

What is the Next Key Center?

When you invested with Homeward Bound of Marin, we may have been months away from opening the doors at the Next Key Center. Since the grand opening in 2008, we've continued to develop this community asset offering a space for local events with on-site catering, culinary training, the Transition to Wellness program, and low-cost housing for people transitioning out of homelessness.

The Next Key Center at a Glance:

The Key Room: This modern, flexible event space is available to rent for any type of gathering from fundraisers and corporate presentations to wedding receptions, retirement parties or a birthday bash. We offer fresh and delicious food that evolves with the seasons.

Fresh Starts Culinary Academy: This 16-week course operates in partnership with the Marin County Office of Education's Regional

Occupation Program. The training accepts new students every few weeks from anywhere in Marin County as well as Homeward Bound programs.

29 Studio Apartments: Rented to adults and families at below-market rates for up to two years, our "income enhancement" housing program is designed to assist people working their way out of homelessness through long-term job training or education programs.

Transition to Wellness: This collaboration with local hospitals and service providers sets aside three double-bedded units to shelter people leaving Marin County hospitals without stable housing, providing space for recuperation and healing.

The administration offices for Homeward Bound of Marin also are located at the Next Key Center.



1385 N. Hamilton Parkway
Novato, CA 94949

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2014 ANNUAL MEETING OF NEXT KEY SHAREHOLDERS

HOMeward BOUND OF MARIN



Find out about your Return on Investment from the first-ever nonprofit IPO inside...

The Key Room

FINE FOOD~EXCEPTIONAL EVENTS



The Key Room is the Ideal Setting for Your Celebration!

Call us to book your event today. 415-382-3363 x214

Dedicated event venue with easy access from Hwy 101 and ample parking.

The Key Room ~ 1385 N. Hamilton Parkway, Novato, CA 94949

www.thekeyroom.com / keyroom@hbofm.org

WEDDINGS ~ RECEPTIONS ~ CORPORATE & PRIVATE EVENTS

A Second Nonprofit IPO – Oma Village

Investors in the Next Key Center last year voted to endorse a second nonprofit IPO for Oma Village, encouraging Homeward Bound of Marin to continue putting a high priority on this plan for modern, green affordable housing for families.

Renowned investor Warren Buffett, the inaugural Next Key shareholder, also purchased the first share for Oma Village! To date, Homeward Bound has raised \$3.6 million of the \$5.5 million needed to complete the site of 14 small rental homes at 5394 Nave Drive in Novato. Our eventful year also included approval from the Novato City Council in July.

The one- and two-bedroom rental homes at Oma Village will offer long-term supportive housing for families transitioning out of homelessness, allowing them to build stability, financial resources and employment skills.



Help open the doors of this innovative program by purchasing shares priced at \$50 each in the nonprofit IPO, which is featured on a crowdfunding page online at Razoo.com. You may also contact us to request an IPO Prospectus by mail.

Support Oma Village:

Invest in Oma Village today by mailing a check to Homeward Bound/Oma Village, 1385 N. Hamilton Parkway, Novato, CA 94949. Or call us for information at 415-382-3363 x211.

Learn about our vision with a video at <http://youtu.be/POlxMQYUkGg>



Join us on Thursday, February 20, 5 – 7 p.m.
The Next Key Center ~ 1385 N. Hamilton Parkway, Novato

Enjoy a tasting of Halo Truffles and vote on your favorite new flavor.
Meet other IPO investors and learn about your ROI firsthand.

FREE to current and prospective shareholders!
(still only \$32 per share!)





The Key Room event venue offers full-service catering, our crew packs Halo Truffles for sale, and culinary students celebrate graduation.

Returns on Investment – Fiscal Year 2012-13

When you purchased fundraising shares for the Next Key Center, we promised meaningful returns on investment (ROI). These returns include people whose lives change with the benefit of a stable, safe place to live while they build employment skills and long-term resilience.

Last year, we had 60 residents, with 49 adults and 11 children. Almost 90% of departing tenants moved into housing. That's quite a remarkable return on investment, I'm sure you'll agree.

The Next Key Apartments have created a unique focus with all residents engaged in "income enhancement" job skills development and education. Our tenants amaze us with their broad interests, learning skills from early childhood education to accounting. ("Return on Investment – the Numbers" page has details.)

Another significant ROI derives from three units reserved for the *Transition to Wellness* program that serves homeless adults needing medical respite and recovery space. Last year, 50 people received temporary housing in these units that offer life-saving services.

Expanded culinary training in the Next Key's commercial kitchen brought more fruitful returns as well as a special award: readers of Edible Marin & Wine Country magazine voted for us as Best Food-Related Nonprofit in Marin for 2013!

Last year, 45 students received instruction at *Fresh Starts Culinary Academy*. Of those, 28 continued a full 10 months to graduation and a remarkable 88% found employment before receiving their diplomas!

While these students achieved notable results, we believed the training could offer even more value with a thoughtful retooling. With support from Catalyst Kitchens, a national affiliate group for nonprofits engaged in culinary training and social enterprise, Homeward Bound spent last summer creating a new 16-week curriculum that can accept new students every 5 weeks.

The training day now lasts from 8 a.m. to 3 p.m., offering a more intensive course with a shorter duration. As a result, students become prepared sooner to enter the workforce, the *Fresh Starts Culinary Academy* can serve more students each year and the cost of training per student is reduced.

Your investment also established a hub for Homeward Bound's social enterprise businesses. The ROI from these ventures is two-fold: job opportunities for Fresh Starts students along with revenue to offset the cost of training.

Our activities include:

- Production of *Halo Truffles* and a range of Halo products including jams, pickles and BBQ sauce
- Catering (primarily on-site in The Key Room)
- Rental of our commercial kitchen
- Preparation of shelter meals
- Operation of the *Jackson Café*

Last year, we met with the *Stanford Alumni Consulting Team*, which offered a pro bono analysis of our culinary businesses and suggested an emphasis on rental of *The Key Room*, our on-site event venue. As a result, we launched a dynamic website – www.thekeyroom.com – with complementary print marketing materials and a presence on Yelp. We anticipate sustained growth for on-site catering as events at *The Key Room* multiply and people experience our exquisite offerings.

While catering and room rental continued as the biggest revenue source last year, our series of monthly culinary events saw significant growth with revenues up 19% from the previous 12-month period. We expect more of the same for *Fresh Starts Chef Events* in 2014 with a lineup of fabulous chefs that includes Joanne Weir, Marisa Churchill, and David Lawrence.

Thank you again for your wise investment in the Next Key Center. As investors, you share in the ownership of this positive balance sheet – heartwarming and tangible returns on your investment. We could not be doing this work without your support. Thank you.

Please join us at our Annual Shareholder Meeting on Thursday, Feb. 20, to see these programs in action and meet people who embody the Return on Investment that you've made possible!

Investing in People

With the first-ever nonprofit IPO, our "Immediate Public Opportunity" to help end homelessness, Homeward Bound of Marin invited everyone to invest in brighter futures for our residents. Shareholders in the Next Key Center helped open the doors of an innovative site that combines low-cost housing, job training and employment opportunities. We applaud you for promoting residents ready for advancement through this program, like those who tell their stories here.

GRADUATION BRINGS FRESH PROSPECTS FOR EMPLOYMENT TO NEXT KEY RESIDENT

Claretha D. sees 2014 as a bright year after graduating from a Certified Nurse Assistant course and passing her state exam.

A resident of our Next Key Apartments, Claretha has been working in a Marin program that cares for disabled adults. She'll be eligible for positions offering higher income and growth prospects with her fresh certification.

The New Year looks like finally she will close the door on upheaval that resulted from domestic violence and eventually brought her to Homeward Bound.

As a victim of spousal abuse, she was living with a cousin when a local congregation offered to sponsor her transition into an apartment of her own. She jumped at the chance to resettle.



"I'm so grateful for everything, from the small to the large," Claretha says. "I've learned we can't stay where we are, but have to move forward. I'm focused on getting all my ducks in a row. I hope to own a home of my own someday."

"I was really wanting my independence," Claretha says, but eventually she realized the situation did not fit her budget. "I couldn't keep up with the rent and I had no place to go." She arrived at Mill Street Center emergency shelter in 2011, wondering what the future would bring. Her neat appearance and friendly manner led many to believe that she was one of the staff members, Claretha says.

"I was walking around in heels and people were asking me questions," she recalls. "I said, 'I'm one of you.' I was starting over too."

Moving to New Beginnings Center and then the Next Key Apartments, Claretha began working for Cedars of Marin, which supports developmentally disabled adults. Her counselor referred her to a program funded by the

Workforce Investment Act that paid her tuition for the certification program and purchased her stethoscope.

"I've really benefited from the one-to-one support at Homeward Bound," Claretha says. Having a studio apartment let her build experience by working overnight shifts, she adds.

"I'm so grateful for everything, from the small to the large," Claretha says. "I've learned we can't stay where we are, but have to move forward. I'm focused on getting all my ducks in a row. I hope to own a home of my own someday."

NEXT KEY RESIDENT FINDS HOPE IN READING

For Steve B., a Marin native, embracing the "income enhancement" theme of the Next Key Apartments has meant going back to the basics: reading.



"I used to feel shy about it and didn't want anyone to know. Now I just ask for help – I'm trying to move forward however I can."

"Reading has always been a challenge for me," says Steve, who participated in a special education program through high school.

Born with encephalitis and not expected to live past the preschool years, Steve defied the odds. "I was one of those kids with the big heads, but I got better," he says.

Growing up on a ranch in Nicasio, he had plenty of opportunities to work with his hands. His talent for auto mechanics led to employment, but his grade-school reading level became a roadblock.

"These days you can't work in mechanics without being able to read and use a computer," he says.

Eventually drained of resources, Steve arrived at our Mill Street Center emergency shelter determined to find a new path. Without Mill Street, Steve says, he still could be on the street.

"It's a really good program. They help with what they can," he adds. With encouragement from his counselor there, Steve moved to New Beginnings Center and joined Homeward Bound's building maintenance apprenticeship program.

Now at the Next Key Apartments while he continues that training, Steve has returned to his longtime quest to improve his reading.

Mark Krahlung, a volunteer tutor working with Steve since last year, says he's been impressed. "He seems willing to read anything and he's kept all our appointments," Mark says.

"I used to feel shy about it and didn't want anyone to know. Now I just ask for help – I'm trying to move forward however I can," Steve says.

Return on Investment – The Numbers

RESIDENTS OF NEXT KEY APARTMENTS – FY 2012-13

Investors in the Next Key Center provide a launchpad for people exiting homelessness, allowing for "income enhancement" via education or job-training programs. Staying up to two years, residents can build long-term resilience by augmenting skills and resources during their stay. We continue to make room for six families (most are one parent, one child) in these studio apartments to meet the critical needs of homeless families in our community. **Almost 90% of departing tenants left for independent housing.**

Take a look at our residents wide-ranging interests:

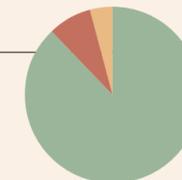
A.A. Degree: 10	GED: 1
Administrative Assistant: 1	Higher Education (Master's or PhD): 2
Accounting: 1	Janitorial Training: 2
Big-Rig Truck Driver: 2	Life Coach: 1
Building Maintenance	On-the-job Restaurant Training: 2
Apprenticeship: 2	Physical Therapy: 1
Business: 1	Retail Management Training
Certified Nurse Assistant: 1	(Macy's, LensCrafters, Peet's, Sports
Cosmetology: 2	Authority): 4
Culinary Academy: 3	Self-employed Entrepreneur: 2
Drug & Alcohol Counselor: 2	Video/film: 1
Early Childhood Education: 2	Web Design: 3



Number of People Served: 60 (including 11 children)
 Female 45% Male 55% Disabled 41% Veterans 7%
 Youngest: 0 yrs Oldest: 66 yrs
Number of People Exiting Program: 24 (including 4 children)

Exit Destination:

- Housing 88%
- Emergency Shelter 8%
- Homelessness 4%



TRANSITION TO WELLNESS PROGRAM – FY 2012-13

Homeless people who need to recuperate after a hospital stay come to the Transition to Wellness program, which offers three double-bedded rooms at the Next Key Center.

This valuable program involves local hospitals, the County of Marin, and Ritter Center, a nonprofit agency that offers support services to homeless individuals. Residents meet regularly with a nurse case manager and have access to Homeward Bound services.

The Transition to Wellness program served 50 homeless people in 2012-2013.

Stable housing, even if temporary, has been proven to boost healthier routines and self-care skills that will help avoid future emergency room visits, hospitalizations, or complications from injury or illness.

In 2012-13, 70% or 32 of people exiting this program found temporary or long-term housing. More than a third continued their journey in Homeward Bound's residential programs.

These positive steps have been matched by the savings realized by local hospitals. Last year Transition to Wellness avoided **626 hospital days** for a savings of \$1,878,000.

Number of People Served: 50
 Female 20% Male 80% Disabled 40% Veterans 4%
 Youngest: 21 yrs Oldest: 65 yrs

SOCIAL ENTERPRISE REVENUES – FY 2012-13

Revenues held steady for our social enterprise portfolio with a total of \$646,064 in earnings.

While rental of The Key Room and use of on-site catering saw no big changes, **sale of Halo Truffles and the Halo HomeMades jams, jellies and salsas rose 45% over the previous fiscal year.**

In addition, **Fresh Starts Chef Events earned 19% more this year**, reflecting a growing recognition of the monthly celebrity chef classes presented in The Key Room.

As advised by our audit team, Homeward Bound now accounts for the value of meals produced for residents in the social enterprise budget. Revenue attributed to this production reflects the cost of meals debited to our shelter programs.

With a new website launched at www.thekeyroom.com and good reviews on Yelp, The Key Room anticipates further expansion of its rental and catering activities this year.

Social Enterprise Reported Revenue Totals: \$646,064

- Shelter Meals: \$261,826
- The Key Room-Catering & Events: \$145,699
- Jackson Café: \$106,231
- Off-Site Catering: \$43,912
- Halo Product Sales: \$37,160
- Celebrity Chef Events: \$35,262
- Commercial Kitchen Rental: \$15,975

