



2011 ANNUAL REPORT

July 1, 2010 - June 30, 2011

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Bringing Tomorrow's Global Leaders Together Today

Ten years from now, when business leaders and policy makers from the United States and countries of pivotal concern for global peace sit down at the negotiating table, will they meet as strangers or as colleagues with a history of cooperation?

Network 20/20 is an educational organization that mobilizes a network of young, private sector leaders in the U.S. to build bridges with their counterparts overseas to develop viable solutions for global security challenges.

Its mission is to foster the new energy and talent needed to confront unprecedented global and transnational security concerns, and promote a sustainable, interdependent world through cross-border problem-solving and entrepreneurial diplomacy.

Network 20/20 members are a talented, diverse, and multilingual group; they come from business, the law, the media, the arts, NGOs, think tanks, government, and academia; two-thirds have advanced degrees. What draws them together is that they are all “thinking,” motivated individuals who are volunteering significant time and energy in furthering America’s positive engagement with the world. They are emerging leaders from all sectors of society.

With a growing network of Network 20/20 counterparts in Turkey, Poland, Iran, and Pakistan, Network 20/20’s reputation for grass roots connections in countries of geopolitical importance has grown speedily. Network 20/20 has established a critical mass of dynamic next generation leaders who will impact global affairs over the coming decades. As a result of these unique linkages overseas, Network 20/20 has been able to interview leaders from different sectors of society, summarize their views for U.S. policy makers, and become a valuable purveyor of information not available through official channels.

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Sanjay Mody
Cleary Gottlieb Steen &
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Sanjay Mody
Faraz Rana
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Stephanie Stokes
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Mansour Sy
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Letter from the President

The global realities confronting the United States today are ominous and increasingly lie beyond the control of any one nation state. Today's unprecedented transnational peace and security concerns are dominated by nuclear non-proliferation, instability in the Middle East and North Africa, global economic recession, violent drug cartels, flu pandemics, environmental degradation and climate change, and growing tensions in the Caucasus, Gulf, and Korean peninsula. There are also concerns about how a large fiscal deficit and high unemployment at home may affect the international role of the United States.

To confront these challenges, we are in need of leaders who can bring fresh thinking and offer imaginative solutions. We are in need of Network 20/20: an innovative organization that conducts lectures here at home and field research overseas in order to educate and develop a critical mass of dynamic next generation leaders who will impact global affairs over the coming decades.

This year, our well-attended lectures, roundtables, and briefings included *Oil, Energy, and the Persian Gulf: Challenges and Opportunities*; *The Tenth Parallel: Dispatches from the Fault Line Between Christianity and Islam*; *Is Obama's 'Reset' of U.S.-Russian Relations Working?* and *The Future of Chinese Growth*. Highlights were briefings by former President of the World Bank, Jim Wolfensohn; Consul General of the Federal Republic of Germany in New York, Horst Freitag; Columbia University Business School Professor and former Executive Vice President, Export-Import Bank, David Beim; Director and Senior Advisor, Center for Strategic & International Studies, Arnaud de Borchgrave; and Foreign Correspondent, NPR News and Fellow, Harvard's Kennedy School of Government, Deborah Amos.

The centerpiece of our foreign policy lecture series was a conversation with Former Ambassador to Egypt, India, the Philippines, and Zambia, and former Undersecretary of State and of Defense, the Honorable Frank Wisner. In his talk on *The U.S. and the Second Arab Awakening*, Ambassador Wisner cautioned against easy solutions to the challenges posed by the Arab Spring's transformations of national power in major countries of the Middle East and North Africa and the challenges to the regime occurring in Syria.

During the past year, Network 20/20's Entrepreneurial Diplomacy Program maintained a high level of interest in Iran by working with Network 20/20 members from Tehran who are studying in the U.S., those who have dual passports, and Iranian visitors to the U.S. Relying primarily on these sources, Network 20/20 is actively pioneering ways to build bridges with Iranian counterparts at the grassroots level and to reframe perceptions of Iran here at home.

Also in the past year Network 20/20 engaged in research and development for an Entrepreneurial Diplomacy Project in Turkey including two field visits, the first in the fall of 2011 and the second in the spring of 2012. This project, *Turkey's Peacebuilders: Business Leaders Influencing Foreign Relations*,

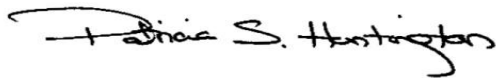
seeks to further the understanding of Turkey for leaders in the U.S.' public and private sectors and foster international peace. A stable economic power in a volatile region, Turkey is geopolitically positioned as a "bridge" between the

United States, Europe and various countries in the broader Middle East. The complexity and variation of relations between these countries and the U.S., ranging from troubled to overtly hostile (including Syria, Pakistan, Egypt, Iraq and Iran), has put Turkey in a unique position. Turkey's influence is broad, stretching from the Middle East to the Caucasus, from North Africa to the Balkans. With its secular government rooted in Islamic tradition, Turkey remains committed to democracy, free enterprise, and good relations with Europe and the United States, representing the dreams of millions living through the turbulent Arab Spring. To this end, U.S. decision makers will greatly benefit from a new kind of alliance with Turkey, by deepening their understanding of its real strength in the region: its growing business sectors that help inform its current foreign policy and serve as agents of change for the country's future.

In the coming year our lecture series will address topics like ***Making Sense of the Revolutions in the Middle East***, with Princeton's Bernard Haykel; ***Women's Empowerment in Times of Economic Crisis*** with former Chilean President Michelle Bachelet; ***Entering the Arab Winter*** with Tuft's Vali Nasr, and ***The Road to a Unified Iraq: Kurds, Sunnis and Shi'as*** with Kurdistan Regional Government Representative Qubad Talabani, and ***Russia's Energy and Role on the Security Council*** with UN Ambassador Vitaly Churkin. Upcoming briefings also include non-traditional topics such as ***Water and Sanitation: The Challenge for Chinese Women***; ***Turkish Business and Why it Matters***; and ***Changes in Global Finance: The Restructuring of World Power***.

Network 20/20 plans to continue to use technology to improve connections and stimulate a vigorous dialogue among members, their international counterparts, and the interested public. Additionally, since our program has increased dramatically in our eight years of operation, we plan to expand our dedicated and talented staff to help us better serve our multiple constituencies.

My warm thanks go to our Board of Directors and to the steady hand of our Chairman, Geraldine Kunstadter, whose vision, sound judgment and unwavering faith in our future has brought us to this extraordinary point in such a short period of time. Thanks as well to the Committee of Twenty and International Committees for helping us in multiple, creative ways to further our mission.



Patricia S. Huntington, Ed.D.
President
October 2011

Lecture Series Program

Network 20/20 events include off-the-record briefings by leading experts on international affairs, conversations with seasoned analysts, breakfasts and dinners with diplomats and public officials, one-on-one sessions with civic leaders, roundtables on sustained topics including preparation for international trips, and networking events among its members. Briefings in FY 2010-11 included:

Wednesday, September 15 – Residence of H.E. Mr. Philip and Kasia Parham

Isobel Coleman, Senior Fellow for U.S. Foreign Policy, Council on Foreign Relations, on ***Paradise Beneath Her Feet: How Women are Transforming the Middle East***

Hosted by the Deputy Permanent Representative of the UK to the UN, H.E. Mr. Philip Parham and Mrs. Kasia Parham

Tuesday, September 28 – Toth Residence

Justine Hardy, Journalist and founder of Healing Kashmir, on “**Why Americans Should Care about Kashmir**”, with a short film

Hosted by Network 20/20 Committee of Twenty member Elena Toth and Miklos Toth

Tuesday, October 5 – Begley Bean Residence

Deborah Amos, Foreign Correspondent, NPR News and Fellow, Harvard’s Kennedy School of Government, on ***Eclipse of the Sunnis: Power, Exile and Upheaval in the Middle East***

Hosted by Network 20/20 Board Member Patricia Begley and George Beane

Tuesday, October 12 – Scott Residence

Eliza Griswold, Schwartz Fellow, New America Foundation, on ***The Tenth Parallel: Dispatches from the Fault Line Between Christianity and Islam***

Hosted by Betsy and Al Scott

Tuesday, October 19 – Singapore Mission

Arnaud de Borchgrave, Director and Senior Advisor, Transnational Threats Project, Center for Strategic & International Studies, on “**Pakistan, Cyber-Terrorism, Iraq, Iran, and the Palestinian Crisis**”

Hosted by H.E. Mr. Vanu Menon and Jayanthi Menon at the Permanent Mission of Singapore to the UN

Monday, October 25 - WilmerHale

Stephen Cohen, Professor of Russian and Slavic Studies and History at NYU, on “**Is Obama’s ‘Reset’ of U.S.-Russian Relations Working?**”

Hosted by WilmerHale LLC

Thursday, November 4 – Morgan Stanley Investment Management

Riordan Roett, Director of Western Hemisphere Studies and the Latin American Studies Program, School of Advanced International Studies, on ***The New Brazil: From Backwater to BRIC***

Hosted by James Upton and Morgan Stanley Investment Management

Thursday, November 18 – Hungarian Consulate

Ken Mehlman, Partner and Head of Global Affairs, Kohlberg Kravis Roberts & Co., and Former Chairman of the RNC, on “**The Nexus of Business and International Public Policy: An Insider’s Perspective**”

Hosted by the Hungarian Consul General Karoly Dan

Tuesday, November 30 – Heller Residence

Stephen Kinzer, former New York Times Foreign Correspondent, on ***Reset: Iran, Turkey, and America’s Future***

Hosted by Network 20/20 Committee of Twenty member Mary Heller

Tuesday, December 14 – Residence of H.E. Mr. Gérard Araud

Network 20/20 Reception at the French Diplomatic Residence

Hosted by H.E. Mr. Gérard Araud

Tuesday, January 25 – Residence of H.E. Mr. Ertuğrul and Lale Apakan

Network 20/20 Reception at the Turkish Diplomatic Residence

Hosted by H.E. Mr. Ertuğrul Apakan

Wednesday, January 26 – Debevoise & Plimpton

Jerome Cohen, Co-Director of the New York University U.S.-Asia Law Institute; Adjunct Senior Fellow for Asia Studies at the Council on **Foreign Relations**, on “**How Foreign Businesses May Use Chinese Law to Their Advantage**”

Hosted by Debevoise & Plimpton LLP

Monday, January 31 (breakfast briefing) – University Club

Dr. H. Onno Ruding, Chairman of the Center for European Policy Studies; Retired Vice Chairman of Citicorp and Citibank; Former Minister of Finance of the Netherlands, on “**The Euro Area and the EU in 2011: Will the Turmoil Around the Euro and Sovereign Debt Continue?**”

Hosted by Network 20/20 Committee of Twenty member Michael Manning

Wednesday, February 9 – Bailey Musgrave Residence

David Beim, Professor of Professional Practice, Finance and Economics, Columbia University Business School and Former Executive Vice President, Export-Import Bank of the U.S., on “**The Future of Chinese Growth**”

Hosted by Network 20/20 Committee of Twenty member Liza Bailey

Tuesday, March 8 – Residence of the Consul General Horst and Chantal Freitag

Consul General Dr. Horst Freitag, Consul General of the Federal Republic of Germany in New York, on “**North Atlantic Cooperation and Implications for Global Economic Stability**”

Hosted by Consul General Dr. Horst Freitag and Network 20/20 International Committee Member Mrs. Chantal Freitag

Monday, March 14 – Kunstadter Residence

David Michael Lampton, Director of the China Studies Program and Dean of Faculty, School of Advanced International Studies, Johns Hopkins University, on ***The Three Faces of Chinese Power: Might, Money and Minds***

Hosted by Network 20/20 Board Chairman Geraldine Kunstadter

Wednesday, March 23 – Cosmopolitan Club

Cosmopolitan Club International Luncheon and Lecture with **David M. Rubenstein**, Co-founder and Managing Director of the Carlyle Group

Hosted by Network 20/20 Committee of Twenty member Elena Toth at the Cosmopolitan Club

Thursday, April 7 – Hogan Lovells LLP

Dr. Eckart Woertz, Director of Economic Studies, Gulf Research Center, Dubai, and Visiting Fellow, Princeton Environmental Institute, on “**Oil, Energy, and the Persian Gulf: Challenges and Opportunities**”

Hosted by Hogan Lovells LLP

Thursday, April 28 – Racquet & Tennis Club

Eighth Annual Foreign Policy Lecture and Spring Benefit

Keynote Address by The Honorable Frank G. Wisner, Former Ambassador to Egypt, India, the Philippines, and Zambia, on “**The U.S. and the Second Arab Awakening**”

The Racquet and Tennis Club

Monday, May 23 – JPMorgan Chase

Jim Wolfensohn, Former President of the World Bank Group and President of Wolfensohn & Co., on “**The World in 2050**”

Hosted by JPMorgan Chase

Tuesday, June 7 - WilmerHale

Gideon Rose, Editor, *Foreign Affairs*; Former National Security Council official in the Clinton administration, on ***How Wars End***

Monday, June 20 – Indonesian Mission

Network 20/20 Reception at the Indonesian Mission

Hosted by H.E. Mr. Hasan Kleib

Monday, June 27 – Iranian Mission

Network 20/20 Roundtable Discussion at the Iranian Mission

Hosted by H.E. Mr. Mohammad Khazaei

Entrepreneurial Diplomacy Program

The global realities confronting the United States today are ominous, lying beyond the control of any one nation state. Unprecedented transnational concerns include nuclear non-proliferation, economic recession, violent drug cartels, flu pandemics, environmental degradation, and climate change.

To meet these challenges we need private sector leaders who can bring fresh thinking and offer imaginative solutions. Network 20/20's **Entrepreneurial Diplomacy Program** pursues this goal through study, dialogue, and field research in regions of global security importance. We have had a special interest in building bridges with our peers in the Islamic world. Our mission is to build a broad, influential network of private citizens that will generate concrete, actionable ideas aimed at enhancing international security and prosperity.

Since its founding in 2004, Network 20/20 has fielded three member delegations to Turkey, two member delegations to Pakistan and two to Iran as well as a delegation to Poland. Recommendations and findings from these pioneering trips were compiled into a series of widely circulated field research reports that have become "must reads" for public and private sector policy makers. Our reports are available on our website, www.network2020.org

Turkey

2011

Due to the shifting dynamics in the Middle East and the restructuring of U.S. foreign policy, Network 20/20 decided to revisit Turkey in the spring of 2011 as a potentially critical player in the future of U.S. foreign policy in the region. With a damaged reputation and exhausted resources from costly wars in Iraq and Afghanistan, and concerns about its longstanding support for autocratic governments, the U.S. was in need of developing a more peaceful and sustainable foreign policy. The success of the new policy would depend on American policy makers' ability to strengthen ties with strategic allies with the capacity to develop peaceful and stable relationships in a turbulent time. Network 20/20 has been exploring the extent to which Turkey is uniquely positioned to carry out such a task. In the spring of 2011, Network 20/20 researched and identified more than 100 leaders of all sectors of Turkish society with whom we've been in contact and plan to visit in the coming months. Many of these leaders

represent emerging business, political and social sectors. Network 20/20 will conduct field research in the fall of 2011, and bring a full member delegation in spring of 2012 to better understand what shapes Turkey's foreign policy and its overall direction as a prerequisite for maintaining close bi-lateral relations.

In our research, we found that Turkish business sectors have credibility in countries in which the U.S. has limited or no access, and therefore has the ability to bridge political, religious, social, and cultural boundaries and foster trust and free trade. With its secular government rooted in Islamic tradition, Turkey remains committed to democracy, free enterprise, and good relations with Europe and the United States, representing the dreams of millions living through the turbulent Arab Spring. Like other countries however, Turkey was taken by surprise with the Arab Spring uprisings of 2011 and suffered significant regional trade losses as a result. Responding to this upheaval, Turkey has reached out to its Arab neighbors in order to guide the region back toward stability and re-energize regional trade. To this end, Turkey is playing a major role in economic change within the Middle East, by providing a model for the growth of business and the middle class.

Considering the findings from our research on Turkey this year, Network 20/20 believes that the time is right for American policy makers to harness the opportunity to forge a new relationship with Turkey that transcends our NATO based relationship, and focuses on the drivers of Turkish foreign policy in the last ten years: its rapidly growing business sectors. Our research shows that Turkish export trade rose, in 2010, by almost 30% due in part of a new business-driven foreign policy of "no problems with neighbors" which opened up new markets. Turkish business leaders want countries to be peaceful and "Open for Business." Goldman Sachs predicts that Turkey will be one of the top 10 largest world economies by 2050.

Pakistan

2010

Since Pakistan openly possesses nuclear weapons, there is a risk that failure of the state could result in extremist forces, including al-Qaeda, gaining access to the nuclear arsenal. In response, America launched a \$7.5 billion 5-year non-military aid program in 2010 aimed at fostering social, economic, and political development, and building security in Pakistan: a country where social conditions have inculcated militant fundamentalism.

In furtherance of the U.S. AID program designed to strengthen Pakistan's civil society as a bulwark against Islamist extremist efforts to take over the government, Network 20/20 sent a small delegation to identify local resources that would help prevent corruption and support the new development program. In the spring of 2010, based on our previous visit to Pakistan two years before, Network 20/20 delegates identified a robust group of "best practices" NGOs and local language media to monitor the effectiveness of the new U.S. development program.

This Pakistani "AID Watch" group focused on the areas of police reform, health, education, micro-credit, trade policy, and the expansion of democratic processes as well as on the importance of communicating these issues to both Pakistani and American policy makers. Network 20/20 was pleased to perform a facilitating role based on our prior field trip and the network of Pakistani private sector leaders we have established there.

2008-9

In May 2008, Network 20/20 sent a delegation to Pakistan seeking to have candid exchanges and to build bridges with our Pakistani counterparts. We aimed to acquire a better understanding of Pakistan and its views of the fight against terrorism and the danger of nuclear proliferation; gain insight into the impact of the temperamental nature of American-Pakistani bilateral relations; and make concrete recommendations at a time when the U.S. was pledging to strengthen its alliances across Pakistan's society, not just with its military.

In a 10-day trip to Pakistan, flanked by side trips to Afghanistan and India, Network 20/20 conducted more than 60 interviews in Islamabad, Karachi, Lahore, Peshawar, Multan, Rawalpindi, Kabul, and New Delhi. Interviewees represented a cross-section of the Pakistani community, ranging from government officials, members of parliament, military officers, university chancellors, and business executives, to religious leaders, radical Islamists, journalists, non-profit community organizers, scientists, entrepreneurs, and people on the street. Many people spoke English; Network 20/20's Urdu-speaking members conversed with those who did not.

Our resulting report, *A Different Kind of Partner: A Paradigm for Democracy and Counter-Terrorism in Pakistan*, was disseminated to public and private policymakers, diplomats, the media, NGOs, and U.S. presidential candidates. It was the first to highlight the fact that extremist cells are present throughout Pakistan, including in the Punjab, and not simply isolated to the tribal areas. Other findings included that the vast majority of Pakistanis oppose fundamentalism, support democracy, and prioritize economic over security issues (in perceived tension with the

U.S. foreign policy agenda). Network 20/20 concluded that the U.S. must forge alliances with multiple constituencies and address the food and energy crises in Pakistan, in order to stem unrest and help stabilize the government.

An additional impact of the field visit was that Network 20/20 delegate Imtiaz Ali was subsequently invited to accompany Special Envoy Richard Holbrooke when he toured the internal displacement camps of those fleeing the conflict between the Pakistani army and the Taliban in 2009. Holbrooke asked Ali to serve as local language media advisor and translator. When he returned to the U.S., Ali testified before the Senate Foreign Relations Subcommittee on South and Central Asia on the previously unknown realities of internally displaced people in Pakistan. His firsthand reports were well received and emphasized the importance to U.S. policy makers of hearing from Pakistanis themselves. Ali remains a key advisor to the Holbrooke team, especially in regards to improving communication with local Pakistani media.

Iran

2006

In the fall of 2006, Network 20/20 members traveled to Iran to gain firsthand knowledge of, and build relationships with, the people of this important country. We discovered that the desire for increased contact is widespread in Iran, and recognized that more detailed understanding of Iranian politics, history, and current conditions is vitally needed if we are to effectively engage the significant strands of Iranian society that are open to establishing constructive relations with the United States. In two separate 10-day trips to Iran, Network 20/20 conducted more than 50 interviews in six cities and several villages with a broad cross-section of Iranian society. Many interviewees spoke English; Network 20/20's Farsi-speaking members conversed with those who did not.

We found that while nationalist sentiment was shared by Iranians across the political spectrum and was fueled by grievances over past American and British interference in domestic affairs, the interest in better relations with the U.S. remains strong. Iran's nuclear program was largely viewed as a sign of national prestige rather than as a military strategy. While Western analysts saw an insurmountable division between "reformists" and "conservatives," the reality was far more nuanced; alignments and ideology were fluid. For instance, even Iranian Reformists objected to coercive U.S. diplomacy and the threat of military force.

Our unique and unprecedented trip resulted in the groundbreaking report ***Reframing Iran: Views from the Field***, which was widely disseminated to

private and public sector leaders. Network 20/20 generated specific recommendations for the U.S. government, Congress, NGOs, media, universities, and private citizens. Chief among them was the need to reestablish relations with Iran. It also recommended that the U.S. help Iran accede to the WTO and called for more people-to-people exchanges. More than 100 copies were sent to members of Congress, on request. Translated into Farsi, the report was also circulated in Iran. To date we have circulated more than 2,000 bound copies of this report.

Turkey

2004

Network 20/20 chose Turkey as its first field study because of the country's pivotal role in global security. Positioned between Europe and Asia, a member of NATO with a secular democratic heritage, close ties with Israel, and an independent foreign policy, Turkey was an apt location for discussions aimed at bridging the current gulf between the Islamic and Western worlds.

By 2004, the American military effort in Iraq had triggered a surge of anti-Americanism in Turkey and strained relations between the two governments. The U.S. invasion had been deeply unpopular among Turks, a third of whom believed that the United States was the world's greatest threat to global peace. In the spring of 2004, Prime Minister Recep Tayyip Erdogan had gone so far as to accuse the U.S. of terrorism in Iraq. In short, after a half century of amicable relations, the ties between Turkey and the United States seemed to be fraying.

A delegation of 10 Network 20/20 members engaged in 10 days of intensive meetings in Istanbul and Ankara with senior government officials, military officers, business leaders, journalists, scholars, Islamist activists, religious leaders and representatives from the nonprofit world. The comprehensive and heterogeneous set of interviews with persons not normally seen by Americans resulted in the report ***Talking Turkey: A Private Perspective on Public Diplomacy***. In this report, Network 20/20 made concrete recommendations for improving U.S.-Turkish relations, including the need to build bridges with civil society in Turkey.

Poland

2005

In addition to field research in the Islamic world, in November 2005 a select group of Network 20/20 members traveled to Poland for 10 days of

intensive discussions with senior government officials, journalists, business leaders, academics, and other influential Polish authorities. As has been the case with other field visits, members with local roots arranged for the delegation to meet with a wide variety of leaders not otherwise accessible to groups like Network 20/20.

Members were eager to visit Poland for several reasons including the fact that, based on a recent poll, it was one of only four nations whose population on the whole expressed favorable feelings toward the United States. Moreover, Poland, with its 40 million people, had a growing economy and was becoming the power house of Central Europe as well as a political and economic force in the European Union.

As parliamentary and presidential elections both occurred in the fall of 2005, Network 20/20 visited Poland at a critical moment in the country's political history. Our delegation's findings were summarized in our report, ***Poland Beyond Solidarity: Defining New Priorities for Polish Domestic and Foreign Policy***. This report was well-received by policy makers in the U.S.

NETWORK 20/20, Inc.

Financial Statements

For the year ended June 30, 2011
(with comparative totals for June 30, 2010)

NETWORK 20/20, INC.
YEAR ENDED JUNE 30, 2011

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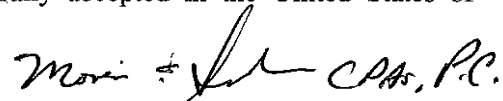
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Network 20/20, Inc.
850 Seventh Avenue Suite 1101
New York, New York 10019

We have audited the accompanying statement of financial position of Network 20/20, Inc. (Organization) as of June 30, 2011, the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Network 20/20, Inc. as of June 30, 2011, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


MORIN & SUROVCIK, CPAS, P.C.

August 10, 2011

NETWORK 20/20, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2011

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 141,100	\$ 198,282
Accounts receivable	56,850	7,430
Prepaid expenses	<u>22,213</u>	<u>2,071</u>
Total Current Assets	<u>220,163</u>	<u>207,783</u>
Other Assets		
Property and equipment – net	1,127	2,692
Deposits	<u>14,024</u>	<u>14,024</u>
Total Other Assets	<u>15,151</u>	<u>16,716</u>
Total Assets	<u>\$ 235,314</u>	<u>\$ 224,499</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 7,452	\$ 4,379
Dues paid in advance	<u>18,713</u>	<u>10,983</u>
Total Current Liabilities	<u>26,165</u>	<u>15,362</u>
Net Assets		
Unrestricted	<u>209,149</u>	<u>209,137</u>
Total Net Assets	<u>209,149</u>	<u>209,137</u>
Total Liabilities and Net Assets	<u>\$ 235,314</u>	<u>\$ 224,499</u>

The accompanying notes are an integral part of the financial statements.

NETWORK 20/20, INC.

STATEMENT OF ACTIVITIES

JUNE 30, 2011

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	<u>2011</u>	<u>2010</u>
SUPPORT AND REVENUE		
Support		
Contributions and other gifts	\$ 78,019	\$ 38,743
Special events, net	<u>187,344</u>	<u>135,166</u>
Total Support	<u>265,363</u>	<u>173,909</u>
Revenue		
Membership dues	32,485	24,934
Interest income	484	1,289
Miscellaneous income	<u>7,420</u>	<u>3,448</u>
Total Revenue	<u>40,389</u>	<u>29,671</u>
Total Support and Revenue	<u>305,752</u>	<u>203,580</u>
EXPENSES		
Programs		
Entrepreneurial diplomacy	99,213	98,517
Lectures and briefings	<u>144,409</u>	<u>148,139</u>
Total Programs	<u>243,622</u>	<u>246,656</u>
Support Services		
Administrative and general	41,218	37,072
Fund raising	<u>20,900</u>	<u>21,324</u>
Total Support Services	<u>62,118</u>	<u>58,396</u>
Total Expenses	<u>305,740</u>	<u>305,052</u>
CHANGES IN NET ASSETS	12	(101,472)
NET ASSETS AT BEGINNING OF YEAR	<u>209,137</u>	<u>310,609</u>
NET ASSETS AT END OF YEAR	<u>\$ 209,149</u>	<u>\$ 209,137</u>

The accompanying notes are an integral part of the financial statements.

NETWORK 20/20, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2010)**

	Programs			Supporting Services			Totals	
	Entrepreneurial Diplomacy	Lectures and Briefings	Total	Administration	Fund Raising	Total	2011	2010
Salaries, fees, and benefits	\$ 61,963	\$ 89,376	\$ 151,339	\$ 11,832	\$ 8,588	\$ 20,420	\$ 171,759	\$ 154,186
Professional fees	324	1,053	1,377	21,270	81	21,351	22,728	19,972
Insurance	1,196	1,727	2,923	233	166	399	3,322	2,650
Occupancy	22,018	31,804	53,822	4,281	3,058	7,339	61,161	59,102
Travel and promotional	1,587	1,074	2,661	96	680	776	3,437	9,636
Research and development	2,581	2,581	5,162	-	1,290	1,290	6,452	9,533
Education outreach	4,514	8,222	12,736	-	-	-	12,736	16,058
Printing	81	1,529	1,610	-	6,095	6,095	7,705	8,110
Office supplies and expense	602	815	1,417	93	67	160	1,577	2,643
Information technology	711	1,026	1,737	138	99	237	1,974	8,439
Minor equipment and rentals	1,051	1,519	2,570	204	146	350	2,920	3,218
Postage and shipping	63	64	127	171	128	299	426	1,518
Telephone	1,904	2,751	4,655	370	264	634	5,289	4,819
Miscellaneous	55	54	109	2,420	160	2,580	2,689	1,675
Depreciation	563	814	1,377	110	78	188	1,565	3,493
Total	\$ 99,213	\$ 144,409	\$ 243,622	\$ 41,218	\$ 20,900	\$ 62,118	\$ 305,740	\$ 305,052

The accompanying notes are an integral part of the financial statements.

NETWORK 20/20, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 12	\$ (101,472)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,565	3,493
Changes in Operating Assets and Liabilities:		
Decrease (increase) in accounts receivable	(49,420)	11,590
Decrease (increase) in prepaid expenses	(20,142)	5,639
Increase (decrease) in accounts payable	3,073	1,080
Increase (decrease) dues paid in advance	<u>7,730</u>	<u>1,591</u>
Net cash (used in) operating activities	<u>(57,182)</u>	<u>(78,079)</u>
NET (DECREASE) IN CASH	(57,182)	(78,079)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>198,282</u>	<u>276,361</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 141,100</u>	<u>\$ 198,282</u>

The accompanying notes are an integral part of the financial statements.

NETWORK 20/20, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1. DESCRIPTION OF ORGANIZATION

Network 20/20, Inc, (Organization) was founded to promote and educate the next generation of U.S. leaders about international relations and related United States policy issues, providing a forum for informed and meaningful dialogue on these subjects, and fostering an exchange of ideas and viewpoints between talented young American professionals and their foreign counterparts.

The major support of the Organization is obtained from forums, individual contributions, foundations, corporations, and other fund raising events.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

In the absence of donor restrictions, contributions are considered to be available for unrestricted use. Revenue from program services, membership dues, and other revenue is recognized at the time earned. Donated assets are recorded as contributions at their fair market value at the time of the donation.

Net Assets

All financial transactions have been recorded as unrestricted net assets:

- Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Organization and include those expendable resources which have been designated for special use by the Board.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$500 at cost. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Allocation of Expenses

Indirect expenses are allocated to the various program and supporting services based on the ratio of salary and management fee expenses for each respective program or supporting service to total salary and management fees expenses.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of six months or less to be cash equivalents.

NETWORK 20/20, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

The Organization is a non-profit voluntary organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Also, the Organization has been designated a publicly supported organization under Section 170(b)(1)(A)(vi) of the same code. Accordingly, contributions qualify for deduction at the maximum allowance of that code.

NOTE 3. PROPERTY AND EQUIPMENT

At June 30, 2011, property and equipment consists of the following:

	<u>Life</u>	
Furniture and equipment	7 years	\$ 12,871
Website	3 years	5,000
Computers	3 years	<u>5,895</u>
		23,766
Less accumulated depreciation		<u>22,639</u>
Net property and equipment		<u>\$ 1,127</u>

NOTE 4. DONATED SERVICES

The Organization received donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

NOTE 5. SPECIAL EVENTS

During the year, the Organization held a fund-raising event. The gross receipts from this event were \$217,112. Direct expenses consisting of event and related costs of \$29,768 were charged against these receipts leaving net proceeds of \$187,344.

NOTE 6. RELATED PARTY TRANSACTIONS

During the year, Huntington Associates, Inc. charged management fees for program, administrative and general, and fundraising services on behalf of the Organization in the amount of \$80,070. The fee is charged to salary and benefit expenses. The executive director and member of the board of trustees of the Organization is the owner of Huntington Associates, Inc. From time to time, the Organization reimburses Huntington Associates, Inc. for payment of these various expenses.

NETWORK 20/20, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 7. COMMITMENTS

The Organization rents its office facilities under an operating lease. The lease term expires July 31, 2013. Rent expense for the year ended June 30, 2011, was \$61,166.

The Organization entered into an operating lease for certain office equipment. The lease term expires in June 30, 2016. Lease expense was \$2,532 for the year ended June 30, 2011.

Future minimum annual rental and lease commitments as of June 30 are as follows:

2012	\$ 59,488
2013	60,424
2014	8,068
2015	3,300
2016	<u>3,300</u>
	<u>\$ 134,580</u>

NOTE 8. UNRESTRICTED NET ASSETS

At June 30, 2011, unrestricted net assets are as follows:

General Operating Net Assets:	
For general operations	\$ 208,022
Property and equipment	<u>1,127</u>
Total	<u>\$ 209,149</u>

NOTE 9. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and accounts receivables.

Credit risk with respect to accounts receivable is limited due to the nominal individual amounts due from the Organization's special event. All accounts receivable are deemed collectible.

The Organization maintains its cash and temporary cash investments with a high quality major financial institution. While the Organization attempts to limit credit risk exposure, its deposit balances may, at a time, exceed federally insured limits. The Organization has not experienced any losses on such accounts.

NETWORK 20/20, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 10. COMPARATIVE AND SUMMARIZED FINANCIAL INFORMATION

The financial statements include certain prior year comparative and summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

NOTE 11. INCOME TAXES

In accordance with Financial Accounting Standard (FASB) Accounting Standard Codification (ASC) 740, the Organization regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regards to issues affecting its tax exempt status, unrelated business income and related matters. The Organization believes that in the event of an examination by taxing authorities, the Organization's positions would prevail based upon the technical merits of such positions. Therefore, the Organization has concluded that no tax benefits or liabilities are required to be recognized. The Organization's federal information returns are generally subject to examination by the Internal Revenue Service and the State of New York for three years, including the fiscal years ended June 30, 2008, 2009, and 2010.

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions occurring through August 10, 2011, the date of the financial statements were available and there were no material subsequent events or transactions requiring disclosure or recognition.

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Network 20/20's valued annual supporters allow us to provide young leaders with the international perspectives and on-the-ground experience necessary to shape sound foreign policy.

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