



2015 ANNUAL REPORT

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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?

For over 10 years, Network 20/20 has pursued a vision of encouraging global peace and prosperity by mobilizing a network of young, private sector leaders in the U.S. to build bridges with their counterparts overseas. Network 20/20 promotes a sustainable, interdependent world through cross-border problem solving and entrepreneurial diplomacy. Thanks to its multinational members, Network 20/20 is able to interview leaders from different sectors of society in critical countries of the world. We are internationally recognized for gaining unique access and listening to local leaders abroad and reporting their views back to policy makers in the United States.

Our members are a talented, diverse and multilingual group; they come from business, the professions, the media, NGOs, think tanks, 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 and established leaders in all sectors of society.

Network 20/20's Speakers Series here at home includes 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, and roundtables.

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Letter from the President

The increasingly interdependent modern world faces new challenges lying behind the control of any one nation-state. As emerging world turbulence threatens transnational peace and security, the burden of effectively understanding and combating new crises falls upon the next generation of rising young leaders in the United States. More than ever before, leaders need to know and understand what is going on in other countries. They need global perspectives in order to deal with local issues effectively. Network 20/20 offers its members new perspectives. Its membership, unlike that of other non-profits working in foreign affairs, is open to citizens of other countries, giving Network 20/20 multi-national perspectives and knowledge of on-the-ground realities abroad.

Our program is divided into two distinct parts: Lectures and Briefings here at home and field research overseas. Our speakers here include a unique group of seasoned experts eager to engage with our members because they are interested and informed. The settings for Network 20/20 lectures and briefings are intimate -- mostly in private homes -- where it is possible to interact candidly and easily on substantive matters.

Increasingly, there is a specific need in the United States for leaders familiar with a variety of countries and cultures who can understand issues in a global context. At Network 20/20, our policy is to discuss key topics for a detailed and intensive understanding of not only the politics but the people who make up the regions of international strategic interest. The character of Network 20/20's dynamic Lecture Series Program is defined by a high level of engagement and quality interaction between lecturers and members as a result of the enriching discussions our briefings provide. Network 20/20 goes to great lengths to obtain the best speakers; speakers who consistently want to come back and speak again, staying after their lectures have concluded to engage with our members, comprised of people who have a thorough understanding of the topics discussed. The quality of discussion at Network 20/20 events is intensified not only by those speaking but by those listening and engaging.

Each year Network 20/20 fields a small delegation of members to a country of global security concern. Because of the organization's international membership, Network 20/20 is able to interview leaders of different sectors of society and to gain understandings not possible for other Americans. Because of our special insights, we are able to write trip reports for public and private sector leaders in the U.S. and circulate them to Congress, the Administration and the State Department.

Past delegations have traveled to Turkey, Iran, Pakistan and Poland and have subsequently produced widely circulated reports used by policy-makers including Iran's Next Green Revolution: Turning Catastrophe in Collaboration; and "Iran Remembers Made in the USA: What if Sanctions were Suspended or Eliminated". Both were highly distributed and well received.

Through its efforts, Network 20/20 develops a critical mass of dynamic next generation leaders who will impact global affairs over the coming decades. The struggle towards peace and security may be a long and arduous one, but it begins with dialogue in an engaged and globally-minded community. It begins with Network 20/20.

This year, our well-attended lectures, roundtables, and briefings included Professor of Foreign Affairs and Humanities, Bard College, Walter Russell Mead, on *The New World Disorder: Ambition versus Retrenchment*; C.V. Starr Fellow, CFR, Elizabeth Economy, on *China's Imperial President Xi Jinping Tightens His Grip*; TÜSIAD Senior Fellow, Brookings Institution, Kemal Kirişci, on *Turkey in Turbulence and What it Means For The Transatlantic Community*; Chief Economics Commentator, Financial Times, Martin Wolf, on *The Shifts and the Shocks: What We've Learned—and Have Still to Learn—from the Financial Crisis*; Chilean Ambassador to the US, H.E. Mr. Juan Gabriel Valdés, on *What is Going on in Latin America Today*; Founder & CEO, Veracity, Steven Fox, on *Constructive Engagement: Managing Political Risk in Emerging Markets*; Director of the Digital and Cyberspace Policy Program, CFR, Adam Segal, on *Cybersecurity and American Preparedness*; Professor, City College, Rajan Menon, on *Will Modi be a Friend or Foe to China?*; Professor, Stony Brook University, Rick Hornik on *The Future of Hong Kong*; Research Scholar, Princeton University, Seyed Hossein Mousavian on *Iran – P5+1 Negotiations, Outcomes, and Next Steps*; Founder and Chief Global Strategist, Clark Winter Enterprises on *What Matters More, What Matters Less, and What Doesn't Matter At All Anymore*; Professor, Princeton University, Bernard Haykel, on *Saudi Arabia in Transition: Insights on Social, Political, Economic, and Religious Change*; and Retired Vice Chairman, Citicorp and Citibank, Onno Ruding on *Europe: Internal Issues and Tensions with Eastern Europe*.

Upcoming Speakers Series

In the coming year our lecture series will include such dynamic speakers as H.E. Mr. Gholamali Khoshroo, Iranian Ambassador to the UN, on *P5+1 Agreement & What Lies Ahead*; Martin Wolf, Chief Economics Commentator, Financial Times, on *The Embattled Future of Global*

Trade Policy; Dr. Sheila Smith, CFR Senior Fellow, on *Intimate Rivals: Japanese Domestic Politics and a Rising China*; Dr. Kimberly Marten, Professor, Barnard College, on *Recent Trends in U.S.-Russia Relations*; Zachary Goldman, Executive Director of the Center on Law and Security, NYU School of Law, on *Islamic State and Terrorism Financing*; Onno Ruding, retired Vice Chairman of Citicorp and Citibank; and Dr. Rajan Menon, Professor, City College, on his recent book *Conflict in Ukraine: The Unwinding of the Post-Cold War Order*. Other potential speakers include H.E. Dr. Maleeha Lodhi, Permanent Representative of the Islamic Republic of Pakistan to the United Nations, on *Pakistan*; Katherine H.S. Moon, SK-Korea Foundation Chair in Korea Studies and Senior Fellow at the Brookings Center for East Asia Policy Studies, Brookings Institution, on *US-Korea Relations and the Korean Peninsula*; Roger Cohen, Columnist, New York Times and International New York Times, on *Israel and Palestine*; Michael Mandelbaum, former advisor to President Bill Clinton, on *Post-Cold War American Foreign Policy*; James Upton, Chief Strategic Officer of Emerging Markets, Morgan Stanley, on *Emerging Markets in Latin America*; Dr. James Hansen, Director, Climate Science, Awareness, and Solutions Program, Earth Institute, Columbia University, on *Climate Change and Its Impact on Foreign Affairs*.

Network 20/20 plans to continue using technology to stimulate and improve the connections and dialogue between members, their international counterparts, and the interested public. Network 20/20 is proud to announce the design of a new website as well as a commitment to social media through an increased Twitter presence. Additionally, since our program has increased dramatically in our ten 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 our Board Chair, Anne Mai, whose vision, sound judgment and unwavering faith in our future has brought us to this extraordinary point as we enter our 13th year. 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
July 2015

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. Confirmed briefings in FY 2015-16 include:

Upcoming Briefings

Wednesday, July 29 – The University Club of New York

H.E. Mr. Gholamali Khoshroo, Permanent Representative of the Islamic Republic of Iran to the UN on *P5+1 Negotiations and Outcomes*
Hosted by Network 20/20 Founding Board Chairman, Geraldine Kunstadter

Thursday, September 10 – Morgan Stanley

Martin Wolf, Chief Economics Commentator, Financial Times, on *The Embattled Future of Global Trade Policy*
Hosted by James Upton and Morgan Stanley Investment Management

Thursday, September 17 – Winthrop Residence

Dr. Sheila A. Smith, Senior Fellow for Japan Studies, Council on Foreign Relations, on *Intimate Rivals: Japanese Domestic Politics and a Rising China*
Hosted by Network 20/20 Member Hope Winthrop

Wednesday, October 7 – Mai Residence

Dr. Kimberly Marten, Director of the U.S.-Russia Relations Program at the Harriman Institute for Russian, Eurasian, and East European Studies, Columbia University, on *Recent Trends in U.S.-Russia Relations*
Hosted by Network 20/20 Member Anne Mai

Monday, October 19 –Thompson Residence

Zachary K. Goldman, Executive Director of the Center on Law and Security at NYU School of Law, on *Islamic State and Terrorism Funding*
Hosted by Network 20/20 Member Claudia Thompson

Tuesday, December 1 (Breakfast Briefing) –The University Club of New York

Onno Ruding, Former Vice Chairman, Citicorp and Citibank
Hosted by Network 20/20 Members at the University Club

Tuesday, January 12- Flinn Residence

Dr. Rajan Menon, Colin Powell School for Civic and Global Leadership,
The City College of New York on *Conflict in Ukraine: The Unwinding of
the Post-Cold War Order*

Hosted by Network 20/20 Member Elizabeth Flinn

Thursday, November 5- Murphy Residence

Amb. Richard Murphy, Former U.S. Assistant Secretary of State for near
Eastern Affairs, Former U.S. Ambassador to Saudi Arabia, the Philippines,
Syria and Mauritania, on *Syria's Future: Will Too Many Cooks Spoil the
Broth?*

Hosted by Network 20/20 Member Ambassador Richard Murphy

H.E. Mr. Yuriy A. Sergeyev, Permanent Representative of Ukraine to the
United Nations

*Hosted by Network 20/20 Founding Board Chairman, Geraldine
Kunstadter at the University Club*

H.E. Dr. Maleeha Lodhi, Permanent Representative of the Islamic
Republic of Pakistan to the United Nations

Katherine H.S. Moon, SK-Korea Foundation Chair in Korea Studies and
Senior Fellow at the Brookings Center for East Asia Policy Studies,
Brookings Institution, on *US-Korea Relations and the Korean Peninsula*

Roger Cohen, Columnist, *New York Times* and *International New York
Times*, on *Israel and Palestine*

Michael Mandelbaum, Former CFR advisor to Under Secretary of State
Lawrence S. Eagleburger and former advisor to President Bill Clinton, on
Post-Cold War American Foreign Policy

Dr. James Hansen, Director, Climate Science, Awareness and Solutions
Program, Earth Institute, Columbia University, on *Climate Change and Its
Impact on Foreign Affairs*

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, ethnic, sectarian and religious strife, 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

Iran 2015

After more than 10 years of bridge building with Network 20/20 counterparts in Iran in order to encourage rapprochement between the US and Iran, we were gratified by the P5+1 agreement that was reached following the June 30th deadline. Network 20/20's members and other affiliated individuals have worked and continue to work behind the scenes to improve US-Iran relations and American understanding of Iran and Iranians.

Iran 2014

In May, a seven-person delegation of Network 20/20 members traveled to Iran at the invitation of the Institute for Political and International Studies (IPIS), a think-tank associated with Iran's Ministry of Foreign Affairs. The delegation met with government officials, academics, artists, businesspeople, members of the media, nonprofit leaders, scientists and others, both formally and informally. The aim of

the visit was to improve communications among emerging leaders in Iran and the United States and to identify areas for future collaboration.

One theme that emerged was the threat of climate change and the extent of environmental degradation occurring within Iran's borders and throughout the region. Representatives from Iran's Department of Environment recommended specific areas – air pollution, water management, and desertification – as areas where they would like to work with experts from the United States in an urgent effort to mitigate these environmental threats. Network 20/20 was asked to play a catalytic role in setting up an exploratory meeting between Iranian and American environmentalists, a role Network 20/20 plans to move forward with once sanctions against doing so are lifted.

Two short reports resulted from the visit to Iran: *Iran's Next Green Revolution: Turning Catastrophe into Collaboration*; and *Iran Remembers "Made in USA": What if Sanctions were Suspended or Eliminated?* Both reports were widely disseminated and well received.

Iran 2013

In 2013, Network 20/20 was invited by the Iranian think-tank, the Institute for Political and International Studies (IPIS), to meet with its members and others to discuss topics of mutual interest in an effort to improve communications among emerging leaders in Iran and the U.S. The specific agenda was formulated jointly. The visit was scheduled for October 2013 and included meetings with Ministers, academics, mayors, persons engaged in business and commerce and others.

Turkey 2011-12

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.

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.

Pakistan 2008-09

In May 2008, Network 20/20 sent a delegation to Pakistan seeking candid exchanges and bridge-building 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 within 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 remained 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 Iranian-American 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, 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.

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.

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 a regionally

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-American sentiment 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.

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Financial Review

2015

NETWORK 20/20, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2014

NETWORK 20/20, INC.
YEAR ENDED JUNE 30, 2015

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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850 Seventh Avenue Suite 1101
New York, New York 10019

We have reviewed the accompanying financial statements of Network 20/20, Inc. (a non-profit corporation) (Organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion


Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The 2014 financial statements were audited by us, and we expressed an unqualified opinion on them in our report dated October 28, 2014, but we have not performed any auditing procedures since that date.

Summarized Comparative Information

We previously audited Network 20/20's June 30, 2014 financial statements and in our conclusion dated October 2014, stated that based on our audit we were not aware of any material modifications that should be made to the 2015 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2014, for it to be consistent with the audited financial statements from which it has been derived.


Stanley J. Morin, CPA, P.C.

August 6, 2015

NETWORK 20/20, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015 (UNAUDITED)
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014) (AUDITED)

| <u>ASSETS</u> | | |
|-----------------------------------|-------------------|------------------|
| | <u>2015</u> | <u>2014</u> |
| Current Assets | | |
| Cash | \$ 75,403 | \$ 59,553 |
| Investments | 6,028 | |
| Accounts receivable | 41,080 | 2,635 |
| Prepaid expenses | 1,818 | 1,905 |
| Total Current Assets | <u>124,329</u> | <u>64,093</u> |
| Other Assets | | |
| Property and equipment – net | - | - |
| Security Deposits | 14,734 | 14,024 |
| Total Other Assets | <u>14,734</u> | <u>14,024</u> |
| TOTAL ASSETS | \$ <u>139,063</u> | \$ <u>78,117</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| | <u>2015</u> | <u>2014</u> |
| Current Liabilities | | |
| Accounts payable | \$ 6,461 | \$ 6,803 |
| Dues paid in advance | 3,276 | 7,372 |
| Total Current Liabilities | <u>9,737</u> | <u>14,175</u> |
| Net Assets | | |
| Unrestricted | 129,326 | 63,942 |
| Total Net Assets | <u>129,326</u> | <u>63,942</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ <u>139,063</u> | \$ <u>78,117</u> |

See accountant's review report.

NETWORK 20/20, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015 (UNAUDITED)
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014) (AUDITED)

| | <u>2015</u> | <u>2014</u> |
|---|-------------------|------------------|
| SUPPORT AND REVENUE | | |
| Support | | |
| Contributions and other gifts | \$ 179,623 | \$ 108,752 |
| Special events, net | <u>123,802</u> | <u>163,497</u> |
| Total Support | <u>303,425</u> | <u>272,249</u> |
| Revenue | | |
| Membership dues | 27,697 | 25,209 |
| Investment income | 104 | 46 |
| Miscellaneous income | <u>746</u> | <u>5,251</u> |
| Total Revenue | <u>28,547</u> | <u>30,506</u> |
| TOTAL SUPPORT AND REVENUE | <u>331,972</u> | <u>302,755</u> |
| EXPENSES | | |
| Programs | | |
| Entrepreneurial diplomacy | 85,623 | 121,890 |
| Lectures and briefings | <u>91,128</u> | <u>138,277</u> |
| Total Programs | <u>176,751</u> | <u>260,167</u> |
| Support Services | | |
| Administrative and general | 33,454 | 46,225 |
| Fundraising | <u>57,393</u> | <u>24,245</u> |
| Total Support Services | <u>90,847</u> | <u>70,470</u> |
| TOTAL EXPENSES | <u>267,598</u> | <u>330,637</u> |
| CHANGES IN NET ASSETS FROM OPERATIONS | 64,374 | (27,882) |
| Investments: | | |
| Unrealized appreciation (depreciation) on investments | <u>1,010</u> | <u>-</u> |
| CHANGE IN NET ASSETS | <u>65,384</u> | <u>(27,882)</u> |
| NET ASSETS AT BEGINNING OF YEAR | <u>63,942</u> | <u>91,824</u> |
| NET ASSETS AT END OF YEAR | \$ <u>129,326</u> | \$ <u>63,942</u> |

See accountant's review report.

NETWORK 20/20, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2015 (UNAUDITED)
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014) (AUDITED)

| | <u>2015</u> | <u>2014</u> |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 65,384 | \$ (27,882) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | - | 45 |
| Change in Operating Assets and Liabilities: | | |
| Decrease (increase) in investment | (6,028) | |
| Decrease (increase) in accounts receivable | (38,445) | 32,970 |
| Decrease (increase) in prepaid expenses | 87 | (106) |
| Decrease (increase) in security deposits | (710) | - |
| Increase (decrease) in accounts payable | (342) | (1,536) |
| Increase (decrease) dues paid in advance | (4,096) | (2,787) |
| NET INCREASE IN CASH | 15,850 | 704 |
| CASH AT BEGINNING OF YEAR | <u>59,553</u> | <u>58,849</u> |
| CASH AT END OF YEAR | \$ <u>75,403</u> | \$ <u>59,553</u> |

See accountant's review report.

NETWORK 20/20, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015 (UNAUDITED)
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2014) (AUDITED)

| | Programs | | Supporting Services | | | | Totals | |
|------------------------------|------------------------------|---------------------------|---------------------|------------------|------------------|------------------|-------------------|-------------------|
| | Entrepreneurial Diplomacy | Lectures and Briefings | Total | Administration | Fund Raising | Total | 2015 | 2014 |
| Salaries, fees, and benefits | \$ 56,491 | \$ 45,977 | \$ 102,468 | \$ 27,082 | \$ 10,902 | \$ 37,984 | \$ 140,452 | \$ 192,332 |
| Professional fees | - | - | - | 24,229 | - | 24,229 | 24,229 | 18,446 |
| Insurance | 1,003 | 1,232 | 2,235 | 230 | 822 | 1,052 | 3,287 | 3,119 |
| Occupancy | 19,429 | 23,889 | 43,318 | 4,459 | 15,926 | 20,385 | 63,703 | 62,084 |
| Travel and promotional | 100 | 123 | 223 | 23 | 82 | 105 | 328 | 284 |
| Research and development | 1,658 | 1,658 | 3,316 | - | 829 | 829 | 4,145 | 6,587 |
| Education outreach | 972 | 10,910 | 11,882 | - | - | - | 11,882 | 24,593 |
| Printing | 200 | 247 | 447 | 46 | 164 | 210 | 657 | 6,792 |
| Office supplies and expense | 711 | 875 | 1,586 | 163 | 583 | 746 | 2,332 | 1,589 |
| Information technology | 432 | 531 | 963 | 99 | 354 | 453 | 1,416 | 1,423 |
| Minor equipment and rentals | 1,075 | 1,321 | 2,396 | 247 | 881 | 1,128 | 3,524 | 3,884 |
| Postage and shipping | 179 | 220 | 399 | 41 | 147 | 188 | 587 | 311 |
| Telephone | 1,782 | 2,190 | 3,972 | 409 | 1,460 | 1,869 | 5,841 | 5,951 |
| Miscellaneous | 1,591 | 1,955 | 3,546 | 365 | 1,304 | 1,669 | 5,215 | 3,197 |
| Depreciation | - | - | - | - | - | - | - | 45 |
| Total | <u>\$ 85,623</u> | <u>\$ 91,128</u> | <u>\$ 176,751</u> | <u>\$ 57,393</u> | <u>\$ 33,454</u> | <u>\$ 90,847</u> | <u>\$ 267,598</u> | <u>\$ 330,637</u> |

See accountant's review report.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 (UNAUDITED)

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 support activities, 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 (UNAUDITED)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Association's investments are stated at fair value. The Association follows the provisions of Financial Accounting Standards Board (FASB) ASC 820 "Fair Value Measurements. Under ASC820, fair value is defined as the price in an orderly transaction between market participants at the measurement date.)

ASC 820 establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs for valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 – quoted prices in active markets for identical securities.

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)

Level 3 – significant unobservable inputs including the Organization's own assumptions about the factors market participants would use such as purchase price, estimated liquidation value, restrictions or transferability, prices received in recent significant private placements of securities of the same issuer, prices of securities of comparable companies engaged in similar businesses, changes in the financial condition and prospects of the issuer, and any factors deemed relevant.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Because of the inherent uncertainty of the valuation of the portfolio companies, the estimated value may differ significantly from the value that would have been used had a ready market for securities existed, and the differences could be material.

Realized gains or losses on the sale of investments are based on historical costs of investments sold. Unrealized gains or losses on investments help represents the difference between the market value and cost of investments at the end to the year and at the beginning of the year.

Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

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.

NETWORK 20/20, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 (UNAUDITED)

NOTE 3. PROPERTY AND EQUIPMENT

At June 30, 2015, property and equipment consists of the following:

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

NOTE 4. INVESTMENTS

Investments as of June 30, 2015, are summarized as follows:

| | <u>Cost</u> | <u>Market Value</u> | <u>Unrealized Appreciation (Depreciation)</u> |
|------------------------|-------------|---------------------|---|
| Investments | | | |
| Equities | | | |
| Domestic Common Stocks | \$ 4,945 | \$ 5,955 | \$ 1,010 |

NOTE 5. FAIR VALUE MEASUREMENTS

The Organization's investment securities recorded at fair value have been categorized based on fair value hierarchy described in Note 2.

| <u>Category</u> | |
|-----------------|----------|
| Level 1 | \$ 5,955 |
| Level 2 | - |
| Level 3 | - |

NOTE 6. 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.

NETWORK 20/20, INC.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 (UNAUDITED)

NOTE 7. SPECIAL EVENTS

During the year, the Organization held a fund-raising event. The gross receipts from this event were \$148,550. Direct expenses consisting of event and related costs of \$24,749 were charged against these receipts leaving net proceeds of \$123,801.

NOTE 8. 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 \$ 96,996. The fee is charged to salary, fees and benefit expenses. The executive director is a member of the board of trustees of the Organization, and is the owner of Huntington Associates, Inc.

NOTE 9. COMMITMENTS

The Organization rents office space under an operating lease. The lease term expires July 31, 2016. Rent expense for the year ended June 30, 2015, was \$ 61,485.

The Organization entered into an operating lease for certain office equipment. The lease term expires in June 30, 2017. Lease expense was \$ 3,460 for the year ended June 30, 2015.

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

| | |
|------|------------------|
| 2016 | \$ 58,923 |
| 2017 | 3,300 |
| 2018 | <u>3,300</u> |
| | <u>\$ 65,523</u> |

NOTE 10. UNRESTRICTED NET ASSETS

At June 30, 2015, unrestricted net assets are as follows:

| | |
|-------------------------------|-------------------|
| General Operating Net Assets: | |
| For general operations | <u>\$ 131,952</u> |

NOTE 11. 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015 (UNAUDITED)

NOTE 11. CONCENTRATIONS OF CREDIT RISK (CONTINUED)

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.

NOTE 12. 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, 2014, from which the summarized information was derived.

NOTE 13. 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, 2012, 2013 and 2014.

NOTE 14. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions occurring through August 6, 2015 the date of the financial statements were available and there were no material subsequent events or transactions requiring disclosure or recognition.