,492</u>	<u>\$ 130,320</u>	<u>\$ 67,090</u>	<u>\$1,234,949</u>	<u>\$ 218,722</u>	<u>\$ 363,986</u>	<u>\$1,817,657</u>

See notes to financial statements

Libertarian National Committee, Inc.

Statements of Cash Flows

Years Ended December 31,

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (119,154)	\$ 28,339
Adjustments to reconcile change in net assets to net cash from(used for) operating activities		
Depreciation and amortization	12,922	22,153
Loss on sale of property and equipment	89,013	-
Changes in operating assets and liabilities		
Prepaid expenses and other assets	16,986	(20,861)
Accounts payable and accrued expenses	153,949	184,158
Accrued salaries and benefits	11,513	(16,663)
Accrued vacation	(1,918)	(5,762)
Deferred registrations	32,167	(93,543)
Net cash from(used for) operating activities	195,478	97,821
 Cash flows from investing activities		
Proceeds from sale of property and equipment	633,321	-
Net cash from(used for) investing activities	633,321	-
 Cash flows from financing activities		
Advances on line of credit	-	243,235
Payments on line of credit	-	(154,308)
Net cash from(used for) investing activities	-	88,927
 Net change in cash and cash equivalents	828,799	186,748
Cash and cash equivalents, beginning of year	440,513	253,765
Cash and cash equivalents, end of year	\$ 1,269,312	\$ 440,513
 Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	\$ -	\$ 1,777
Unrelated business income taxes	\$ -	\$ -

See notes to financial statements

Libertarian National Committee, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

Note 1 - Principal activity and significant accounting policies

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 biennially 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 9,000 sustaining (including lifetime) members.

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 member communications and outreach, which includes initiatives to reach the general public and outside groups; and voter registration, which consist of voter registration campaign initiatives.

Basis of accounting and presentation

The Committee prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when performance obligations are satisfied.

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, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. The Committee periodically has cash balances in excess of federal insurance limits available for depository accounts.

Financial instruments and credit risk

The Committee manages its concentration risk by placing its cash, savings, and money market accounts with financial institutions believed to be creditworthy. The Committee may periodically have cash balances in excess of federal depository insurance or hold funds in uninsured cash sweep or money market funds. To date, the Committee has not experienced any significant losses on these depository accounts. Credit risk associated with any contribution receivables or promises-to-give is considered to be limited due to historical collection rates and given the historical credit worthiness of the Committee's customers and grantors, which include local jurisdictions, parents, and concerned citizens.

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.

Libertarian National Committee, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

Bequests receivable

The Committee's bequests receivable consists of amounts due from decedent members' last wills and testaments. For bequests in excess of the annual contributions limits established by the Federal Election Commission (FEC) guidelines, the Committee may retain a trustee or escrow agent to hold the funds in trust for the benefit of the Committee. The trustee and escrow agent generally hold the funds in interest bearing accounts and annually release funds in amounts allowed by FEC rules and regulations. Any remaining funds held by the trustee or escrow agent are reported as bequests receivable. No significant bequests receivable were reported by the Committee as of December 31, 2025 and 2024. Bequests receivable are reported at their 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 are unnecessary.

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 minimis items are expensed as incurred. Depreciation and amortization expense was approximately \$22,000 and \$22,151, respectively, for the years ended December 31, 2025 and 2024. During 2025, the Committee sold all of its property and equipment and incurred an \$82,232 loss.

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 net assets with donor restrictions. Restricted net assets in which the Committee has met the donor's stipulations during the fiscal year are reflected as net assets released from restrictions in the accompanying financial statements. Any restricted amounts received and released from restriction in the same reporting period are reported as net assets without donor restrictions. The components of the Committee's net assets are as follows:

Net Assets Without Donor Restrictions – Represents unrestricted resources that are available to support the Committee's operations at the discretion of the Board of Directors and management.

Net Assets With Donor Restrictions – 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. Net assets with donor restrictions are released from restriction either by the passage of time or by the Committee meeting the donors' stipulations. The Committee reported net assets with donor restrictions of \$1,731 and \$1,731, respectively, as of December 31, 2025 and 2024, earmarked by the original donors for specific initiatives.

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

Libertarian National Committee, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

determinable and measurable by the Committee. Contributions are recognized as revenue and support without donor restrictions or with donor restrictions 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 restrictions. Revenue and support with donor restrictions in which the Committee met the donor-imposed restriction during the same fiscal year as the contribution are reflected as revenue and support without donor restrictions. Conditional promises-to-give are recognized when the conditions set forth by the donor are substantially met.

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.

Revenue and Revenue Recognition

We recognize revenue from sales of products and services when the performance obligations of transferring the products and providing the services are met. All goods and services are transferred at a point in time.

Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received, and a contribution element for the difference. We recognize the exchange portion of membership dues over the membership period, and the contribution portion immediately. Payments are required at the time of sale or start of the membership period; amounts received in advance are deferred to the applicable period.

We recognize convention and commission revenue when performance obligations are met.

Donated Services and In-kind Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. Contributed goods are recorded at fair value at the date of donation. No contributions of such goods or services were received during the years December 31, 2025 and 2024, respectively.

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 as reflected in the statement of functional expenses. Expenses are allocated on a reasonable basis that is consistently applied by management. Expenses that are allocated include compensation and benefits, which are allocated based upon estimates of time and efforts devoted to the functional categories, while joint costs are allocated based upon the percentage of communications devoted to functional categories. Significant estimates are required to functionally allocate expenses and to allocate joint costs to the program and supporting services benefited. Management reviews allocation methodologies annually and adjusts estimates as necessary.

Libertarian National Committee, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

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 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, 2025 and 2024, 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.

Compensated absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. Our policy is to recognize these costs when actually paid.

Leases

Leases are classified as finance leases or operating leases, in accordance with the terms of the underlying lease agreements and ASC 842, "Leases." For both lease types, a right-of-use asset and a lease liability must be established at lease commencement and then reduced over the remaining lease term. There are currently no leases.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent events

We have evaluated subsequent events through April 9, 2026, the date the financial statements were available to be issued.

Note 2 - Concentration of risk

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, 2025 and 2024, the Committee reported no significant bank balance in excess of federal insurance limits.

Libertarian National Committee, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

Note 3 - Related party transactions

During the years ended December 31, 2025 and 2024, the Committee received approximately \$10,004 and \$20,955, respectively, in contributions and dues from board members and employees. In addition to the contributions and membership dues from current and former board members and key employees, these individuals also volunteer to serve the Committee in various capacities.

The Committee paid \$13,027 and \$126,119, respectively, to related state affiliates for ballot access petitioning and voter registration campaigns and related travel reimbursements to key employees during the years ended December 31, 2025 and 2024.

Note 4 - Liquidity and availability

We regularly monitor the availability of resources required to meet our operating needs and other contractual commitments. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, consists of the following:

	2025	2024
Cash and cash equivalents	\$ 1,269,312	\$ 440,513
Amounts unavailable for general expenditure within one year of reporting period		
Donor restricted for program related initiatives	(1,731)	(1,731)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,267,581</u>	<u>\$ 438,782</u>

As part of the Committee's liquidity management, management may invest any excess funds in short-term investments, such as bank savings or market funds.

Note 5 - Net assets with donor restrictions

The Committee's net assets with donor restrictions consists of funds earmarked by donors for the Committee's building fund, college campus programs, and legal defense and radio advertising initiatives. The Committee's net assets with donor restrictions and changes in net assets with donor restrictions consist of the following as of December 31, 2025 and 2024:

	2025	2024
Net assets with donor restrictions:		
College campus programs	\$ 1,731	\$ 1,731
	<u>\$ 1,731</u>	<u>\$ 1,731</u>

Libertarian National Committee, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Net assets with donor restrictions, beginning of year	\$ -	\$ -
Contributions with donor restrictions:		
Building acquisition fund	1,289	1,185
Legal defense and radio fund	<u>673</u>	<u>6,059</u>
	1,962	7,244
Net assets released from restrictions:		
Building acquisition fund	1,289	1,185
Legal defense and radio fund	<u>673</u>	<u>6,059</u>
	<u>1,962</u>	<u>7,244</u>
Net assets with donor restrictions, end of year	<u>\$ -</u>	<u>\$ -</u>

Note 6 - Intentions to give

The Committee receives commitments 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. During the years ended December 31, 2025 and 2024, the Committee recognized approximately \$151,582 and \$248,976, respectively, from recurring contributions from members.

Note 7 - 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 \$7,291 and \$8,021, respectively, during the years ended December 31, 2025 and 2024.

Note 8 - Commitments & contingencies

Litigation and disputes

The Committee is currently involved in several lawsuits stemming primarily from presidential candidacy and state ballot access. 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.

Libertarian National Committee, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

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.

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 \$41,300 for each of the years ended December 31, 2025 and 2024. 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 July 2022, the Committee entered into an employment agreement with a new Executive Director. The employment contract provides for a base monthly salary, benefits, and performance incentives based upon financial and other performance indicators. The employment agreement provides for termination for cause and allows either party to terminate the agreement with a one-week written notice without any severance or liquidating damages.

Hotel contracts

The Committee has contracts with hotels and other venues for conventions and other events. These contracts contain cancellation clauses that may require the Committee to pay certain liquidating damages in the event of cancellation. The amount of damages may vary depending upon the date of cancellation, numbers of rooms reserved, percentage of rooms resold by the hotel, cancellation and other insurance, etc. Also, in the event of cancellation, the Committee may also risk forfeiture of any deposits made with these hotels.

Note 9 - Income taxes

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 office. Certain activities unrelated to the exempt purpose, such as net investment income, are subject to taxation as non-exempt income. During the years

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Notes to Financial Statements

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ended December 31, 2025 and 2024, the Committee did not incur any significant income tax expense on its net investment income, which the Committee reported was under the annual specific deduction amount of \$100. The Committee is also subject to FEC rules and regulations and can be subject to penalties and assessment for noncompliance. No significant penalties or assessment were incurred by the Committee.

Tax contingencies

Although the Committee has not received any notice of intent to examine its tax returns, the Committee's tax returns remain subject to examination or review 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, 2025 and 2024 that are more likely than not to be sustained should the Committee's tax returns be subject to examination. Accordingly, the Committee also did not incur or accrue any significant penalties or interest associated with uncertain tax positions during the years ended December 31, 2025 and 2024.