

**Oxford House, Inc.**

**Annual Report**

**Fiscal Year**

**2011**

**Oxford House**  
Saving Money - Saving Lives

**Oxford House, Inc.**  
1010 Wayne Avenue, Suite 300  
Silver Spring, Maryland 20910

[www.oxfordhouse.org](http://www.oxfordhouse.org)

## ABOUT OXFORD HOUSE, INC.

Oxford House, Inc. is the Delaware nonprofit, 501(c)(3) corporation that serves as the umbrella organization of the worldwide network of more than 1,500 individual Oxford Houses. Its central office is at 1010 Wayne Avenue, Suite 300, Silver Spring, Maryland 20910.

Oxford House™ is a concept and system of operations based on the experience of recovering alcoholics and drug addicts who learned that behavior change is essential to recover from alcoholism and drug addiction. Oxford Houses provide the living environment that helps them become comfortable enough with abstinent behavior to stay clean and sober without relapse.

The Oxford House Manual® is the basic blueprint that provides the organization and structure that permit groups of recovering individuals to live together successfully in a supportive environment. All Oxford Houses are rented ordinary single-family houses in good neighborhoods. There are Oxford Houses for men and Oxford Houses for women but there are no co-ed houses. The average number of residents per house is about eight.

Oxford Houses work because they: (1) have no time limit on how long a resident can live in an Oxford House, (2) follow a democratic system of operation, (3) utilize self-support to pay all the household expenses, and (4) adhere to the absolute requirement that any resident who returns to using alcohol or drugs must be immediately expelled. Oxford Houses provide the missing elements needed by most alcoholics and drug addicts to develop behavior to assure total abstinence. It provides the time, peer support and structured living environment necessary for long-term behavior change to take hold.

Individuals living in an Oxford House learn or relearn values and responsible behavior and, slowly but surely, develop the long-term behavior that assures comfortable sobriety – forever. Some individuals live in an Oxford Houses a few months; others for many years. Together, these individuals develop each Oxford House into a place where residents can learn to live a responsible life without the use of alcohol and drugs.

After 37 years of steady growth and successful recovery outcomes, it is clear that the 37-year old traditions, processes and procedures enable the Oxford House organization to grow and preserve quality control throughout its network of individual houses. In 2011, following rigorous review, the Oxford House program was listed on the Federal Government's National Registry of Evidence-based Programs and Practices [NREPP], denoting a program that works. The NREPP listing is the latest recognition that Oxford Houses provide the time, peer support and system of operations that make recovery without relapse the norm rather than the exception. This is further evidence that Oxford House provides a highly successful and cost-effective way to assure long-term recovery from alcoholism, drug addiction and co-occurring mental illness.

January 15, 2012  
Silver Spring, Maryland

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COO – Kathleen Gibson\*  
CFO – Leann Watkins\*

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Oxford House-Quiet Acres  
Millboro, Delaware



Oxford House-Harmon Park  
Kearney, Nebraska



Oxford House-St. Charles  
St. Charles, Missouri



Oxford House-Evesham  
Magnolia, New Jersey



Oxford House-White Oaks  
Springfield, Illinois



Oxford House-Kenton  
Aurora, Colorado



Oxford House-Havenwood  
Charlotte, North Carolina

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## Good Houses in Good Neighborhoods



Oxford House – Monument, at left, was established in July 2010 in Freehold, New Jersey. It provides a home to twelve recovering men. Since the house was established, 28 recovering men have lived there.

Today, there are 76 Oxford Houses in New Jersey – 16 for women; 60 for men – with a total of 595 recovery beds.

*Creating an Effective National Recovery Network One House at a Time*

### National Oxford House Resident Profile

(As of November 30, 2011 based on standard OHI surveys and house reports)

Number of Women's Houses:	383	No. of Women Residents:	2,959
Number of Houses For Men:	1,138	No. of Men Residents:	9,069
National Network of Houses:	1,521	Total Number of Residents:	12,028
Number of States with Houses:	45	Cities with Houses:	432
Cost Per Person Per Week:	\$100	Average House rent/month	\$1,380
Percent Veterans	18%	Average Age	36.2 yrs.
Residents Working 6/15/11:	92%	Average Monthly Earnings:	\$1,660
Percent Addicted To Drugs or Drugs and Alcohol:	74%	Percent Addicted to Only Alcohol:	26%
Race --		Marital Status --	
White;	56%	Never Married	45%
Black;	40%	Separated	18%
Other	4%	Divorced	33%
		Married	4%
Prior Homelessness:	63%	Average Time Homeless:	6 Mos.
Prior Jail:	79%	Average Jail Time:	13 Mos.
Average AA or NA Meetings Per Week:	5.1	Percent Going To Counseling and AA or NA:	44%
Average Length of Sobriety of House Residents:	14.5 Mos.	Residents Expelled Because of Relapse:	17.5%
Average Length of Stay In An Oxford House:	10.1 Mos.	Average No. of Applicants For Each Vacant Bed:	3.4

### FAST FACTS

- 12,028 - Number of Oxford Recovery Beds
- 1,521- Number of Oxford Houses as of December 2011
- 45 - Number of States having Oxford Houses
- 432 - Number of towns or cities having Oxford Houses
- \$1,660 - Average monthly income of residents
- \$102 - Average weekly share of expenses paid by Oxford residents
- 63% - Oxford House residents had been homeless for an average of 6 months
- 74% - Residents addicted to drugs in addition of alcohol
- 79% - Residents who did jail time connected to their addiction
- 16.5 months - Average length of sobriety
- 116 - New Oxford Houses started in CY 2011:
  - 33 – New Houses for Women
  - 83 – New Houses for Men
- 907 - Total added recovery beds in CY 2011:
  - 669 for men
  - 238 for women

## MANAGEMENT OVERVIEW

Oxford House™ had another successful year in 2011. Over the course of the year, the number of Oxford Houses (and recovery beds) continued to grow both domestically and internationally; finances remained stable; quality control remained high and the program received Federal recognition.

### Expansion of Oxford Houses – Domestic and International

At the end of 2011, there were 1,521 Oxford Houses with a total of 12,028 recovery beds. The network of Oxford Houses now has 1,138 houses for men (providing 9,069 recovery beds) and 383 houses for women (providing 2,959 recovery beds). During 2011, more than 25,000 individuals lived in an Oxford House somewhere in the United States. Of those 4,391 [17.5%] were expelled because of relapse. Overall, 116 new homes were established during the year.



Oxford House – UK  
Middlesbrough, England

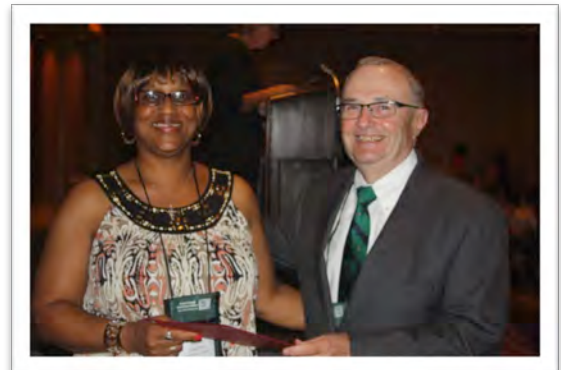
Oxford House continues to maintain and grow an international presence. A second house is underway in Ghana – just outside Accra. The first house in Ghana was started last year. During the course of the year the first Oxford House was established in England – a home for six recovering men in Middlesbrough (pictured at left). Additionally, there continue to be strong Oxford Houses in Canada [34] and in Australia [8]. Many other countries have expressed interest, including Chile, Bulgaria, and Nigeria. The Oxford House model lends itself to development of mutually supportive group living at low cost. Three characteristics – mutual support, living together in small family-type units and focusing on the common challenge of developing sobriety comfortable enough to avoid relapse – tend to be universal. However, using trained field workers is essential for transferring the knowledge about both the concept and the time-tested system of operation.

Expansion is made possible by voluntary contributions by Oxford Houses and by individual donors directly or through United Funds or similar campaigns, by grants from states and communities, by the existence of loan funds, and by the hard work of Oxford House staff and Oxford House residents and alumni. The section on finances discusses this funding in greater detail.

Oxford Houses made voluntary contributions of almost \$300,000 in FY 2011 to help with expansion. This is a strong testament to the commitment of the men and women living in Oxford Houses to make the Oxford House recovery experience available to more individuals seeking long-term recovery without relapse. At each annual Oxford House convention, the Oxford House Board presents “100-Year Award” certificates to those Oxford Houses and Chapters that made voluntary contributions of at least \$50 a month over the past year.



Jerry Conlon, Board Chair [center] with Paul Molloy, CEO congratulating residents for Hawaii contributions.



Jerry Conlon, Board Chair, presenting a representative from a Missouri Oxford Houses with the 100-Year Award.



## Financial Results

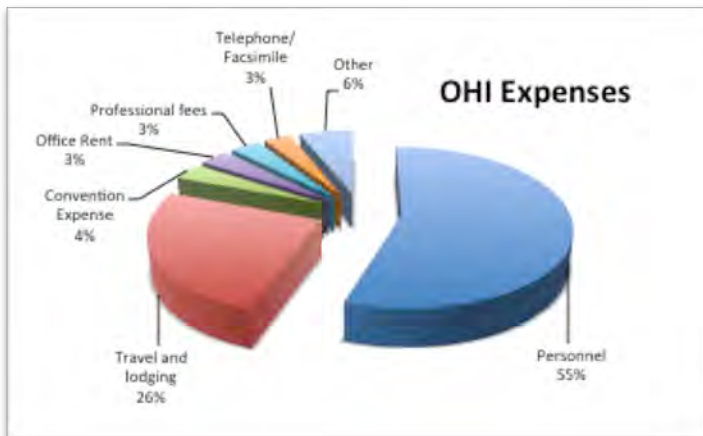
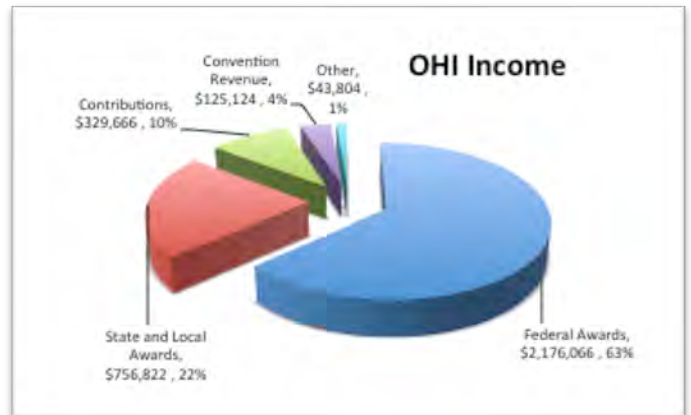
This section presents some of the financial highlights and explains how and why the monies were used as they were. Complete audited financial results are reproduced on page 17 of this report.

## Income and Expenses

To keep the entire network of Oxford Houses on track, Oxford House, Inc. [OHI] – the umbrella non-profit organization – had income of \$3,431,482 and expenditures of \$3,286,160 in FY 2011. Income exceeded expenses by \$145,322.

The chart at the right shows the sources of income to fund operations of OHI. Contributions (\$329,666) constituted 10% of total income. A major portion of the contributions (\$293,000) came from voluntary contributions by individual Oxford Houses. Federal awards are primarily pass-through federal grants to states made as part of the block grant for states to carry out programs related to substance abuse and co-occurring mental illness.

The major source of OHI funding [85%] is grants from states to start new houses and keep existing houses on track. OHI works with state alcohol and drug agencies to co-ordinate long-term recovery with the state funded prevention, intervention and treatment programs and also with the self-help or for profit recovery communities. Since Oxford House expansion began in 1989, OHI has received funding from 26 states and the District of Columbia. States doing business with OHI use federal pass-through funds received from the federal ADM block grant program 74% of the time. In 2011, OHI had contracts or grants in the following jurisdictions: CO, DC, DE, HI, LA, MI, NJ, NC, NE, NM, OK, PA, TX, VA, WA, WV, WY.



Expenses of OHI are related primarily to the provision of technical assistance to help recovering individuals establish new Oxford Houses and to keep existing Oxford Houses on track. Oxford House by-laws preclude its ownership of any real property and all Oxford Houses are rented single-family houses. From its beginning in 1975 OHI has carefully sought to avoid any accumulation of wealth, including ownership of any real estate or outside businesses.

The major portion of OHI expenses (55%) covers salaries of staff personnel who are employed to provide on-site technical advice to help recovering individuals to establish new Oxford Houses and to keep existing houses on track. The second largest expense (26%) is travel and lodging expenses incurred by outreach workers. The business model OHI has used since expansion began in 1988 has been one that builds partnerships with states and the recovery communities. The remaining funds went to central office and convention expenses.

Investment in the development and maintenance of strong networks of self-run, self-supported Oxford Houses provides an opportunity to substantially improve the odds for long-term recovery without relapse. As policy makers at all levels of government seek to reduce health care costs, Oxford House provides a low-cost, time-tested method of achieving long-term sobriety.

## Cost of Expansion

There are two aspects to the assistance needed to develop networks of Oxford Houses: (1) start-up loan funds and (2) on-site technical assistance.

Start-up loans funds are necessary for the start-up of a new Oxford House and are used to pay the first month's rent and security deposit. The start-up loan is paid back into a revolving loan fund over a period of two to three years. This enables the revolving loan fund to use the same money over and over to enable other houses to start. In Washington State, the original \$100,000 revolving loan fund had loaned more than \$900,000 at the end of twenty years.

The role of the outreach worker is very important. On-site technical assistance provides the knowledge that the residents of a new house need to operate it effectively. Since expansion began, more than 157 trained outreach workers have traveled from Alaska to Australia to teach others in recovery from alcoholism and drug addiction how an Oxford House™ works and to explain why living in an Oxford House™ is the best road for achieving recovery without relapse. Outreach workers also educate the local recovery community about the value of Oxford House living. The outreach worker is trained by OHI for the tasks listed in the box at the left.

### Duties of Outreach Worker

- ◆ Finding a suitable house to rent
- ◆ Getting a charter from OHI
- ◆ Getting an FEIN number from IRS
- ◆ Recruiting initial residents
- ◆ Teaching residents the system of operations
- ◆ Building mutually supportive chapters
- ◆ Balancing supply of houses to demand
- ◆ Developing linkages to providers
- ◆ Working with drug courts
- ◆ Working with parole officers
- ◆ Working with veterans organizations
- ◆ Developing employment linkages
- ◆ Documenting success/failure
- ◆ Trouble shooting problems
- ◆ Coordinating with state and local agencies

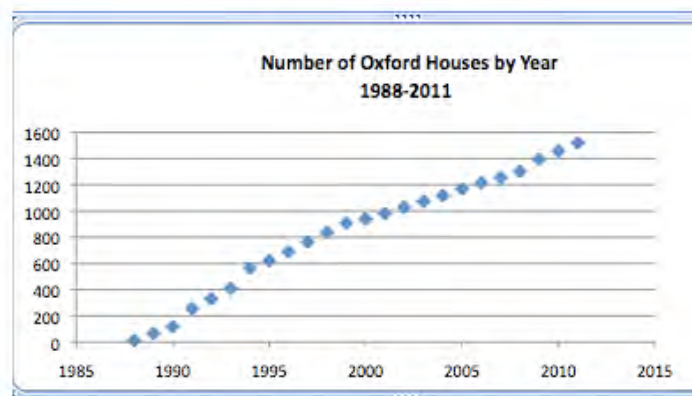
The training is on-site and usually includes living with residents in a new Oxford House for the first few weeks in order to share both the methodology and reasoning behind the standardized disciplined democratic operation of each Oxford House. Once several houses are established within an area, the outreach worker will help them organize a mutually supportive chapter to add stability and quality control for the local cluster or network of houses. This

is essential to assure that, even with turnover among residents of an Oxford House, each group of current residents understands the processes and procedures that make the Oxford House model successful. Initially the outreach worker teaches the concept and system of operations but eventually the chapter itself will hold training workshops on a regular schedule to bring alumni and current residents together to share their knowledge and experiences.

Once a state has a strong network of individual Oxford Houses and supportive chapters, one outreach worker is able to monitor and assist 40 to 50 individual houses. This is one of the reasons that Oxford House is so cost-effective.

As the graph at the right shows, the growth of Oxford Houses has been more than a hundredfold since the 1988 Anti-Drug Abuse Act was enacted.

By building networks of Oxford House tied to individual states, management of oversight and development can be uniform and highly effective. North Carolina, Washington, Hawaii and Virginia have, for more than a decade, executed contracts with OHI to assure quality control and development to balance supply and demand within their states. In 2011, the 15 states having contracts with OHI accounted for \$2,932,888 or 85% of total income.

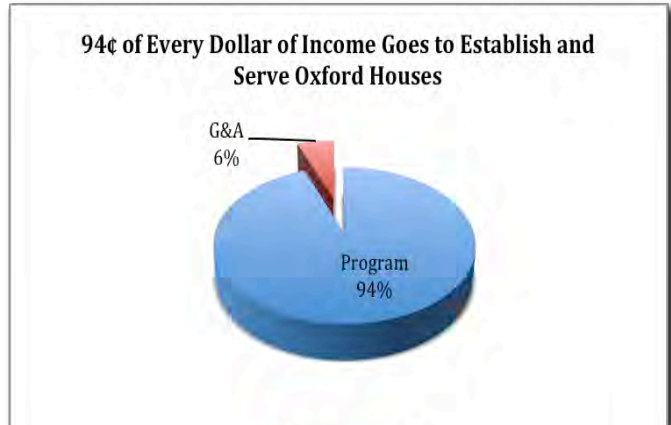


Development and maintenance of Oxford House networks in other areas of the country depend upon voluntary contributions from existing houses and others. This provides about 10% of OHI operating expenses. These contributions cover uncompensated overhead and permit outreach to states and areas where local government agencies do not

contract with OHI. Contributions from Oxford Houses are entirely voluntary because any mandatory contributions or dues would require charter revocation if they were not forthcoming. To encourage regular voluntary contributions from individual houses, the Directors of OHI established the “100-Year Awards,” underscoring that the long-term success of Oxford House depends on financial self-sufficiency.

Again in 2011 OHI made certain that most income was used to fund outreach efforts to establish new Oxford Houses and to keep existing houses on track. More than 94 cents of every dollar earned by or donated to Oxford House, Inc. is spent to establish new Oxford Houses and to keep existing houses on track. Only 6 cents of each dollar is used for general and administrative expenses. Oxford House, Inc. continues to have one of the highest program utilization rates among non-profit programs of all kinds. Meanwhile, the men and women living in Oxford Houses paid their own household expenses and paid their share of payroll taxes of approximately \$15.7 million.

A frugal use of resources has always characterized Oxford House, Inc. and will continue to be a top priority for management.

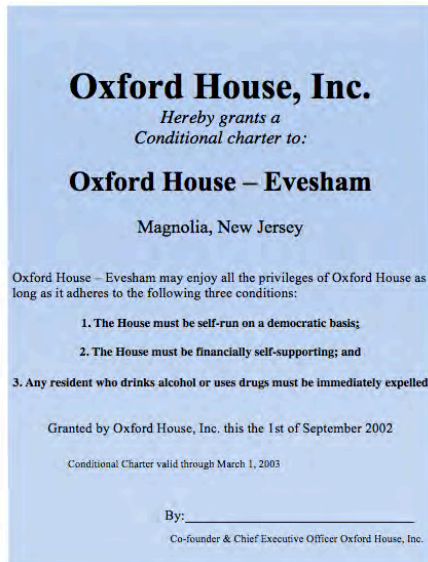


## Quality Control and Federal Recognition

From its early beginnings, Oxford House has recognized the need for quality control. The Oxford House program relies heavily on quality control within individual houses but also encourages an openness among residents that permits formal data collection and outcome research by independent academic researchers. These practices have been rewarded by both academic and Federal recognition and, most importantly, by the fact that the vast majority of Oxford House residents remain clean and sober without relapse over the long term.

## Quality Control Within the Oxford House Program

Quality control is achieved through adherence to charter requirements, self-government within houses, and the common ground of addiction among house residents.



**Charter Conditions and Adherence.** Quality control in an Oxford Houses begins with the grant of a Conditional Charter by the Oxford House central office – Oxford House World Services. This is done as soon as a new Oxford House is opened. The Conditional Charter (example shown at left) lays out the basic charter conditions that are: (1) the House must be self run on a democratic basis; (2) the House must be financially self-supporting; and (3) any resident who drinks alcohol or uses drugs must be immediately expelled. The initial residents of the house also are taught the standard system of operations that have made Oxford Houses the model for successful transformation from addiction to recovery without relapse. It also begins a process that enables Oxford House World Services to evaluate whether or not a new group has mastered the system of operations sufficiently to permit the group to be granted a permanent charter. The permanent charter has exactly the same conditions but entitles the house to enjoy all the benefits of being an Oxford House as long as the residents are operating the house in accordance with the approved system of operations including financial self-support and maintenance of an alcohol and drug-free living environment.



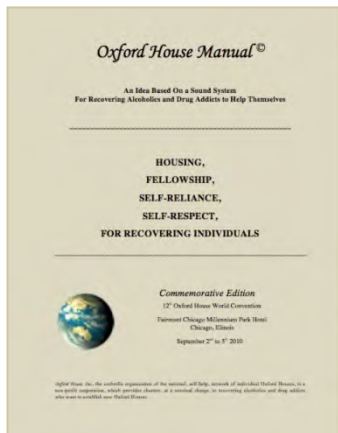
To satisfy Oxford House World Services that the group understands the approved system of operations and to apply for a permanent charter, the group must submit the following documentation:

- Federal Tax Identification Number from Internal Revenue Service,
- Proof of a checking account in the name of the house,
- Weekly business meetings minutes for at least six meetings, and
- Recommendation letters from two members of Alcoholics Anonymous.

Once this material is approved by Oxford House World Services, the group is awarded a permanent charter that contains the same three conditions and allows the group to operate as an Oxford House for as long as the three conditions are followed. While the residents of the house will change over time, the group in the recovery home will always have the benefit of being an Oxford House as long as it adheres to the charter conditions.

**Self-Governance.** There are a number of checks and balances within the national network of Oxford Houses to ensure that the residents of the chartered house stay on track at all times. Most important is the reliance on House members to govern themselves effectively through democratic operation of the house. The initial check is the time-tested system of disciplined democratic operations spelled out in the Oxford House Manual<sup>®</sup> that is provided each group when it is established. Along with the Oxford House Manual<sup>®</sup> each group receiving a charter gets a start-up kit that has standard forms and other tools to teach new residents the entire system of operations.

The Oxford House Manual<sup>®</sup> provides the blueprint for the democratic operation and financial support of each Oxford House<sup>™</sup>. It was written in 1975 and has remained substantially the same today as when it was first written. Just as the book Alcoholics Anonymous has served as the foundation for thousands 12-Step self-help recovery groups, the



Oxford House Manual<sup>®</sup> serves as a foundation for individual Oxford Houses, chapters and state associations. Every Oxford House has several copies and in most houses it is read and re-read by every resident. Along with the Oxford House Charter, the manual offers a sense of shared security for all the residents and provides part of the common ground shared by Oxford House residents and alumni. The Oxford House Manual<sup>®</sup> is available on the website: [www.oxfordhouse.org](http://www.oxfordhouse.org).

Within each house five officers are elected from among the residents and each one has specific duties and responsibilities. In addition, there are strict term limits for offices; no one can hold a particular office more than six months. These term limits ensure that every resident has the opportunity and responsibility to undertake leadership activities and underscores the fact that every house resident shares responsibility for the effective operation of the house. Every resident is expected to attend the weekly house business meeting to learn about house finances and discuss issues arising from group living. The weekly meeting follows a defined format that involves everyone and assures transparency in finances and house policies.

Each house is also invited to become a member of a chapter that is comprised of a group of individual houses located close by. A chapter serves clusters of three to twelve houses; when there are 12 houses in a chapter, the chapter subdivides into two chapters so as to keep the size of the chapter small enough to function well. Once a month the officers of each house in a chapter meet together to share the strength, experience and hope of each house. This sharing of information serves both a teaching and oversight role. Each house both mentors and monitors other houses to make certain that the charter conditions are strictly followed to assure the good name of Oxford House. In addition, these activities encourage responsibility, fellowship and fun – essential ingredients for long-term sobriety.

**Common Ground of Addiction.** Within a biological family there is kinship that bonds the individual members of the family together – for better or worse. Within an Oxford House, the group is not biologically related, but rather, its relationship is based on the common ground of past addiction and current sobriety. The common ground of recovery is nurtured by the system of democratic operation, financial self-support and principled nine traditions spelled out in the Oxford House Manual<sup>®</sup>.

The common ground for newcomers immediately shifts from addiction to recovery. While each individual will recover at a different pace, the Oxford House tradition of open-ended residency gives residents the time they need to become comfortable in sobriety provided they stay clean and sober and pay their equal share of household expenses. In 2011, the *average* resident had lived in an Oxford House a little under one year but the *range* of time was from a few days to twenty years. It is not uncommon for a few individuals to live in an Oxford House until they die. This type of long-term residency adds to the common ground underlying the Oxford House concept and provides most houses with residents with varying lengths of sobriety, unlike time-limited recovery houses where all residents are all new to recovery.

Using the common ground of recovery from addiction, the men and women of Oxford House have built a grassroots movement that is cost efficient because the residents themselves manage the organization from the bottom-up. They enforce quality control, emphasize evidence-based procedures and hold an annual convention to keep the entire organization focused on the common ground of recovery from addiction.

### **Formal Data Collection**

Oxford House encourages Oxford House residents and alumni to participate in research projects – both internal and external. Oxford House conducts regular surveys of house residents. The results of these surveys inform residents, management, and contributors. They also form the basis of the reports and profiles of Oxford House residents. While traditional 12-step programs encourage anonymity, Oxford House encourages residents to be more open about their addiction and participation in recovery programs. In part, this recognizes that it is difficult to be anonymous when an individual is living in community-based recovery housing but, more importantly, it recognizes that it is important to learn about the recovery process and that can only be done through the collection of data from participants.

### **Research by Independent Academic Researchers**

Oxford House has long encouraged academic researchers to conduct their own research on the Oxford House program and, consequently, there is a wealth of data that have been derived from studying the Oxford House program. Oxford House is unique in respect to its openness to research. In fact, Oxford House has been cited as being a key to opening research into the addiction recovery process. Jeffrey D. Roth, MD, Board-Certified in Addiction Psychiatry, wrote: While research on AA has been limited by the role of anonymity in recovery, the willingness of Oxford Houses to open their doors to academic research gives us an opportunity to see recovery from addiction in action.” (Cited in *Recovery from Addiction in Communal Living Settings – The Oxford House Model*, Routledge, London and New York, 2011 [edited by Leonard A. Jason and Joseph R. Ferrari])

In 1975, when the first Oxford House was established there were few academic or scientific studies of the recovery process. Residents in early Oxford Houses wanted to prove that they could run a group home where sobriety was maintained even though in 1975 others believed that a self-run, self-supported recovery home would soon become a home full of active drug users and alcoholics. Therefore, they implemented transparency from the outset. They shared information on who was living in the house and who was expelled for relapse freely within the recovery community. In 1987, OHI agreed to let William Spillane, Ph.D. study Oxford House outcomes for the preceding decade. Dr. Spillane tracked down more than 1,200 of men and woman who had lived in the first few Oxford Houses and reported that 80% had stayed clean and sober.

Since that time, there has been extensive research into the program. Oxford House residents and alumni are willing to work with independent researchers and much of the academic research involving Oxford House has been funded by NIAAA and NIDA. Many studies involved experimental research, demonstrated causal relationships, and affirmed the fact that Oxford House living can have positive outcomes for recovering alcoholics, drug addicts and those suffering mental illness.

Studies have confirmed that the Oxford House system works. In one study, funded by a federal grant from NIDA (Grant # DA 13231), DePaul University in Chicago followed 890 residents located in 219 Oxford Houses across the United States for 27 months and found only 13% had returned to using alcohol and/or drugs. (Reported in *Addictive Behaviors* 32 (2007) 803-818.) In another DePaul study funded by NIAAA [NIAAA grant # AA12218], DePaul Universi-

ty researchers used a control group to compare outcomes between a group living in Oxford House following primary treatment and a similar group that lived elsewhere. That study involved 150 individuals finishing formal treatment with one-half randomly selected to enter an Oxford House. After 27 months, the Oxford House group had more than twice as many participants [65% vs. 31%] staying clean and sober. The study was reported in the *American Journal of Public Health*, Oct 2006; Vol. 96, pp1727–1729. It can be downloaded at [www.oxfordhouse.org](http://www.oxfordhouse.org) under “Publications/Evaluations/DePaul.” Since that study used a control group in measuring outcome it played an important role in Oxford House being selected for placement on the national registry noted below. Comparing outcomes for two similarly situated groups of human beings is always difficult to organize and manage. More than 125 peer-reviewed research result articles have been published in various Journals. A bibliography is available at website: [www.oxfordhouse.org](http://www.oxfordhouse.org) by clicking “About/Us/Resources.” Copies of the DePaul studies can be found on the Oxford House website at [www.oxfordhouse.org](http://www.oxfordhouse.org) under “Publications/Evaluations/DePaul.”

## Federal Recognition

In 2011, the Oxford House program was placed on National Registry of Evidence-based Programs and Practices (NREPP) following the successful completion of the rigorous review protocol of SAMHSA. Listing is given to interventions that have been evaluated in comparative effectiveness research studies and have met the established protocol. The NREPP listing is the latest recognition that Oxford Houses provide a highly successful and cost-effective way to assure long-term recovery without relapse from alcoholism, drug addiction and co-occurring mental illness.

### OXFORD HOUSE TRADITIONS

1. Oxford House has as its primary goal the provision of housing for the alcoholic and drug addict who wants to stay clean and sober.
2. All Oxford Houses are run on a democratic basis. Our officers serve continuous periods of no longer than six months.
3. No Member of an Oxford House is ever asked to leave without cause -- drinking, drug use, or disruptive behavior.
4. Oxford House members realize that active participation in AA and/or NA offers assurance of continued sobriety.
5. Each Oxford House should be autonomous except in matters affecting other houses or Oxford House, Inc. as a whole.
6. Each Oxford House should be financially self-supporting.
7. Oxford House should remain forever non-professional.
8. Propagation of the Oxford House, Inc. concept should always be conceived as public education.
9. Members who leave an Oxford House in good standing should become associate members



## LOOKING AHEAD

Looking forward, Oxford House will remain committed to its time-tested program focused on recovery without relapse and will continue to expand its network of houses and to increase its outreach to specific populations. While much of the educational and networking activities necessary to achieve this expansion can be done by existing staff and Oxford House residents and alumni, implementation of these projects will necessitate forging new partnerships with governments, associations and institutions.

### **Recovery Without Relapse – The Continuing Philosophy of Oxford House**

Total abstinence – long-term recovery without relapse – remains the basic philosophy of the Oxford House program. The Oxford House philosophy posits that all addicts and alcoholics, irrespective of the type, severity or length of their addiction, are capable of achieving long-term sobriety and becoming healthy, responsible and productive citizens in the community. Oxford Houses provide that opportunity. The nonmedical use of prescription drugs, use of illegal drugs and use of alcohol is incompatible with "abstinence."

Oxford House is aware that there are those in the field of addiction treatment who support an alternative goal of "harm reduction" – a philosophy of providing assistance to people considered unwilling or unable to abstain from illicit drug use through the use of programs such as syringe access and provision of medications that reduce craving for and use of opiates. Oxford House believes that this approach short-changes the addict and alcoholic.

During its 35-year history Oxford House has consistently adhered to the abstinence model because abstinence provides the lowest risk of harm to the individuals attempting recovery. OHI has encouraged scientific research to evaluate the process of recovery from addiction and more than three decades of behavioral research has shown that, given the right opportunities, even the most chronic alcoholics and drug addicts can achieve comfortable sobriety and long-term abstinence. Oxford House's time-tested path to long-term recovery works for even the most 'hard-core' addicts and alcoholics and those with co-occurring mental illness. A majority of Oxford House residents achieve long-term comfortable sobriety, becoming healthy and productive members of society.

### **Expansion of Oxford Houses**

Oxford House plans to expand its existing network of houses, expand into currently underserved areas and open more houses internationally.

#### **Expanding Existing Networks**

Going forward, Oxford House plans to expand its networks in states where it already has a strong presence. Even in Washington and Oregon – the two states with the most Oxford Houses – there continue to be more individuals wanting to live in an Oxford House than there are beds available.

#### **Expanding into Underserved Areas**

OHI realizes that a high priority should be to introduce the Oxford House model to areas where there are few or no existing Oxford Houses. It is clear that the model works well everywhere alcoholics, drug addicts and those with co-occurring mental illness are trying to recover from addiction. Where houses already exist, expansion is relatively easy – though not without cost – since there are already Oxford House residents in the area who can help with outreach activities.

The establishment of Oxford Houses in new regions works best when there is an incentive for recovering individuals to live together to help each other to stay clean and sober, and where trained Oxford House field personnel are available to teach local recovering individuals the time-tested system of operation and self-support.

OHI has the resources to conduct workshops and training sessions to educate recovery stakeholders about Oxford House. Where funding is available, OHI will also train and supervise field personnel to develop a network of self-run, self-supported Oxford Houses from the ground up.

## **Expanding Internationally**

The houses in Ghana and the United Kingdom are the most recent reminders of the universality of addiction and recovery. OHI will continue to work with those in other countries who want to provide their individuals in recovery with the benefits of having the time, peer support and path to recovery available by living in an Oxford House. Oxford House has begun participating in conversations with individuals from other countries involved in addiction policies and programs and plans to continue that involvement in coming years.

## **Outreach to Specific Populations of Alcoholics and Addicts**

As part of its efforts to make sure that the opportunity to live in an Oxford House is available to different populations, OHI makes special effort to work with organizations and individuals for whom the Oxford House program might be particularly valuable. Among the groups to which OHI plans specific outreach in the coming months are addicted individuals leaving jails and prisons, veterans and drug court clients. While these groups are already well represented among Oxford House residents and alumni, additional outreach could be beneficial.

## **Re-entry from Prison**

Many incarcerated individuals are also addicted to drugs or alcohol. Incarceration provides detoxification and at least informal addiction treatment – given the usual lack of access to drugs or alcohol – and sometimes offers more formal treatment. However, sobriety is unlikely to remain the norm for those who return to their usual haunts. At the 2011 Oxford House World Convention, a panel examined the utilization of Oxford House for recovering returning citizens from prison. Charles Thornton, Director of the DC Office of Returning Citizens, noted that returning citizens tend to go to their old neighborhoods and within a few weeks they probably will have relapsed and within six months more than half will return to prison. Oxford House residency can halt this recidivism.

Many current and former Oxford House residents have served jail time. According to surveys of Oxford House residents, the average length of jail time is 1 year, 1 month; however, but many serve longer or shorter periods. Most of the Oxford House residents who have served jail time go on to successful recovery and avoid relapse and recidivism.

Oxford House has specific programs to assist recovering individuals leaving prison in Oklahoma, North Carolina, Washington and Texas and an informal program in some other states. To the extent possible, OHI intends to expand that successful program to other jurisdictions. These special programs are important in that they can provide inmates and jail authorities with information about Oxford House and its success and work with prison authorities to establish a process through which inmates can apply for Oxford House residency prior to their release.

## **Veterans**

Many veterans suffer from substance abuse. About 20% of Oxford House residents are veterans and do well in the program. There are many more veterans who probably could benefit from the program. For example, the National Coalition on the Homeless estimates that on any given night there are between 140,000 and 200,000 homeless veterans of which 76% have a substance abuse problem.

At the 2011 Oxford House World Convention veterans living in Oxford Houses met to plan additional steps that can be taken to reach out to veterans. Veterans from North Carolina and Tennessee reported that during the last year the number of veterans coming into Oxford House for the first time from Iraq and Afghanistan outnumbered Vietnam War veterans. Oxford House plans to work more closely with VA hospitals and Veterans' organizations to ensure that they are aware of the Oxford House program and its opportunities for veterans.

## **Drug Court Clients**

Oxford House has been supportive of the drug court program since the National Association of Drug Court Professionals was established in 1990. Today there are more than 2,300 drug courts throughout the country. Unfortunately, networks of Oxford House are not as widespread but whenever Oxford Houses are located in the vicinity of a drug court the chapters reach out to encourage judges to suggest Oxford House living to drug court clients. In Montgomery County, Maryland, the Drug Court provides a grant to OHI to supervise an outreach worker to work with its clients to help them get accepted in an Oxford House and to expand capacity by opening new houses. In Prince Georges



County, Maryland, the drug court assists clients with financial support needed to move into an Oxford House. In Washington State, North Carolina, Oklahoma, Virginia, and Oklahoma, Oxford House representatives work closely with drug court programs. Each year at the annual Oxford House Convention a special breakout panel discusses ways for Oxford Houses and chapters to work closely with drug courts.

In 2012 OHI plans to expand local coordination with drug court programs and encourage them to measure recovery outcomes for clients that get accepted in an Oxford House compared to clients that continue to live in a non-Oxford House environment.

## **Forging New Partnerships with Treatment Providers and Others**

In order to spread the Oxford House program, it is necessary to forge new partnerships. There are two aspects to this: (1) spreading the word – the educational effort of telling the story of Oxford House – and (2) creating new avenues of financial and institutional support for the program. They are, of course, interrelated.

### **Spreading the Word**

The Oxford House story is a powerful one and needs to be told more broadly. Much of the work of spreading the word about the Oxford House program can and should be done by Oxford House residents and alumni. They are the ones who have first-hand knowledge of how the Oxford House program works and can carry the message that Oxford House works to their local communities, treatment providers, fellow alcoholics and drug addicts. Oxford Houses provide an optimal transition from more intensive recovery programs and can solidify the individual's new patterns of behavior and that message needs to be conveyed to others. People need to know that Oxford Houses work and that thousands of individuals have achieved recovery without relapse through Oxford House living.

Many Oxford House chapters already actively take the message to treatment providers and others within their communities. Many houses hold open houses and invite neighbors in to meet the residents and learn more about the program. Oxford House residents are committed to doing more to tell others the Oxford House story.

### **Creating New Avenues of Financial and Institutional Support**

While Oxford Houses, once established, are self-supporting, there are costs associated with starting new houses. The major expense comes from the initial rental costs and the cost of outreach workers. Some states have established loan programs that provide up to \$6,000 to a house to cover the first month's rent and related start-up expenses. Where states have loan programs and have provided grants for outreach work, expansion thrives.

More extensive expansion in new areas requires new financial commitments and contributions. Oxford House residents themselves contributed nearly \$300,000 in the last fiscal year to support expansion and each year more Oxford Houses make voluntary contributions. Some contributions are also received from individuals through direct donations and through United Giver campaigns throughout the country and these contributions could be increased if more people knew of the program. Additionally Oxford House has received some grants from drug court programs, and also from some local foundations and community organizations. Furthermore, it is in the direct interest of treatment providers and insurers to support programs such as Oxford House that focus on long-term recovery that saves both lives and money

Over the next year, Oxford House staff and residents will be working to establish new avenues of support to finance needed expansion.

## **Conclusion**

Oxford House is committed to a strenuous effort to expand the program to make Oxford House living available to all who want it.

## CONVENTION 2011 HIGHLIGHTS



More than 700 residents and alumni at the 2011 Oxford House World Convention at the Grand Hyatt Hotel in Washington, DC. The theme of the convention was “Saving Money – Saving Lives.”

### Opening Session

The convention opened with a general session that featured an invocation by Major David Smith of the Salvation Army, an overview of the convention agenda by CEO Paul Molloy, and a welcome from DC Mayor Vincent Gray and from Oxford House Board member James McClain. Despite an 8:00 a.m. start, the room was packed as the convention was convened. More than 700 residents and alumni attended the convention.



James McLean and Dr. Westley Clark, Director of CSAT, who gave a keynote address. This was the 10th annual Oxford House convention in which Dr. Clark participated.



David Mineta, Deputy Director of ONDCP [White House Office of Drug Control Policy] addressed the Friday General Session.

### Breakout Sessions

Breakout sessions were held throughout the convention on a wide variety of topics. Among the topics covered were Oxford House and Veterans; Reentry from Incarceration; Why Behavioral Research Matters; Drug Courts and Recovery; Accommodating HIV and Other Disabilities in Oxford House; Developing Chapters and State Associations; and Civil Rights Under the Fair Housing Act. Panelists included both Oxford House residents and alumni and outside experts.

## Friday Night Reception

The Friday Night reception, at the Grand Hyatt Hotel in downtown Washington featured food, fellowship and awards. The pictures on this page show residents, alumni, and friends enjoying the evening.



The Director's 100-Year Awards are presented by the board Chairperson to those individual Oxford Houses that have made voluntary contributions of \$50 a month to the central office to help defray the costs of expansion.



In FY 2011, Oxford House residents contributed a total of \$293,054. Pictured above are some of the recipients receiving the award certificate from Jerry Conlon, Chair of the board.

The 2012 Convention will be held in Oklahoma City, September 13 – 16. See website: [www.oxfordhouse.org](http://www.oxfordhouse.org) for details.



### Day Three – Work, Fellowship and Sobriety

Besides attending formal convention proceedings, participants greeted old friends and made new ones. Many houses and chapters had a brisk business selling commemorative tee-shirts.



Every other year the convention is in Washington, DC. On alternate years the convention has been in Kansas City, New Orleans, Seattle, San Antonio, Wichita and Chicago. Several groups of residents and alumni competed to host the next convention in their hometown. Oklahoma City won and the convention will be there September 13-16.

The 12-Member Oxford House World Council is the central advisory body elected by representatives of Oxford Houses around the world. Each year one-third of the members and six alternates are elected at the annual convention. No more than one member can be from any single state or non-United States country.



Pictured above are the World Council Members and alternates following convention election.

The World Council meets in person twice a year and via telephone conference on a monthly basis. It provides the eyes and ears to make certain that the Oxford House concept and system of operations is rigorously followed. The Saturday afternoon General Session of the convention is devoted to introduction of the newly elected World Council members and the entire convention considers resolutions related to the smooth operation of Oxford House, as a whole.

Since annual conventions started in 1999, residents and alumni have enacted 43 resolutions that serve to provide policy guidance for all Oxford Houses. A list of the resolutions is printed in the Oxford House World Council Manual<sup>®</sup> that can be downloaded from the Oxford House website: [www.oxfordhouse.org](http://www.oxfordhouse.org) under "Manuals."

## Oxford House: Saving Money - Saving Lives

## Saturday Night Awards Banquet

The Tom Fellows Award is the only award given to an individual who has not lived in an Oxford House. It is awarded annually and is named after an Oxford House supporter who died in 2000.

The 2011 Tom Fellows Award went to Dr. Leonard Jason of DePaul University, pictured at the right with Paul Molloy, for his tireless efforts to document Oxford House outcomes. Dr. Jason has managed twenty years of research about recovery and the dynamics of Oxford House living. More than 125 journal articles reporting the research are listed at the Oxford House website under "About Us/Resources." Dr. Jason expressed his gratitude and his appreciation for all the residents and alumni who voluntarily filled in survey forms and participate in interviews.



The banquet was marked by good food, good fellowship and good speeches and was followed by a dance. The featured AA/NA speaker was Charles Thornton, Director of the Office of Returning Citizens for Washington, (pictured at left). After years behind bars, Charles now provides strong leadership and respect to those who come out of jail get sober and stay free. The awards, dinner and keynote address were followed by a dance where everyone was able to

enjoy the fruits of sobriety by having a good time.



Oxford House World Services staff at Banquet



Every session was recorded.

## Sunday Closing Ceremony

Sunday's closing ceremony featured Oxford House residents remembering residents and alumni who died over the past year. In addition, Paul Molloy gave a recap of the convention, a podcast of that summary can be found on the website: [www.oxfordhouse.org](http://www.oxfordhouse.org). All sessions of the convention were recorded (more than 33 hours) and are available on CDs. Individual sessions or the full set can be purchased from New Life Productions. Call 205-938-2368.



## RECOVERY IN OXFORD HOUSE



**Oxford House – Northampton** in Washington, DC is one of 1,523 rented Oxford Houses throughout the country. It started in 1976 and has been in continual operation ever since. Alone it has provided the housing, time and peer support for 955 recovering individuals to become comfortable enough in sobriety to avoid relapse – a true transformation into long-term recovery.

More than 200,000 Oxford House residents have become comfortable enough in sobriety to achieve long-term recovery without relapse. Many residents and alumni have written their personal stories of addiction and subsequent recovery. The value of Oxford House living is expressed best by those who have lived there:

- “I am an ex-offender, addict and recovering prostitute. Before coming to Oxford I was using the prison system as a revolving door (11½ years).....On the night of my Oxford House interview I told them everything about me .....I called back to the house and Laurie told me I had a home to come to. I sat down on the ground and cried because I couldn’t actually believe they wanted me there knowing what a bad person I was. .... I moved in and my life has been one blessing after another. .... I now have 6 years drug and crime free. *Kari M*
- “AA began with the co-founders living together. How special it is to be blessed with a living environment that nurtures, protects and encourages as Bill W. and Dr. Bob were doing for each other in 1935. That’s what Oxford House is doing and has done for tens of thousands.....Oxford House is there when we need it most.” *Vin G.*
- “Serving as an officer in an Oxford House is a real way to immediately do something for others. .... But, also, I have found the tremendous circumstances where you help the member living with you by sharing your experience, strength and hope in a very personal way. This, I know, is one of the huge benefits Oxford House has provided to me. These “built in” occasions where one alcoholic/addict can sit down with another in their own living room and share. The Oxford House fellowship is one that I cherish.” *J.C.N*
- “When I came to North Carolina I was beaten down, lonely, scared and had no family. .... I continued this way for another 14 years until God led me to an Oxford House. Since I have been here I have finally found what I was looking for – A FAMILY!! I have been in the Oxford House for 6 months now and my life and attitude towards life has changed completely. I have friends who care about me and who want to be around me. We help each other and enjoy each other’s company. We do things together and have lots of fun. We are a FAMILY. For me, there is nothing worse than being alone. Today I am not alone.” *Roy L.*
- “I had been a cocaine and heroin addict for the last 20 years, going in and out of jails and prisons, living in ritzy hotels and under bridges.....I feel that I owe my life to Oxford. Things are different today. I am married to a wonderful woman. I have two beautiful children, and I am graduating with a bachelor’s degree. I have just bought my first house and I am finally a truly responsible member of society.” *Manuel P.*

Complete stories can be found on the Oxford House website: [www.oxfordhouse.org](http://www.oxfordhouse.org) under “About Us/Stories.”

**Oxford House, Inc.**  
**Statement of Financial Position**  
**June 30, 2011<sup>1</sup>**

ASSETS	
<b>CURRENT ASSETS</b>	
Cash	\$ 158,452
Accounts Receivable, Net	444,293
Prepaid Expenses	8,125
Employee Advances	11,053
Loans Receivable, Current Portion	43,500
Total Current Assets	<u>665,423</u>
<b>PROPERTY AND EQUIPMENT</b>	
Furniture and Office Equipment	153,969
Less Accumulated Depreciation	<u>(115,250)</u>
Net Property and Equipment	<u>38,719</u>
<b>OTHER ASSETS</b>	
Loans Receivable	41,500
Restricted Cash	95,582
Deposits	<u>10,634</u>
Total Other Assets	<u>147,716</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 851,858</u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	\$ 231,002
Accrued Salaries	116,560
Accrued Payroll Taxes	10,225
Line of Credit	15,240
Program Advances	<u>35,000</u>
Total Current Liabilities	<u>408,027</u>
<b>NET ASSETS, Unrestricted</b>	<b><u>443,831</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$ 851,858</u></b>

**Statement of Activities**

SUPPORT AND REVENUE	
Federal Awards	\$ 2,176,066
State and Local Awards	756,822
General Contributions	329,666
Convention Revenue	125,124
Combined Federal Campaign	18,050
Interest Income	611
Net Assets Release from Restriction	<u>25,143</u>
Total Support and Revenue	<b><u>\$ 3,431,482</u></b>
<b>EXPENSES</b>	
<b>Program Services</b>	
State and Local Program – Federal Funds	\$ 2,176,066
State and Local Program – Non-Federal Funds	756,822
State and Local Program – Other	<u>156,656</u>
Total Program Services	<u>\$ 3,089,544</u>
<b>Supporting Services</b>	
Management and General	196,235
Fundraising	<u>381</u>
Total Supporting Services	<u>196,616</u>
Total Expenses	<u>3,286,160</u>
<b>INCREASE UNRESTRICTED NET ASSETS</b>	<b>145,322</b>
<b>TEMPORARY RESTRICTED NET ASSETS</b>	
Net Assets Released from Restriction	(25,143)
DECREASE TEMPORARY RESTRICTED NET ASSET	(25,143)
<b>INCREASE IN NET ASSETS</b>	<b>120,179</b>
<b>NET ASSETS Beginning of Year</b>	<b><u>323,652</u></b>
<b>NET ASSETS End of Year</b>	<b><u>\$ 443,831</u></b>

<sup>1</sup> See notes accompanying financial statement at end of the Annual Report. See box at right for instructions on how to get full copy of audit by Robert Ben-Kori, CPA.

**Oxford House, Inc.**  
**FY 2011 Expenses**  
**By Category and Function**

Expense Item	State/Local House Program	Management And General	Total Expenses
Salaries	\$1,395,225	\$ 53,690	\$ 1,448,915
Fringe Benefits	213,950	24,389	238,339
Payroll Taxes	<u>124,399</u>	<u>5,496</u>	<u>129,895</u>
Total Personnel	<u>1,733,574</u>	<u>83,575</u>	<u>1,817,149</u>
Travel & Lodging	833,397	2,683	836,461
Convention Expense	112,449		112,449
Rent	84,933	26,401	111,334
Professional Fees	90,015	19,696	109,711
Telephone/Facsimile	96,669	3,792	100,461
Outreach Program	37,327	400	37,727
Printing/Publications	20,067	505	20,572
Postage & Delivery	8,941	12,970	21,911
Depreciation	14,207	4,487	18,694
Office Supplies	13,503	5,108	18,611
Litigation Settlement		18,500	18,500
Outreach Supplies	16,229		16,229
Insurance	9,692	1,891	11,583
Payroll Services	4,453	5,765	10,218
Meeting/Conference	8,391	188	8,579
Taxes/Licenses	2,393	1,547	3,940
Bank Charges	2,446	1,457	3,903
Repair/ Maintenance		2,971	2,971
Interest Expense		1,705	1,705
Other		1,243	1,243
Office Equipment	858	338	1,196
Dues/Subscriptions		1,013	1,013
<b>Total Expenses</b>	<b><u>\$3,089,544</u></b>	<b><u>\$ 196,235</u></b>	<b><u>\$3,286,160<sup>2</sup></u></b>

Individual Oxford Houses followed through on a resolution at the 1999 Oxford House World Convention to make voluntary contributions to Oxford House World Services for the purpose of defraying expansion and service expenses. During FY 2011 houses contributed \$293,000.

The 2001 World Convention passed a resolution to earmark all house contributions in excess of \$200,000 a year for a national revolving loan fund to help start new Oxford Houses. Since states are no longer required to maintain start-up revolving loan funds, it will become important for future expansion for Oxford House, Inc. to have a self-sustaining loan fund that can take up the slack. About \$50,000 was used for in-house revolving loan fund in FY 2011.

A full copy of the Oxford House, Inc. audit and IRS form 990 is available from Oxford House World Services. Telephone 301-587-2916 or e-mail [Info@oxfordhouse.org](mailto:Info@oxfordhouse.org) to receive a copy of the audit. The IRS form 990 is available to download at [www.oxfordhouse.org](http://www.oxfordhouse.org) under "About Us/Finances".

<sup>2</sup> Includes \$381 total fundraising expenses in addition to program expenses and M&G expenses.

**OXFORD HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011**

Note 1 - Summary of Significant Accounting Policies

Organization

Oxford House, Inc. is a nonprofit organization incorporated under the laws of the State of Delaware on October 25, 1987 for the purpose of aiding in the rehabilitation and to improve social condition and environment for recovering alcoholics and drug addicts. This is accomplished by developing plans and programs for their recovery and by establishing homes for recovering substance abusers. Independently chartered "Oxford House" operates throughout the country as self-run, self-supported recovery houses. Oxford House, Inc. acts as the national umbrella organization and provides overall direction and technical, assistance to the independent "Oxford Houses."

Basis of Accounting

Oxford House, Inc. presents its financial statements on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in FASB ASC Topic 958, Not – for –Profit Organizations. Under FASB ASC 958, Oxford House, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporary restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowance For Doubtful Accounts

Accounts receivable are considered to be fully collectible.

Property and Equipment

Property and equipment is stated at cost or donated value and is depreciated using the straight-line method over the estimated useful lives of the assets.

Acquisitions of property and equipment in excess of \$500 are capitalized. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expenses.

Grant Contract Revenue

Grant contract revenue is recorded when earned under the provisions of the applicable contracts.

Contributions

Oxford House, Inc. accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in FASB ASC Topic 958, Not – For- Profit Entities. In accordance with FASB ASC 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or 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.

Income Taxes

Oxford House, Inc. is exempt from Federal income taxes under section 501 (c)(3) of the Internal Revenue Code and has been classified as a publicly supported organization. As a 501(c)(3) nonprofit organization the organization is also exempt from State income taxes. Accordingly, no provision for income taxes is required in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Cash Equivalents

For purposes of the statement of cash flows, Oxford House, Inc. considers all highly liquid debt instruments with maturity of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2011.

Restricted Cash

Oxford House, Inc. maintains restricted bank accounts and certificates deposit under various contractual obligations.

#### Escrow Funds

Grants from individual states for funding of the loan program (Note 6) are segregated into escrow accounts for the benefit of the individual states. Those funds are not included in the financial statements of Oxford House, Inc. as they are considered to be state funds.

#### Major Customers

Oxford House, Inc. derives a substantial portion of its income from State awards funded in whole or in part by Federal funds.

#### Subsequent Events Evaluation

Management has evaluated subsequent events through November 7, 2011, the date the financial statements were available to be issued.

#### Note 2 – Loans Receivable

Oxford House, Inc. makes start-up loans to certain recovery houses and temporary loans [bridge loans] to other recovery houses. At June 30, 2011 loans receivable were \$85,000, net of allowance of \$3,724.

#### Note 3 – Accrued Salaries

Included in accrued salaries are salaries owed to officers of Oxford House, Inc. as follows:

J. Paul Molloy, President	\$ 116,560
Total	<u>\$ 116,560</u>

#### Note 4 – Line of Credit

Oxford House, Inc. has a line of credit note of \$60,000 of which \$15,240 is outstanding at June 30, 2011. The note is secured by a \$64,712 certificate of deposit, which is included in restricted cash appearing on the statement of financial position. The interest rate is currently 5%. Oxford House, Inc. is to make minimum monthly payments of interest only. The note is considered payable on demand.

#### Note 5 – Retirement Plan

Oxford House, Inc. has a 403(b) retirement plan. All full time employees over the age of twenty-one [21] that have completed three months of service are eligible to participate. The plan is funded through pre-tax salary reductions by the employees.

#### Note 6 – State Escrow Accounts

Oxford House, Inc. has received restricted funds from various entities to be used solely for the purpose of extending revolving loans to establish new houses, which are then repaid by these houses.

Oxford House, Inc. managed funds or held and managed funds in escrow accounts under contracts with various states to meet the requirement of Public Law 100-690, "The Anti-Drug Abuse Act of 1988." Such escrow accounts are not reflected in the accompanying financial statements of Oxford House, Inc. Held funds, including outstanding loan balances approximate \$430,000 at June 30, 2011.

#### Note 7 – Lease Commitments

Oxford House, Inc. leases office space and office equipment under operating leases. The office space lease is subject to operating cost increases. This lease commenced June 2008 and is scheduled to terminate June 30, 2013. Lease expense for the year ended June 30, 2011 approximated \$111,300.

The following is a schedule of approximate future minimum lease payments under non-cancelable operating leases for office space with initial or remaining terms of one year or more as of June 30, 2011:

2012	113,721
2013	<u>117,122</u>
Total	<u>\$ 230,843</u>

#### Note 8 – Claims and Litigation

Oxford House, Inc. is subject to other various claims and litigation. In the opinion of management, the outcome of such matters will not have a material effect on the financial position of Oxford House, Inc.

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*Note: Auditors full report, including supplemental single state audits, can be obtained with an e-mail request [www.info@oxfordhouse.org](mailto:www.info@oxfordhouse.org) or by writing to Oxford House, Inc. 1010 Wayne Avenue, Suite 300, Silver Spring, Maryland 20910.*

## Oxford House™ and Recovery from Alcoholism and Drug Addiction

*Throughout its existence, Oxford House has combined the concepts of self-support and responsibility with a fellowship having the common purpose of continued and comfortable sobriety. [Tradition One – Oxford House Manual<sup>©</sup>]*

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Oxford House™ is the 37-year old self-run, self-supported recovery home program for recovering alcoholics and drug addicts to live together and share household expenses for as long as it takes to become comfortable enough in sobriety to avoid a return to alcoholism and/or drug addiction. Each Oxford House™ receives a charter from Oxford House, Inc. – the national umbrella organization – that requires it to be democratically self-run following a standard set of procedures, to be financially self-supporting and for each resident to maintain absolute abstinence from the use of any alcohol and/or drugs. All individual Oxford Houses are rented and, to maintain its sole focus on recovery, the organization's by-laws preclude its ownership of any real property.

Behavior change is never easy and it is especially difficult for the individual who is recovering from addiction. While the physical craving for drugs ends within a few days, the mind tries to trick an individual into returning to alcohol or drug use. When you think about it, the mind is doing what comes naturally – forgetting pain and remembering pleasure.

Professionals speak often of “denial” when dealing with recovering addicts. The addict really does not believe that alcohol and drug use produces harm. The addict “remembers” the good feeling that came from the alcohol or drugs and wants to recapture it. At the same time, he or she forgets the violence, irrational behavior (fights, loss of job and family), and physical withdrawal that make one feel sick. Stopping the use of drugs and alcohol is difficult, but not impossible. Most addicts go through a number of periods where they stop use because they have run out of alcohol or their drug of choice. When an addict stops, he or she feels sick because of withdrawal; i.e., every cell in the body is calling out for the drug and the body shakes, sweats and produces great anxiety. The addict really “feels” he or she is going to die unless the drug of choice is obtained quickly. This is called detoxification and it usually ends within minutes after the addict has ingested his or her drug of choice. However, for a fortunate few – those who go three to seven days without taking their drug of choice -- detoxification is the beginning of a whole new life. Short-term custody – in a hospital setting or a supervised detoxification facility – is the usual way to stop an addict's compulsive use of alcohol and drugs. Treatment can educate and motivate an individual to stay stopped and Oxford Houses can help to make treatment successful.

Treatment plus Alcoholics Anonymous (AA) and Narcotics Anonymous (NA) – twelve-step self-help programs – have helped millions of recovering addicts to change their behavior to adopt lifelong abstinence. Unfortunately, many recovering individuals need more support than AA and NA alone. Oxford Houses provide the additional support and the time to learn new behavior.

About 50% of Oxford House residents continue formal aftercare counseling. Residents also go to an average of 5 AA or NA meetings a week – even though there is no requirement to do so.

In 2003, Oxford House, Inc. received the *Harry V. McNeill Award* – a national award for effective community service – from the American Psychological Association. In 2011 the Oxford House Model was placed on the National Registry of Evidence-based Programs and Practices [NREPP]. Since its establishment in 1975 more than 200,000 individuals have benefitted from living in an Oxford House. Research has shown that almost all have become comfortable enough in sobriety to avoid a return to alcoholism and drug addiction.

During FY 2011, more than 24,000 individuals lived in one of the more than 1,500 Oxford Houses located in 45 states around the country. Among the 2011 Oxford House residents, over 20,800 [82.5%] stayed clean and sober.





# Oxford House™

1975-2012

*37 Years of Organized Self-Help To Enable Alcoholics and Drug Addicts to Recover Without Relapse*

- Providing Sole Authority for Oxford House Charters
- Providing Technical Assistance to Establish New Oxford Houses
- Providing Technical Assistance to Keep Existing Oxford Houses on Track
- Providing Organization of Chapters to Help Houses Help Themselves
- Providing the Time, Living Environment and Support to Enable Alcoholics and Drug Addicts to Achieve Recovery Without Relapse
- Providing the Legal, Philosophical, and Scientific Framework for a Cost-effective, Worldwide Network of Supportive Recovery Housing.

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