



# **2010 ANNUAL REPORT**

July 1, 2009 - June 30, 2010

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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 independent, nonprofit organization that helps prepare next-generation leaders in the U.S. to participate meaningfully in the promotion of entrepreneurial diplomacy, trans-national problem solving, and global sustainability. Our aim is to better understand on-the-ground realities in countries of pivotal concern for global peace and prosperity and to build bridges with our counterparts overseas. We do this by means of lectures and study groups here at home and field research overseas. The published research resulting from these trips is circulated to the U.S. government, private sector policy makers, and NGOs.

Network 20/20 fills two major gaps in U.S. foreign policy: lack of participation and lack of serious input from civil society in general. We provide a unique forum for early and mid-career individuals to share and explore experiences and ideas drawn from the real world of private citizenry.

Network 20/20 members are a diverse, talented, multilingual group of over 200 rising young professionals from more than 30 different fields including finance, law, advertising, media, NGOs, think-tanks, government, and academia. They are Americans and foreign nationals from Africa, Asia, Latin America, the Greater Middle East, and the Caucasus. More than 80% are fluent in another language, 67% have advanced degrees, and 16% are foreign nationals living and working in this country. What draws them together is that they are all well-informed, motivated individuals who are committed to furthering America's positive engagement with the world.

**Network 20/20  
Board of Directors  
2009-10**

Patricia A. Begley

George Billard

Lynn A. Foster

Patricia S. Huntington, *Founder*

Geraldine S. Kunstadter, *Chairman*

Anne Mai

Sanjay Mody

Susan Nitze

Lena Sene

M. Sava B. Thomas

**Network 20/20  
Staff**

Dr. Patricia S. Huntington  
President

Nancy Hsu  
Membership & Program Affairs Director

Jonathan Giuffrida  
Membership & Program Affairs Associate

Jennifer Boram Lee  
Bookkeeper

# Committees

## ***Advisory Council***

Elizabeth Beim  
Rachel Bronson  
Sydney M. Cone III  
Lee Cullum  
Ambassador April H. Foley  
Rita Hauser  
Colonel Paul D. Hughes  
Ambassador Andrew Jacovides  
Priscilla Lewis  
H. Onno Ruding

## ***Committee of Twenty***

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Christina Lang Assael  
Liza Bailey  
Patricia Begley  
Elizabeth Beim  
Judy Benardete  
Jewelle Bickford  
Ishik Camoglu  
Barbara Evans-Butler  
Ambassador April H. Foley  
Lynn A. Foster  
Olivia Fussell  
Nella Habsburg  
Marjorie Hart  
Mary Heller  
Marianne Hendrix  
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Peter Kaskell  
Elbrun Kimmelman  
Jane Klein  
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Vivianne C. Lake  
Sahra Lese  
Marion Fennelly Levy  
Anne Mai  
Jacquelyn Mayfield  
Anne Cook Murphy, *Emeritus*  
Susan Nitze  
Jessie K. Palmer, *Emeritus*  
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Lila D. Prounis  
Josée Reboul  
Anne Beane Rudman  
Deborah K. Solbert  
Tara Stack  
Stephanie Stokes  
M. Sava B. Thomas  
Elena Toth  
Zibby Tozer  
Jane P. Wittmann  
Gilda Wray

## ***Entrepreneurial Diplomacy***

Lena Sene, *Chairman*  
George Billard

## ***International Committee***

Lale Apakan  
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Irina Churkina  
Virginia Davide  
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Sheila Lyall Grant  
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Penelope Holmes  
Pamela Jacovides  
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Susan McNee  
Jayanthi Menon  
Markella Mitsialis  
Valbona Neritani  
Kasia Parham  
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Jocelyn Rugunda  
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Ornella Talò  
Penny Tsilas  
Elsie Nicoll Vance  
Stella Vasic  
Irmeli Viinanen  
Vivian Voss-Schaper

## ***Legal***

Cleary Gottlieb Steen & Hamilton  
Sanjay Mody

## ***Membership Committee***

Omeed Malik, *Co-Chairman*  
Caroline Thomas, *Co-Chairman*  
Jennifer Adams  
Kurt Chesko  
Peter Cohen  
Joseph DeSimone  
Wendy Foster  
Jane Y. Ginns  
Ian Gumprecht  
Nella Habsburg  
Elbrun Kimmelman  
Anne Murphy  
Shea Owens  
Beth Shair  
Patricia Suh  
Eleanor Yu

## 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 South Asia, global economic recession, violent drug cartels, flu pandemics, environmental degradation and climate change, and aggression in the Caucasus, Middle East and Korean peninsula.

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 ***Forces of Fortune: The Rise of a New Muslim Middle Class and What It Means for Our World***; a screening and discussion of ***A Sea Change; Half the Sky: Turning Oppression into Opportunity for Women Worldwide***; and ***Lessons in Disaster: Vietnam and the Way Forward in Afghanistan***. Highlights were briefings by Senior Advisor to Richard Holbrooke, Special Representative for Afghanistan and Pakistan, Vali Nasr; *The Financial Times* Chief Economics Commentator Martin Wolf; *The New York Times* Op-Ed Columnist Nicholas Kristof; UN Development Program Conflict Advisor Ferdinand von Habsburg; *The New Yorker* Staff Writer George Packer, and former Finance Minister of the Netherlands and Vice Chairman of Citicorp and Citibank, Dr. H. Onno Ruding.

The centerpiece of our foreign policy lecture series was a conversation with *New York Times* Columnist Roger Cohen and *Foreign Affairs* Editor James F. Hoge, Jr. In their discussion of ***Unnatural Enemies: The Iranian-American Impasse***, Mr. Cohen and Mr. Hoge discussed whether the Iranian reform movement could potentially gain momentum against the regime's military might and what the U.S. realistically could accomplish in the short term, given the current negotiations impasse with Iran. Mr. Cohen cited Tehran's disinterest in joining the WTO and the diffusion of power centers in Iran as further impediments to Western efforts to move forward.

Working with Network 20/20 members from Tehran who are studying in the U.S., those who have dual passports, and those who are Iranian-American, our organization is actively pioneering ways to build bridges with Iranian counterparts at the grassroots level and to continue to reframe Iran here at home.

This past year, Network 20/20's Entrepreneurial Diplomacy Program maintained a high level of interest in Pakistan, where its 2008 delegation interviewed 60 leaders from different societal sectors and produced the benchmark report, ***A Different Kind of Partner: A Paradigm for Democracy and Counter-Terrorism in Pakistan***.

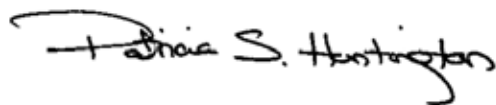
To follow up on the recommendations of this report – which among other things called for strengthening Pakistan’s civil society by improving socio-economic conditions throughout the country – we sent a small delegation to Pakistan to launch an AID Watch/Trade Watch project to help ensure the success of the new U.S. \$7.5 billion 5-year non-military aid program. Working from our prior experience in Pakistan, Network 20/20 identified a robust group of ‘best bet’ Pakistani NGOs and local language media with whom to collaborate to help monitor the effectiveness of the new U.S. aid. Their focus is on police reform, health, education, micro-credit, trade policy, and the expansion of democratic processes, as well as on communicating the importance of these issues to the Pakistani public and American policy makers. These Pakistani voices make recommendations to leaders based on grassroots realities and practical results rather than on spread sheets prepared in Islamabad or Washington, DC.

Also this past year, Network 20/20 member Imtiaz Ali accompanied President Barack Obama’s Special Representative, Richard Holbrooke, to the displacement camps of peoples fleeing the internal conflict between the Pakistan Army and the Taliban. Since then, Imtiaz Ali has become a key outside advisor to the Holbrooke team. As a result of this trip, Ali was asked to testify before the Senate Foreign Relations Subcommittee on Near Eastern and South and Central Asian Affairs on the crisis of internally displaced people in Pakistan. Ali’s testimony served to emphasize the importance of effective local engagement by the U.S. in Pakistan.

Looking ahead, our Entrepreneurial Diplomacy Program will focus on Lebanon, Syria, Qatar, and Morocco. Our Lecture Series will address topics like ***Cyber-Terrorism and Other Transnational Threats to U.S. Security***; ***The New Brazil: From Backwater to BRIC***; and ***Is Obama’s ‘Reset’ of U.S.-Russian Relations Working?*** Upcoming briefings also include non-traditional topics such as ***The Tenth Parallel: Dispatches from the Fault Line Between Christianity and Islam***, and ***The Nexus of Business and International Public Policy***.

In the coming year, Network 20/20 will 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 first seven 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

July 2010

## 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 2009-10 included:

September 15, 2009 – The Nitze Residence

**Robert Schlesinger**, Deputy Assistant Managing Editor of Opinion, *US News & World Report*

***White House Ghosts: Presidents and Their Speechwriters***

with an introduction by Network 20/20 Advisory Council member Ted Sorensen

September 24 – The Intercontinental Hotel

Private lunch discussion with **Iranian Parliamentarians Representing the Minorities** hosted by H.E. Mr. Mohammad Khazaei, Permanent Representative of Iran to the UN

September 30 – University Club

**Dr. H. Onno Ruding**, former Finance Minister of the Netherlands and Vice Chairman of Citicorp and Citibank

***Current Financial Trends from a European Perspective***

October 6 – U.S. Trust Bank of America

Screening of *A Sea Change* with award-winning director **Barbara Ettinger** and co-producers **Sven Huseby** and **Sue Cohn Rockefeller**; introduced by **David Rockefeller, Jr.**

November 2 – Weil, Gotshal & Manges LLP

**Nicholas Kristof**, Op-ed Columnist, *The New York Times*

***Half the Sky: Turning Oppression into Opportunity for Women Worldwide***

November 18 – WilmerHale LLP

**Vali Nasr**, Senior Advisor to Richard Holbrooke, Special Representative for Afghanistan and Pakistan, and Professor of International Politics at Tufts University  
***Forces of Fortune: The Rise of a New Muslim Middle Class and What It Means for Our World***

December 14 – The Onassis Cultural Center

Sustaining and New Members Event

**Cocktail Reception and Private Tour of the Exhibit “The Origins of El Greco: Icon Painting in Venetian Crete”**

Courtesy of Ambassador Loucas Tsilas and Mrs. Penelope Tsilas

January 13, 2010 – WilmerHale LLP

**George Packer**, Staff Writer, *The New Yorker*

***Interesting Times: Writings from a Turbulent Decade***



January 20 – WilmerHale LLP

**Robert Lacey**, Author and Journalist

***Inside the Kingdom: Kings, Clerics, Modernists, Terrorists, and the Struggle for Saudi Arabia***

February 9 - The Begley/Beane Residence

**Gordon Goldstein**, Scholar of International Affairs

***Lessons in Disaster: Vietnam and the Way Forward in Afghanistan***

Wednesday, March 10 – The Kimmelman Residence

**Fredrik Stanton**, Writer; Former President of the *Columbia Daily Spectator*; former election monitor in Armenia, Republic of Georgia, Bosnia, Kosovo, and Azerbaijan  
***Great Negotiations: Agreements that Changed the Modern World***

Tuesday, March 16 – The Kunstadter Residence

**Ferdinand von Habsburg**, Conflict Advisor; UN Development Program  
***Disarmament and Conflict Resolution in Sudan***

Wednesday, March 31 - Kreab & Gavin Anderson

**Hugh Pope**, Oxford-educated scholar of the Middle East; former Foreign Correspondent for *The Wall Street Journal*

***Dining with al-Qaeda: Three Decades Exploring the Many Worlds of the Middle East***

Friday, April 9 – New York Stock Exchange / Euronext

**Duncan Niederauer**, CEO, NYSE Euronext

***The Role of the New York Stock Exchange in the Global Economic Crisis and Its Aftermath***

Thursday, April 29 - **Network 20/20's Annual Foreign Policy Lecture and Benefit**  
– The New York Racquet and Tennis Club

**Roger Cohen**, *The New York Times* Op-Ed Columnist, and **James F. Hoge, Jr.**,  
*Foreign Affairs* Editor

***Unnatural Enemies: The Iranian-American Impasse***

Wednesday, May 12 – HSBC/Halbis

**Martin Wolf**, Associate Editor and Chief Economics Commentator, *The Financial Times*

***Crisis and Recovery: The Threat of Sovereign Debt***

Wednesday, May 19 – The Tozer Residence

**Mike Smith**, Executive Director, UN Counter-Terrorism Committee Executive Directorate

***Terrorism – What Is the UN Doing About It?***

Wednesday, June 2 – The Residence of the German Consul General in New York

Network 20/20 Member Book Discussion on ***Half the Sky: Turning Oppression into Opportunity for Women Worldwide*** by Nicholas Kristof and Sheryl WuDunn

# 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 two member delegations to Pakistan and two to Iran as well as delegations to Turkey and 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](http://www.network2020.org)

## 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, 2010  
(with comparative totals for June 30, 2009)

# MORIN & SUROVCIK, CPAS, P.C.

*Certified Public Accountants and Consultants*

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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, 2010, 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, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Morin & Surovcik, CPAs, PC*  
MORIN & SUROVCIK, CPAS, P.C.

October 28, 2010

NETWORK 20/20, INC.

**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)**

	<u>ASSETS</u>	
	<u>2010</u>	<u>2009</u>
Current Assets		
Cash and cash equivalents	\$ 198,282	\$ 276,361
Accounts receivable	7,430	19,020
Prepaid expenses	<u>2,071</u>	<u>7,710</u>
Total Current Assets	<u>207,783</u>	<u>303,091</u>
Other Assets		
Property and equipment – net	2,692	6,185
Deposits	<u>14,024</u>	<u>14,024</u>
Total Other Assets	<u>16,716</u>	<u>20,209</u>
Total Assets	<u>\$ 224,499</u>	<u>\$ 323,300</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 4,379	\$ 3,299
Dues paid in advance	<u>10,983</u>	<u>9,392</u>
Total Current Liabilities	<u>15,362</u>	<u>12,691</u>
Net Assets		
Unrestricted	209,137	307,609
Temporarily restricted	<u>-</u>	<u>3,000</u>
Total Net Assets	<u>209,137</u>	<u>310,609</u>
Total Liabilities and Net Assets	<u>\$ 224,499</u>	<u>\$ 323,300</u>

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



**NETWORK 20/20, INC.**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2010**

**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2009)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	
			<u>2010</u>	<u>2009</u>
<b>SUPPORT AND REVENUE</b>				
Support				
Contributions and other gifts	\$ 38,743	\$ -	\$ 38,743	\$ 130,208
Special events, net	<u>135,166</u>	<u>-</u>	<u>135,166</u>	<u>137,908</u>
Total Support	<u>173,909</u>	<u>-</u>	<u>173,909</u>	<u>268,116</u>
Revenue				
Membership dues	24,934	-	24,934	38,407
Interest income	1,289	-	1,289	3,467
Miscellaneous income	<u>3,448</u>	<u>-</u>	<u>3,448</u>	<u>1,718</u>
Total Revenue	<u>29,671</u>	<u>-</u>	<u>29,671</u>	<u>43,592</u>
Net Assets Released from Restriction				
Satisfaction of program restrictions	<u>3,000</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>206,580</u>	<u>(3,000)</u>	<u>203,580</u>	<u>311,708</u>
<b>EXPENSES</b>				
Programs				
Entrepreneurial diplomacy	98,517	-	98,517	131,368
Lectures and briefings	<u>148,139</u>	<u>-</u>	<u>148,139</u>	<u>101,730</u>
Total Programs	<u>246,656</u>	<u>-</u>	<u>246,656</u>	<u>233,098</u>
Support Services				
Administrative and general	37,072	-	37,072	39,826
Fund raising	<u>21,324</u>	<u>-</u>	<u>21,324</u>	<u>23,550</u>
Total Support Services	<u>58,396</u>	<u>-</u>	<u>58,396</u>	<u>63,376</u>
Total Expenses	<u>305,052</u>	<u>-</u>	<u>305,052</u>	<u>296,474</u>
CHANGES IN NET ASSETS	(98,472)	(3,000)	(101,472)	15,234
NET ASSETS AT BEGINNING OF YEAR	<u>307,609</u>	<u>3,000</u>	<u>310,609</u>	<u>295,375</u>
NET ASSETS AT END OF YEAR	<u>\$ 209,137</u>	<u>\$ -</u>	<u>\$ 209,137</u>	<u>\$ 310,609</u>

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

NETWORK 20/20, INC.

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2010**  
**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2009)**

	Programs			Supporting Services			Totals	
	Entrepreneurial	Lectures	Total	Administration	Fund	Total	2010	2009
	Diplomacy	and Briefings			Raising			
Salaries, fees, and benefits	\$ 52,994	\$ 82,250	\$ 135,244	\$ 12,305	\$ 6,637	\$ 18,942	\$ 154,186	\$ 147,490
Professional fees	540	2,520	3,060	16,732	180	16,912	19,972	16,044
Insurance	954	1,378	2,332	186	132	318	2,650	3,595
Occupancy	21,277	30,733	52,010	4,137	2,955	7,092	59,102	54,628
Travel and promotional	4,496	3,301	7,797	363	1,476	1,839	9,636	15,342
Research and development	3,813	3,813	7,626	-	1,907	1,907	9,533	9,089
Education outreach	5,652	10,406	16,058	-	-	-	16,058	15,176
Printing	206	1,553	1,759	-	6,351	6,351	8,110	7,229
Office supplies and expense	954	1,374	2,328	184	131	315	2,643	6,380
Information technology	3,038	4,388	7,426	591	422	1,013	8,439	3,104
Minor equipment and rentals	1,123	1,623	2,746	316	156	472	3,218	2,921
Postage and shipping	228	228	456	607	455	1,062	1,518	1,425
Telephone	1,735	2,506	4,241	337	241	578	4,819	5,599
Miscellaneous	250	250	500	1,069	106	1,175	1,675	4,538
Depreciation	1,257	1,816	3,073	245	175	420	3,493	3,914
Total	\$ 98,517	\$ 148,139	\$ 246,656	\$ 37,072	\$ 21,324	\$ 58,396	\$ 305,052	\$ 296,474

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

NETWORK 20/20, INC.  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2010**  
**(WITH SUMMARIZED TOTALS FOR JUNE 30, 2009)**

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (101,472)	\$ 15,234
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,493	3,914
Loss on disposal of assets	-	590
Changes in Operating Assets and Liabilities:		
Decrease (increase) in amounts receivable	11,590	(8,846)
Decrease (increase) in prepaid expenses	5,639	2,094
Increase (decrease) in accounts payable	1,080	(4,361)
Increase (decrease) in advanced dues paid	<u>1,591</u>	<u>(4,246)</u>
Net cash provided by (used by) operating activities	<u>( 78,079)</u>	<u>4,379</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in deposits	-	(9,974)
Purchase of property and equipment	<u>-</u>	<u>(2,706)</u>
Cash flows from investing activity	<u>-</u>	<u>(12,680)</u>
NET DECREASE IN CASH	(78,079)	(8,301)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>276,361</u>	<u>284,662</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 198,282</u>	<u>\$ 276,361</u>

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

NETWORK 20/20, INC.

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010

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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 reported 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 either unrestricted or temporarily restricted 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.
- Temporarily restricted net assets represent those amounts which are donor restricted for specific purposes. When a donor restriction expires, that is when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*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 to total salary and management fees expenses.

NETWORK 20/20, INC.

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*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.

*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, 2010, 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>21,074</u>
Net property and equipment		<u>\$ 2,692</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 \$153,130. Direct expenses consisting of event and related costs of \$17,964 were charged against these receipts leaving net proceeds of \$135,166.

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 \$82,267. 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, 2010

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NOTE 7. COMMITMENTS

The Organization rents its office facilities under an operating lease. The lease term expires July 31, 2011. Rent expense for the year ended June 30, 2010, was \$56,248.

The Organization entered into an operating lease for certain office equipment. The lease term expires in November 2011. Lease expense was \$2,532 for the year ended June 30, 2010.

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

2011	\$ 58,491
2012	<u>5,730</u>
	<u>\$ 64,221</u>

NOTE 8. UNRESTRICTED NET ASSETS

At June 30, 2010, unrestricted net assets are as follows:

General Operating Net Assets:	
For general operations	\$ 206,445
Property and equipment	<u>2,692</u>
Total	<u>\$ 209,137</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, 2010

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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, 2009, from which the summarized information was derived.

NOTE 11. SUBSEQUENT EVENTS

The Organization has adopted Subsequent Events ("ASC 855") formerly known as Financial Accounting Standards No. 165 ("FAS165"), which was issued in May 2009 and is effective for fiscal years and interim periods ending after June 15, 2009. This standard requires evaluation of subsequent events through the date of financial statement issuance. Subsequent events have been evaluated through October 28, 2010, and there were no material subsequent events requiring disclosure or recognition.

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