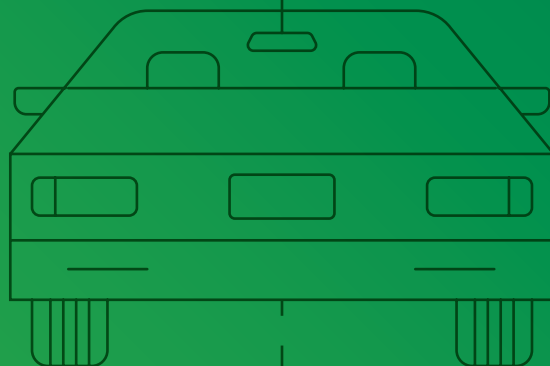


NAF ANNUAL REPORT // 2015—2016

THE FUTURE IS NOW



DEAR FRIENDS

As NAF students throughout the country settle in to a new school year, we are proud to reflect on where we have come as an organization. More than 90,000 students attend 716 NAF academies in 36 states, including DC and the U.S. Virgin Islands. NAF academies graduate 98% of seniors and 92% of them go on to college.

Leading companies have partnered with NAF for more than 34 years, aligning their industry expertise, community leadership, and workforce development needs to NAF's college and career pathway design. The result has led to greater impact, increased reach, and new designs for successful corporate engagement, as well as "gold standard" tools that collectively define and drive high quality work-based learning and internship experiences for both employers and educators.

NAF partners are stepping up to our challenge. There are now 15 companies signed on to NAFTrack Certified Hiring. By offering hiring benefits to the young people in our network, these organizations are making a statement about how NAF prepares students for their open positions. Additionally, the innovative myNAFTrack online and mobile platform will provide a lifelong connection for students and alumni to employers and job opportunities.

As we look into NAF's future, we must also look at our nation's future and recognize that we are at a pivotal point. There are significant issues plaguing the US economy and education, including vast income inequality, a growing skills gap, and the lack of access underserved students have to education that provides successful futures. In the U.S. today, there are 6 million open jobs and 8 million people are unemployed. NAF is uniquely positioned to bring together leading corporate and community partners, philanthropists, and educators to solve these issues. We will kick off a new strategic plan during the 2016-17 school year that includes strategies to: significantly increase corporate partners and paid internships; increase traction of NAFTrack across the network; administer better quality control over local education programs; and increase evaluation and oversight of Advisory Board quality and outcomes. This will ensure that both NAF and our nation will Be Future Ready.

When you travel through the NAF network in the stories ahead, you'll see a few examples of how NAF students prove they are truly Future Ready. Thank you for providing life-changing experiences for the young people that need them most.



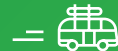
JD HOYE
PRESIDENT, NAF



SANFORD I. WEILL
FOUNDER & CHAIRMAN, NAF



LET'S START HERE





“There are adults that are struggling to find a job, but I have one.”

— Kai Curtis



DC STUDENTS HAVE TENACITY

NAF academies in Washington, DC take internship readiness seriously. Students learn how to seamlessly apply the industry knowledge gained through their academies to a real-world setting by utilizing the Tenacity 1.0 Employability Skills Curriculum. Developed around the three character traits of poise, initiative, and tenacity, this curriculum teaches concepts like dressing professionally, utilizing code switching, writing resumes and cover letters, and using social networks like LinkedIn.

DC students took these character strengths and hit the ground running. With NAF academies open for just two years, students have completed nearly 200 internships. Students from the

Phelps Architecture, Construction and Engineering High School spent their summer interning for Turner Construction, where a redevelopment project took them on a tour of Ronald Reagan National Airport. Cardozo Academy of Information Technology student, Ashleigh Thorne, revamped social media for HR’s college recruitment efforts in her internship at Accenture. Kai Curtis from McKinley Technology High School Academy of Engineering took the metro every day to his internship at the World Bank.

Curtis told *The Washington Post*, “Not everyone gets to say they worked in a government building at my age. There are adults that are struggling to find a job, but I have one.”



WASHINGTON DC



THE MIAMI NAF NETWORK

Working to ensure all students have the opportunity to participate in a high quality educational experience, Miami hosts unique events that involve the entire network of 57 NAF academies, including the Mega Industry Student Conference. This event brings together more than 1,400 students and industry representatives for an event that includes presentations, demonstrations, college displays, and networking opportunities that span NAF's five themes. Students participate in the conference as professionals, attending sessions and networking with peers.

Miami has matched thousands of students with compensated internships and continues to grow these opportunities through innovative practices including getmyinterns.org, an online portal that matches companies with prospective interns.



**Miami-Dade County Public
Schools (M-DCPS):**

4th largest school district in US

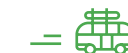
56 languages

160 countries represented

**1/9 of all students attend NAF
academies**

10 Distinguished academies

MIAMI



BIRMINGHAM ACADEMY OF HEALTH SCIENCES GRADUATE GIVES BACK

As graduates from NAF's first Academies of Health Sciences begin college, they bring their success stories back to where it all started, encouraging all students to be confident, work hard, take advantage of opportunities, and always give back.

Kalyn McMillan is a 2015 graduate of Jackson-Olin High School's Academy of Health Sciences in Birmingham and current student at the University of Southern Alabama. She became statewide President of HOSA Future Health Professionals, traveled to Ghana with the US Ambassador to discuss educational gaps between cities, and most recently attended a summer medical and dental program at Duke University. Always

looking to give back, she launched her own business and uses the proceeds to fund a scholarship for young women interested in pursuing a career in STEM or health sciences.

At the 2016 NAF Next conference, Kalyn said of her experience: "I am beyond grateful to be a graduate from a NAF academy. Without my instructors and mentors, I do not believe I would have surmounted the many hurdles I was faced with growing up in a low-socioeconomic area. My academy helped me realize my potential and discover who I really am. NAF helped re-kindle my fire to become a doctor, and now I won't let anyone extinguish it!"

Birmingham City Schools is home to 11 NAF academies, whose student body is 93% Black/African American.

100% of academy students qualify for free or reduced-price lunch.

| COLLEGE | |
|--------------------------------------|----|
| G R A D U A T E | 15 |
| | 16 |

BIRMINGHAM





“The continued growth and prosperity of our region depends largely on an educated, skilled, and inspired workforce.”

— Sanjiv Yajnik

DALLAS



PARTNERSHIP IS KEY IN DALLAS



NAF Board member and Capital One President of Financial Services, Sajniv Yajnik, knows how important it is for students in his home city of Dallas to see the connection between what they are learning in the classroom and what it takes to succeed in college and in the professional world. According to Yajnik, “The continued growth and prosperity of our region depends largely on an educated, skilled, and inspired workforce. Capital One’s support of NAF’s internship program is one of the ways we help to mentor and retain the very best talent in the Dallas area.”

Public-private partnerships between companies in the Dallas area and NAF academies have yielded countless work-

based learning experiences and internships, not only with Capital One, but also with American Airlines, Fidelity, and Verizon.

This year, Capital One brought the education and business communities together for a Future Ready Partnership Celebration, which kicked off the 2016 internship season. NAF academy students from North Texas attended alongside partners from top companies, including Hewlett Packard Enterprise, Microsoft, IBM, JPMorgan Chase, Texas Instruments, and Wells Fargo.



THINKING CREATIVELY IN PORTERVILLE, CA

Porterville, CA is home to 13 NAF academies across NAF’s five career themes and additional themes that serve the needs of its community. Its creative implementation of the NAF curriculum exemplifies NAF’s flexibility. One of four newly Distinguished NAF academies, Harmony Magnet Academy of Performing Arts, combines curricula from multiple themes with NAF’s work-based learning continuum to apply the future-ready learning experience in an arts setting.

At Harmony, career awareness activities are uniquely implemented through the Career Kids capstone project. Students

audition for a role portraying various careers. Career Kids visit 6th grade classrooms across the district, portraying working adults in occupations related to the academies. Each selected student meets a “peer mentor” student from each academy in PUSD, researches an occupation related to that academy, and interviews a community member involved in that occupation. They then create a persona in that career and portray that character to the 6th graders. The performances serve as career awareness for the younger students and as the culminating project for academy students.

The Porterville Unified School District saw its graduation rate increase from 78.1% to 84.3% between 2010–2011 and 2014–2015. Graduation rate for NAF students: 99%.



2015 REPORT OF GIFTS

\$10,000,000 and Above

Joan & Sanford I. Weill & the Weill Family Foundation

\$5,000,000 to \$9,999,999

JPMorgan Chase Foundation

\$2,500,000 to \$4,999,999

Citi Foundation
The James Irvine Foundation

SAP North America

\$1,000,000 to \$2,499,999

AT&T Foundation
Bloomberg Philanthropies
Capital One Financial Corporation
Hewlett Packard Enterprise
Johnson & Johnson
KPMG Foundation
Ludwig Family Foundation

Joseph Plumeri Foundation
RBC Foundation USA
Verizon
Cynthia & Ron Williams
Xerox Corporation

DONORS \$999,999 AND BELOW

NAF is grateful to the companies, foundations, and individuals who help us realize our shared vision of a world in which all young people have the skills, knowledge, and experience needed to thrive. All of this work would not be possible without the support of our generous funders.

\$500,000 to \$999,999

American Express Foundation
Cisco Systems, Inc.
EMC Corporation

The J. Willard and Alice S. Marriott Foundation
Lowell C. McAdam

The Moody's Foundation

\$100,000 to \$499,999

Ursula Burns & Lloyd Bean
Friedman Family Foundation
Julia & John Hinshaw
The Lanterman Foundation

Lenovo
Overdeck Family Foundation
Linda & Jim D. Robinson
Siegel Family Endowment

Kim & Mark Standish
The Travelers Companies, Inc.
Visa Inc.

\$50,000 to \$99,999

Barr Foundation
Dimon Foundation
The Ford Foundation

Linda S. Huber
KPMG LLP
Marriott International, Inc.

MasterCard Worldwide
Skadden, Arps, Slate, Meagher & Flom LLP

\$25,000 to \$49,999

American Institute of Certified Public Accountants
Kathryn & Kenneth Chenault
The Coca-Cola Company

Cravath, Swaine & Moore
DreamWorks Animation
ExxonMobil Corporation
Juniper Networks

Moody's Corporation
State Farm Insurance Companies
Joseph M. Tucci



\$10,000 to \$24,999

| | | |
|--------------------|----------------------|---------------------|
| Aetna Foundation | Cushman & Wakefield | RBC Capital Markets |
| Asurion | Robert & Maura Dughi | Salli Schwartz |
| The Boeing Company | JPMorgan Chase | |
| CBS Corporation | Kelly Services | |

\$5,000 to \$9,999

| | | |
|------------------------------------|-------------------------|--------------------|
| The Aber D. Unger Foundation, Inc. | JD Hoyer & Donna Florio | Pepper Family Fund |
| BNY Mellon | Jennifer Morgan | |
| Courtyard by Marriott | The Ovation Foundation | |

\$1,000 to \$4,999

| | | |
|---------------------------------|------------------------------------|----------------------------|
| Helen & Timothy Blanch | Hasbro, Inc. | P.W. Feats |
| Katherine Blasik | The Interpublic Group of Companies | Fred J. Press |
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| Centre Partners Management | Isabel Mahe | Andrew Rothstein |
| Lisa Dughi & Brennan Higgins | Bernard Milano | Edward Schmidt |
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| Goldberg/Nash Family Foundation | Hilary Pennington | Julie Thomas |
| John F. Harrington | | Ashley & Scott Woodruff |

\$999 and Below

| | | |
|---------------------------------------|------------------------|----------------------------------|
| Mary Adams | Debra Bishop | James Cole & Peter Barth |
| AmazonSmile Foundation | Lori Bitar | Lee Coursey |
| Brian Angiolet | Andria Blatt | John DeFalco |
| Anonymous (4) | Patricia Brown | Andrew Demers |
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| Tiffany Barfield & Alexander Stephens | Dwayne Callender | Lupe Diaz |
| Brenda Barry | Nicholas Capps | Jennifer Dick |
| Laura Beaubien | Meghan Carton | Kristen Dwyer-O'Connor |
| Joshua Benfield | Tanya Chakraborty | Kevin L. English |
| Umang Beri | Dee Chambliss | Frederick Esch |
| Ira M. Berkowitz | Neysa & Daniel Cho | John T. Ettinger |

| | | | |
|--------------------|-----------------------------------|--|--------------------------|
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| Laura Fidler | Shmuel Kamensky | Ana Morrison | Judith Spitz |
| Jeanne Friedman | Atul Kapoor | Caroline Mosley | Trudy A. Stallings |
| Alex Funkhouser | Christel Kaufman | Narasimhamurthi Natarajan | Anne Stanton |
| Ramji Ganesan | Elizabeth Kelly and Andrew Varani | Network for Good | Keisha Stephenson Taylor |
| Natasha Ghatak | Steve Kelmar | Shane Okamoto | Bill Taylor |
| Jennifer Geisler | Jaye & Jonathan Kepniss | Jack O'Kelley | Matthew Thomas |
| Kerry Gowrie | Joep Koenen | Allison Oldehoff | Bill Toth |
| Alyssa Grebe | Jeetendra Kumar | Karen Ondrick | Rich Tulikangas |
| Maureen Griffith | Philip Lamoureux | Arlene Osborne | Union Bank of California |
| DeAira Handugan | Adam Lechnos | Morgan L. Pulleyblank & Erin Armstrong | John Vazquez |
| Deanna Hanson | Larry Liding | William Pulleyblank | Reedy Wade |
| Kate Haydon | James F. List | Dana N. Pungello | A.M. Walls-Windhauser |
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| J. E. Ivester | Vikas X. Mittal | Allison Schiffman | |
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Donors in Kind

| | |
|----------------------------|--|
| Hewlett Packard Enterprise | Skadden, Arps, Slate, Meagher & Flom LLP |
| Lenovo | |

NATIONAL NAFTRACK CERTIFIED HIRING PARTNERS AS OF AUGUST 31, 2016

| | | |
|----------------------------|--|-------------------------------|
| AT&T | KPMG LLP | The Travelers Companies, Inc. |
| Cisco Systems, Inc. | Lenovo | Verizon |
| EMC Corporation | Moody's Corporation | Xerox Corporation |
| Hewlett Packard Enterprise | Promontory Financial Group | |
| JPMorgan Chase & Co. | Skadden, Arps, Slate, Meagher & Flom LLP | |
| Juniper Networks | | |



FINANCIALS

December 31, 2015 *(with comparative amounts at December 31, 2014)*

| | 2015 | | 2014 | |
|--|-----------|-------------------|-----------|-------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ | 762,190 | \$ | 472,628 |
| Contributions and grants receivable, net | | 12,227,431 | | 9,568,109 |
| Other receivables, net of allowance of \$166,809 and \$163,384, in 2015 and 2014 | | 487,953 | | 660,793 |
| Prepaid expenses and other assets | | 324,630 | | 177,551 |
| Investments | | 5,881,775 | | 7,937,541 |
| Equipment, furniture and fixtures, net | | 2,704,504 | | 2,312,629 |
| | | | | |
| TOTALS | \$ | 22,388,483 | \$ | 21,129,251 |
| LIABILITIES AND NET ASSETS | | | | |
| Liabilities | | | | |
| Accounts payable and accrued expenses | \$ | 1,231,890 | \$ | 1,386,369 |
| Deferred revenue | | 502,421 | | 219,297 |
| Deferred rent liability | | 241,075 | | 272,823 |
| Amounts held for others | | 21,085 | | 21,085 |
| Total Liabilities | | 1,996,471 | | 1,899,574 |
| Net Assets | | | | |
| Unrestricted | \$ | 4,464,768 | \$ | 4,464,768 |
| Temporarily restricted | | 15,397,244 | | 14,234,909 |
| Permanently restricted | | 530,000 | | 530,000 |
| Total Liabilities | | 20,392,012 | | 19,229,677 |
| | | | | |
| TOTALS | \$ | 22,388,483 | \$ | 21,129,251 |



STATEMENT OF ACTIVITIES

Year ended December 31, 2015 (with summarized totals for year ended December 31, 2014)

| | | | | 2015 | 2014 |
|--|---------------------|--------------------------|--------------------------|----------------------|----------------------|
| | UNRESTRICTED | TEMPORARILY UNRESTRICTED | PERMANENTLY UNRESTRICTED | TOTAL | TOTAL |
| SUPPORT AND REVENUE | | | | | |
| Contributions and grants | \$ 1,228,514 | \$ 11,266,016 | \$ – | \$ 12,494,530 | \$ 7,225,276 |
| Membership fees | 1,130,511 | – | – | 1,130,511 | 1,013,175 |
| Registration fees | 872,150 | – | – | 872,150 | 669,660 |
| Special Event | 1,882,705 | – | – | 1,882,705 | 1,432,273 |
| Contract revenue | 740,983 | – | – | 740,983 | 302,988 |
| Interest and dividends, net | 157,793 | 17,289 | – | 175,082 | 166,306 |
| Net realized and unrealized (loss) gain on investments | (66,737) | (2,374) | – | (69,111) | 42,215 |
| Other income | 3,500 | – | – | 3,500 | 28,291 |
| Net assets released from restrictions | 10,118,596 | (10,118,596) | – | – | – |
| Total Support and Revenue | 16,068,015 | 1,162,335 | – | 17,230,350 | 10,880,184 |
| EXPENSES | | | | | |
| Program services | 11,999,436 | – | – | 11,999,436 | 11,289,785 |
| Supporting services | 2,839,755 | – | – | 2,839,755 | 2,654,699 |
| Management and General Fundraising | 1,228,824 | – | – | 1,228,824 | 1,203,094 |
| Total Supporting Services | 4,068,579 | – | – | 4,068,579 | 3,857,793 |
| Total Expenses | 16,068,015 | – | – | 16,068,015 | 15,147,578 |
| Change in Net Assets | – | 1,162,335 | – | 1,162,335 | (4,267,394) |
| NET ASSETS | | | | | |
| Beginning of year | 4,464,768 | 14,234,909 | 530,000 | 19,229,677 | 23,497,071 |
| END OF YEAR | \$ 4,464,768 | \$ 15,397,244 | \$ 15,397,244 | \$ 20,392,012 | \$ 19,229,677 |



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Members of the NAF

Board are leaders in their fields and advocates for improving education and workforce development in the United States.

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