

OXFORD HOUSE, INC.

ANNUAL REPORT

FY 2015

CELEBRATING



YEARS

Oxford House, Inc.
1010 Wayne Ave. Suite 300
Silver Spring, Maryland 20910
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 almost 2,000 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 recovery from alcoholism, drug addiction or co-occurring mental illness. They also learned that Oxford House™ provided the living environment that could help 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 successfully live together 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 8 with a range per house of 6 to 16.

Oxford Houses work because they have no time limit on how long a resident can live in an Oxford House™ and because they all adhere to the charter conditions requiring that: [1] the group must be democratically self-run following the policies and procedures of the Oxford House Manual®; [2] the group must be financially self-supporting; and [3] the group must immediately expel any resident who returns to using alcohol or illicit drugs. Oxford House™ charters are provided free to groups of 6 or more recovering individuals of the same gender starting an Oxford House™. Oxford Houses provide the missing elements needed by most alcoholics and drug addicts to develop behavior to assure long-term abstinence. They provide the time, peer support and structured living environment necessary for long-term behavior change to take hold.

Individuals in Oxford House™ learn or relearn values and responsible behavior. Slowly, but surely, they develop the long-term behavior necessary to assure comfortable sobriety – forever. Some individuals live in the house for a few months, others for many years. Maintenance of the existing network of Oxford Houses and expansion results from the time-tested practice of OHI working with individual states to provide on-site assistance and by administering the start-up loans.

Oxford House™ is the only recovery-housing program listed on the federal National Registry of Evidence-based Programs and Practices – NREPP – and has proven to be a very cost-effective way to achieve long-term recovery from alcoholism, drug addiction and co-occurring mental illness.

Silver Spring, Maryland
January 15, 2016

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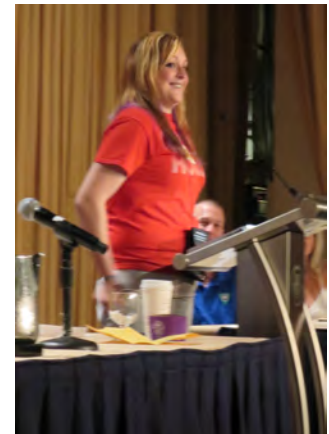
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CONVENTION 2016

Dallas, Texas

September 29 – October 2, 2016



NATIONAL PROFILE

Good Houses in Good Neighborhoods



**Oxford House – Hampton
Hampton, Virginia**

Oxford House – Hampton (pictured at the left) is an Oxford House for 8 men that was established in Hampton, Virginia on February 1, 1998. It is one of 122 Oxford Houses in Virginia. It has been home to 286 men in recovery. Only 49 have had to leave because of relapse. It is an example of how Oxford Houses continue year after year.

There are houses for men; houses for women; houses for women with children and houses for men with children but there are no co-ed houses.

Creating an Effective National Recovery Network One House at a Time

National Oxford House Resident Profile¹

Number of Women's Houses:	546	Recovery Beds for Women:	4,170
Number of Houses for Men:	1,413	Recovery Beds for Men:	11,219
National Network of Houses:	1,959	Total Recovery Beds:	15,389
Number of States with Houses:	42	Cities with Oxford Houses:	482
Average Age of Residents	36.8	Percent Veterans	18%
Average Educational Level	12.2 yrs.	Range of Educational Level	3-19 yrs.
Average Cost/Person Per Week:	\$112	Average Rent/Group/Month	\$1,426
Residents Working:	92%	Average Monthly Earnings:	\$1,695
Percent Addicted to Drugs and Alcohol:	72%	Percent Addicted to Only Alcohol:	28%
Race --		Marital Status --	
White;	65%	Never Married	44%
Black;	41%	Separated	18%
Other	4%	Divorced	33%
		Married	5%
Prior Homelessness:	64%	Average Time Homeless:	5.2 Mos.
Prior Jail:	76%	Average Jail Time:	11 Mos.
Average AA or NA Meetings Per Week:	5.2	Percent Going To Counseling <u>plus</u> AA/NA:	45%
Average Length of Sobriety of House Residents:	12.4 Mos.	Residents Expelled Because of Relapse:	16.9%
Average Length of Stay In an Oxford House:	9.3 Mos.	Average No. of Applicants For Each Vacant Bed:	4.4

¹ As of June 30, 2015 based on standard OHI survey and house reports. Number of houses and beds is as of December 31, 2015.

Oxford House Fast Facts

- **15,389 - Number of Oxford Recovery Beds**
- **1,959 - Number of Oxford Houses as of December 31, 2015**
- **42 - Number of States having Oxford Houses**
- **482 - Number of towns and cities having Oxford Houses**
- **\$1,695 - Average monthly income of residents**
- **\$112 - Average weekly share of expenses paid by Oxford residents**
- **64% of Oxford House residents had been homeless for an average total length of 5 months**
- **72% addicted to drugs and alcohol - 28% just alcohol**
- **76% had done jail time connected to their addiction**
- **12.4 months - Average length of sobriety**
- **224 - New Oxford Houses started CY 2015 (75 houses for women; 149 for men)**
- **1,719 Total Added Recovery Beds (1,161 for men; 558 for women).**
- **CY 2015 residents: 32,316 with 16.9% expelled because of relapse.**

MANAGEMENT REPORT

FY 2015 was another successful year for Oxford House Inc. (OHI). Over the course of the year, the number of Oxford Houses (and recovery beds) continued to rise, quality control remained high, and finances remained stable. Our main focus was on expanding our program to provide more opportunities for individuals recovering from alcoholism and drug addiction to achieve long-term sobriety without relapse and become fully integrated into the broader society.

Expansion

Led by Paul Molloy, CEO and Kathleen Gibson, COO, Oxford House added 1,719 new recovery beds as OHI chartered 224 new Oxford Houses – 75 for women and 149 for men. At the end of calendar year 2015, the Oxford House network consisted of a total of 1,959 individual Oxford Houses with a combined total of 15,389 recovery beds. Demand for Oxford House residency remained high and, on average, there were more than four applicants for each vacancy that arose during the year. Expansion was particularly strong in states and localities that supported the creation of new Oxford Houses through the provision of start-up loan funds and grants to permit OHI to send trained outreach workers to help start houses and assist with quality control. Once started, all Oxford Houses are self-run and self supported in accordance with their charter conditions. OHI expenses related to overhead are minimal.

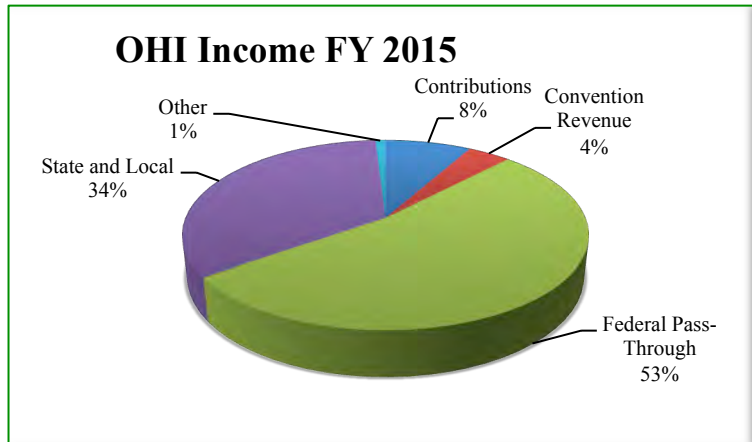


In FY 2015, OHI had development contracts with twenty-two states as well as with some treatment providers, localities and drug courts. The generous contributions from the Combined Federal Campaign, the Daniels Fund, the Santa Fe Community Foundation, the Peter G. Dodge Foundation, the William S. Paley Foundation, Inc. and the Community Foundation for the National Capital Region enabled OHI to expand into new areas of need. Moreover, many individual Oxford Houses and chapters [474 or 25% of existing houses] made voluntary contributions of \$452,658 toward OHI's total expenditures of \$5,869,065 – about 8% of the total. At the annual convention, the Board of Directors recognized the 474 Houses and Chapters with the *100-Year Award* – an annual award for houses that donate at least \$600 during the year.

Once a cluster of houses is developed in an area, it becomes easier to expand because the existing Oxford houses and chapters are able to find new houses to rent and to carry on development with minimal support from OHI. Once providers and state officials see the effectiveness of Oxford House™ development, experience has shown they are generally eager to expand the network of houses. The 224 new Oxford Houses added in 2015 are but one indication of the growing realization that Oxford House™ is an important resource for long-term recovery.

OHI uses a number of time-tested protocols to establish and maintain the network of individual Oxford Houses. Clusters of houses are encouraged to form mutually supportive chapters to facilitate networking between houses and to help monitor charter compliance. In a similar way, chapters group together to form mutually supportive statewide associations. Training materials and standardized operating procedures are provided to all chartered houses, chapters and state associations. The central OHI office in Silver Spring, Maryland, also trains and supervises field workers to do outreach to states and communities throughout the United States and in some foreign countries.

Financial Results

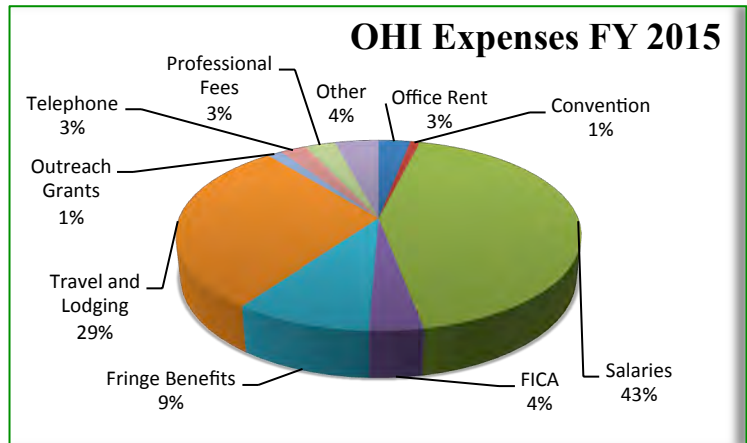


Overall, OHI finances remained stable and OHI continued to support the expansion and maintenance of the network of Oxford Houses in an extremely cost-effective manner. Expenditures by OHI in FY 2015 were \$181,946 less than income.

Total income in FY 2015 was \$6,051,011. Income sources are shown in the chart at the left. *Federal Awards* are almost entirely state block grant funds used by various states to pay for development and maintenance of existing networks of Ox-

ford Houses. *State and Local Awards* are agreements that do not include block grant or pass-through federal funding. Contributions include \$452,648 voluntarily from about 25% of the individual Oxford Houses either directly or through the mutually supportive chapters and generous donations from foundations and the CFC.

OHI's expenditures for FY 2015 totaled \$5,869,065. The expenditures are shown in the chart at the right. Nearly 93¢ of every dollar spent went directly to program costs – that is, expanding and maintaining the network of Oxford Houses. Travel, telephone and personnel costs account for nearly 86% of costs. Outreach grants include expenses for covering equal share of household expenses for part time employees to help train residents in newly established Oxford Houses. In 2015, OHI outreach workers operated in 34 states and Ghana.



A copy of the audited financials and notes to financials is included at the end of this report.

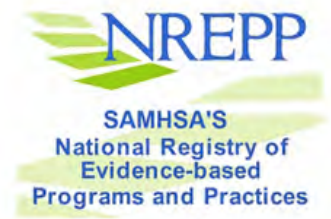
Transparency and Research

Throughout the year OHI continued to encourage Oxford House residents to participate in research. While anonymity has long been the norm for recovering alcoholics and drug addicts, OHI, since its inception, has encouraged research in order to continually evaluate the Oxford House program and so that more can be understood about alcoholism and drug addiction.

OHI conducts internal surveys and continues to invite independent third-party research. Since 1991 both NIAAA and NIDA have devoted federal behavioral research dollars to studying the Oxford House program and its effect on developing long-term recovery. DePaul University has been a major recipient of such grants. The DePaul studies have produced more than 195 articles showing how Oxford House living relates to recovery. From the DePaul research, Oxford Houses have been able to affirm that they are on the right track. Internal surveys are used to understand more about the residents of Oxford Houses and the maintenance of their sobriety.

Proven Effectiveness of Oxford House Program

Since 2011, the federal government (SAMHSA) has listed the Oxford House program on the National Registry of Evidence-based Programs and Practices [NREPP]. While the 1988 Anti-Drug Abuse Act [PL 100-690] represented political acceptance of Oxford House, the NREPP listing verified the soundness of the Oxford House model as an evidence-based program that significantly improves treatment outcomes for alcoholics, drug addicts and those with co-occurring mental illness.



Litigation

Establishment and maintenance of an adequate network of recovery homes sometimes requires legal actions under the Federal Fair Housing Act and the Americans with Disabilities Act to protect the civil rights of residents. It has now been twenty years since the U. S. Supreme Court found in favor of Oxford House™ in the landmark case *City of Edmonds, WA v. Oxford House, Inc. 514 US 1776 [1995]*. Nevertheless, local jurisdictions and insurance companies continue to test the limits of the law. In 2015, OHI was actively engaged in sixteen cases to protect the legal right of recovering individuals to live together in order to increase their opportunity for long-term recovery. Fortunately, OHI's attorney's fees and court costs were minimal and recovering individuals have been able to live together to gain the time and support needed for long term recovery without relapse. OHI continues to be a leader in defining the extent and scope of rights under the federal Fair Housing Act and the Americans with Disabilities Act. It will continue to do so because it is important not to let the hard-fought rights obtained in the past be eroded by indifference to discrimination.

FY 2016 Focus and Challenges

In FY 2016 OHI will continue to expand the network of Oxford Houses to provide more opportunities for individuals seeking long-term recovery without relapse to obtain it through Oxford House living. One of the biggest challenges is the call for regulation of recovery homes. Oxford Houses work because they operate the same as ordinary families and abide by the same laws and regulations that apply to ordinary families. This policy has worked well over the years. Recently, however, there have been efforts to regulate recovery homes. Some look to regulation as a way to rid the field of bad actors running what are essentially rooming houses; others see regulation as a means of justifying health insurance coverage and payment. Whatever the reason, regulation of all recovery housing is not the best answer and could have a very chilling effect on successful programs like Oxford House.

The 2016 Annual Oxford House World Convention will be held in Dallas, Texas September 29 – October 2, 2016. This annual gathering grows each year and provides an opportunity for hundreds of Oxford House residents and alumni to join together in workshops, general sessions and social events. All participants leave conventions with renewed energy and skills to bring back to their home communities.

Conclusion

We end the year with a profound sense of gratitude to all who have made the year so successful. Our contributors – the states, foundations and others – have seen the value of the Oxford House concept and support it. They have also seen that the staff of OHI and the residents and alumni of the individual houses work tirelessly to achieve the OHI goals and objectives – the creation of more opportunity for alcoholics, drug addicts and those with co-occurring mental illness to achieve long-term recovery. Most of all, we are grateful for all of the residents and alumni of Oxford House who daily prove that 'the inmates can run the asylum.'

MEREDITH VIEIRA AND OXFORD HOUSE

“Twenty-four years ago, I did a story for 60 Minutes on an addiction recovery program called Oxford house. A huge group of residents showed up at our studio today to tell me that they are thriving and doing well. This is one of the bravest groups I’ve ever seen.”

Meredith Vieira: The Meredith Show, September 21, 2015



In May of 1991, the CBS program “60 Minutes” broadcast a segment about Oxford House. Meredith Vieira was the correspondent. In September of 2015, Meredith hosted an update on Oxford House on her current television show – The Meredith Vieira Show on NBC. At the beginning of the 2015 piece, Meredith explained that it was CBS “60 Minutes” producer Susanne St. Pierre who told her about Oxford House and who said, “We must do this piece because what they are doing is so incredible.” Meredith concurred and the story was produced. Earlier in 1991, Maurice Rosenblatt, a Washington lobbyist, had invited Paul Molloy to lunch with Eric Sevareid, the former CBS television commentator. Toward the end of the lunch, Maurice

asked Paul to tell Eric about Oxford House. Sevareid was fascinated and encouraged CBS to do a “60 Minutes” story on the program. That lunch meeting led to production of the segment.

In the 2015 show, Meredith talked about the 1991 program and emphasized the success that Oxford House has achieved since then. The program opened a pre-recorded lead-in that included a discussion by women in Oxford House-Silver Spring – the oldest continuing Oxford House for women and a house that



was shown on the original “60 Minutes” segment. That house is home to seven women and since 1988 has served 378 women. Most of them are still clean and sober today.

Unbeknownst to Meredith, her Meredith Show staff had arranged for Oxford House residents and alumni to attend the taping of the program and to be interviewed by her. More than 100 Oxford House residents and alumni traveled to New York City and were part of the audience. Meredith was surprised and delighted when she was told about the composition of the audience and was particularly moved when some members of the audience stood up, introduced themselves and reminded Meredith that she had interviewed them on “60 Minutes.” She then walked up into the audience and spoke with many of the residents .



Two Oxford House alumni who had appeared on the 1991 program and one current Oxford House resident joined Meredith on the set to discuss Oxford House. Andrea Griffin [far left] had used heroin for 21 years before moving into an Oxford House. She told Meredith that she was celebrating 27 years of being clean and sober. Now retired, Andrea had gone back to school, gotten a master's degree, had a successful career and become a very happy grandmother.



Mark Spence recounted that Oxford House had given him the opportunity to get and stay clean and sober after his very first treatment episode and to celebrate 27 years of recovery without relapse. Mark is married and has a 16-year-old son. Kirsten Goodman [next to Meredith] is a current resident of Oxford House.

After battling an addiction to alcohol and prescription medicine, Kirsten moved into an Oxford House and began the process of recovery. She is one of the women now living in the network of women's Oxford Houses. With nearly a year of sobriety under her belt, she told how living in an Oxford House was making a big difference.

Most Oxford Houses show the original "60 Minutes" Oxford House segment to new residents accepted in an Oxford House. It is a concise explanation about the purpose and operation of the Oxford House model.



It also grabs the newcomer's attention because it shows happy residents who are proud of being part of an Oxford House and proud of their recovery from addiction. Also, residents of Oxford Houses reach out to primary treatment providers, drug courts and re-entry programs and show the video to potential residents to help them decide whether to join a house.

The four Oxford House alumni present for both the 1991 and 2015 shows got together on the set with Meredith. From left to right in the photo are Mark Spence, Paul Molloy, Ilona, Meredith Vieira and Andrea Griffin. Ilona and Andrea have remained friends and been in

recovery since the 1991 show. Paul, a member of the first Oxford House, has been in recovery for over 40 years.

On the show, Meredith noted that Oxford House is an exceptional program because "the residents rent houses, pay the bills and run the houses themselves while keeping each other clean and sober by providing peer support, expelling anyone who relapses." Revisiting the original 60 Minutes segment with Meredith Vieira in 2015 reminded everyone that long-term recovery from drug addiction without relapse is the norm for most Oxford House residents and alumni.

Everyone in Oxford House is very grateful for enthusiastic support that Meredith Vieira has brought to Oxford House. Her support and encouragement has been a catalyst for many people to choose to live in an Oxford House and achieve recovery without relapse.

DEFINING RECOVERY

The evidence supports long-term recovery without relapse

Oxford House requires that residents expel any fellow resident who uses alcohol or illicit drugs. There is zero tolerance for relapse in an Oxford House. There are many people in the field who believe that this Oxford House policy is unfair and too strict. They believe that ‘relapse is part of the disease’ and that there should be tolerance of relapses. Oxford House residents don’t accept that slogan. They recognize that relapse is always a possibility, especially in the early stages of recovery, but they don’t accept its inevitability. This belief in the possibility (and probability) of long-term recovery without relapse is supported by the evidence-based fact that most, but not all, Oxford House residents don’t relapse. By living in an Oxford House, most residents – whether addicted to alcohol, heroin, cocaine or other substances – are able to achieve sustained and comfortable recovery without relapse. Why is this true?

Some might make the argument that Oxford House residents are different from other alcoholics and addicts and may have more incentive to get clean and sober. In fact, Oxford House residents are pretty much like all other alcoholics and addicts. Many Oxford House residents have been through treatment several times before getting into an Oxford House; many have had jail time; many have been homeless; many have lost families and bear all the other indicia of heavy alcohol and drug use. The only differences may be that they have found themselves in an environment that empowers them – to govern their own House (without managers or other staff), to get a job and pay their own way, and to set an example for newcomers to the Oxford House AND reinforce the notion that relapse is not acceptable. These factors – along with the lack of residency time limits in an Oxford House – combine to support long-term recovery for residents. Of course, some residents will relapse, but the majority resist relapse and achieve long-term recovery without relapse.

The belief that ‘relapse is part of the disease’ presupposes that alcoholics and addicts have no control over whether or not they relapse; after all, it’s a disease. Too often, this slogan becomes a self-fulfilling prophecy – if relapse is expected, it will happen. The experience of Oxford House demonstrates that, given the right incentives, alcoholics and addicts can experience recovery without relapse. Oxford House residents know that if they use alcohol or illicit drugs, they will be immediately expelled from their Oxford House and they will have to find somewhere else to go. That fact alone keeps many residents from relapsing and, the longer they resist, the more likely it is that they will achieve long-term sobriety. They know that relapse is not inevitable; it’s a choice that every Oxford House resident faces and most residents choose the path of long-term recovery. If relapse is not the expected outcome, most residents will strive to avoid it.

Oxford House has been a pathfinder in its willingness to conduct and support independent research on its program and residents. In 2010 Jeffrey Roth, M. D., Editor of the Journal of Groups in Addiction and Recovery, wrote that:

“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.”

As early as 1986-87, William Spillane, Ph.D. of the Catholic University of America in Washington, asked the men and women in the 13 existing Oxford Houses if he could study how residents who had ever lived in an Oxford Houses were doing. Oxford House agreed and Dr. Spillane tracked down 1,240 residents of Oxford House. In mid-1987 he reported that 80% of the group who had lived in Oxford Houses between 1975 and 1987 had stayed clean and sober.

Since that time, Oxford House has conducted its own resident surveys and also encouraged third-party research. Alone, DePaul University researchers have published more than 195 scholarly articles about various aspects of Oxford House operations and the recovery progress of Oxford House residents. A major study conducted under a NIDA grant followed 897 Oxford House residents living in 219 Oxford Houses across the country for 27 months. At the end of that time, they found only 13% had returned to drinking alcohol or using illicit drugs [2005].¹ This success is unique.

There are generally considered to be four stages of recovery: (1) Intervention, (2) Detoxification, (3) Treatment and (4) Long-term Behavior Change. Many individuals repeatedly relapse after completing the Treatment stage, which typically consists of a short-term (typically 28-day) program of education and motivation. The weak link in the process is the failure to support environments that foster long-term behavior change. Significant evidence suggests that the Oxford House program addresses this problem, fosters recovery without relapse, and does so at a cost society can afford. With peer support, a no-relapse policy, proper adherence to necessary prescribed medication and no residency time limits, Oxford Houses provide the time and environment needed for the development of long-term recovery without relapse.

The experience of Oxford House suggests that a new approach needs to be taken to defining and measuring recovery. Focusing on relapse tends to justify repeated stints in short-term treatment, particularly when ‘success’ tends to be defined as completion of short-term treatment. More attention needs to be given to defining and measuring what constitutes long-term recovery and what factors foster it. The recidivism that currently exists as individuals cycle in and out of treatment or incarceration is costly both to society and individuals. The Oxford House program and the research that has been done on the Oxford House program suggest that there is another way.

Robert DuPont, M.D. [below] is a co-author of a recently-published editorial in the Journal of Substance Abuse entitled, “Five-Year Recovery: A New Standard for Assessing Effectiveness of Substance use



Disorder Treatment.”² The editorial describes current practices and proposes the adoption of five-year recovery as the outcome for research. In the article, the authors state that:

“Our focus is on how this new goal can shift the way treatment is assessed to create incentives for substantially improving treatment outcomes. Our goal is to make recovery, not relapse, the expected outcome of substance use disorder treatment.”

Dr. DuPont is currently a member of the Oxford House Board of Directors and is aware of how effective the Oxford House program is in supporting long-term recovery without relapse for its residents. Coincidentally, Dr. DuPont was the first Director of the National Institute on Drug Addiction (NIDA) and his deputy was William Spillane, the author of

the first Oxford House research study.

Oxford House residents applaud actions that provide support for the notion that long-term recovery without relapse is both possible and likely – so long as individuals have the opportunity to get in an environment that supports recovery. Oxford Houses provide that opportunity. There should be many more of them.

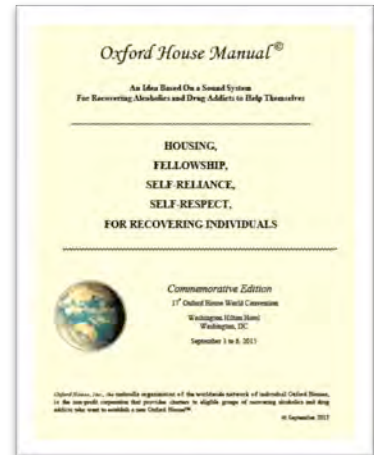
¹ *Addictive Behaviors* 32 (2007) 803-818

² Robert L. DuPont, M.D.; Wilson M. Compton, M.D., M.P.E.; A. Thomas McLellan, Ph.D.; Editorial, *Journal of Substance Abuse Treatment* 58 (2015) 1-5

HOW OXFORD HOUSES WORK

The Oxford House Manual[®] lays out the disciplined system of operations and the House charter defines the basic requirements for the group. Charter conditions require that the residents: [1] democratically run the house following the time-tested procedures and processes, [2] be financially self-supporting, and [3] expel any resident who returns to using alcohol or illicit drugs.

The residents of the House all have a role to play in the governance of the Oxford House. They each pay an equal share of the household expenses and they each have an equal vote on House decisions, including deciding which applicants should be accepted to fill residency vacancies. There are weekly house meetings and officers are elected from among the residents. To ensure that no one becomes a ‘big boss’, no one can hold the same office for more than six months at a time. Residents also immediately expel any resident who relapses.



Oxford House – Cardinal Court
Long Branch, New Jersey

The Oxford House Manual[®] is substantially the same as it was first written in 1975. The manual explains how the charter conditions work and provides helpful information to Houses on conducting meetings and running the House. Time has demonstrated that the Manual works well to keep the community together and focused on its goal of developing behavior to assure long-term recovery.

The fact that there is no time limit on residency means that no one feels pressure to move out on a date certain. Unlike programs that limit residency to 28 days, 90 days or some other limit, residents in an Oxford House can stay as long as they want so long as they abide by the basic House rules. Some people can become comfortable in sobriety almost immediately; other people may need many months or even years. Oxford Houses permit residents the luxury of

determining for themselves how long they need to stay. This fact alone contributes heavily to the success of Oxford House in fostering recovery without relapse.

Furthermore, the reliance on residents to govern themselves tends to enable them to develop new skills, new leadership ability and new confidence in themselves. They get jobs, socialize with each other and develop the skills to give back to society as responsible, sober citizens. Accepting their responsibilities, they recognize that continued sobriety is a choice and that living in Oxford House provides the tools for making the right choice.

Of course, there are checks and balances built into the organization to keep everything on track. When there are enough Oxford Houses within a geographic area,

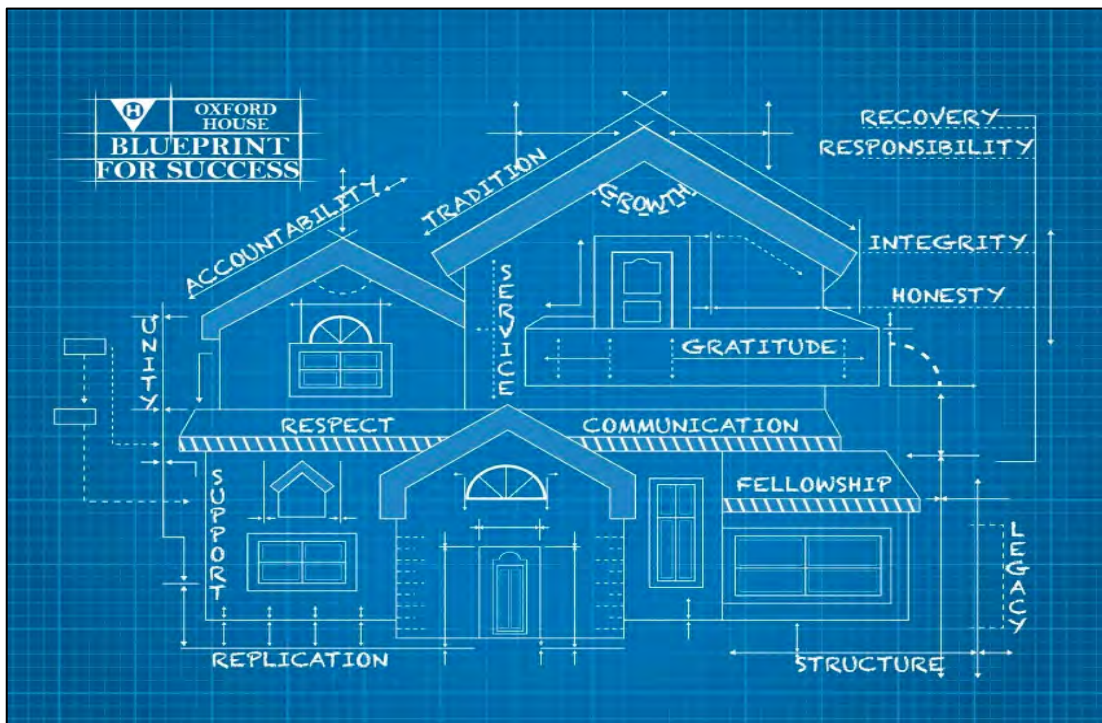


Oxford House – Mistletoe
San Antonio, Texas

groups of three to twelve houses form a mutually supportive chapter. Once a month the officers of each house get together in a chapter meeting and when a chapter exceeds twelve or more houses, it subdivides into two chapters to keep the combination from becoming unwieldy. Within a state, chapters usually form a state association to further outreach and mutual support. Most state associations also hold a statewide convention to extend the personal networking and socialization that takes place within the Oxford House organization. All residents and alumni are also encouraged to attend the annual Oxford House convention. At the annual convention they hear keynote speakers, attend breakout sessions, elect representatives to the Oxford House World Council, an elected group of Oxford House residents and alumni who serve as an advisory committee to the Oxford House Board. *(See the pictures of the 2015 convention on Pages 18-23 of this report.)*

Much of what happens in an Oxford House is captured in the “Oxford House Blueprint for Success” printed below. It illustrates the goals and values that are part of each Oxford House and that the residents emphasize in their day-to-day dealings. These goals and values are the foundation of the family environment created in each Oxford House. Despite the fact that Oxford House residents come from very diverse backgrounds, Oxford House living works for almost all of them. Some residents are highly educated; others are not. Some residents are old; others are young. Some residents have done substantial jail time; others have none. Some residents are veterans; others have never held any legal employment. Some residents are bi-polar or have PTSD; others have physical limitations. All of these individuals do well living in Oxford Houses. Many residents apply to Oxford Houses from treatment centers, others are referred by drug court judges; and some residents come straight from prison. In fact, Oxford House has been in the forefront of developing programs that introduce Oxford House to inmates while they are still incarcerated and arrange for them to apply via phone interview. If accepted, House residents pick them up and take them directly to the Oxford House to help them avoid the temptation to return to their old neighborhood.

Most Oxford House residents, whoever they are, thrive in Oxford House and don’t relapse.



SCALING UP TO MEET THE NEED

There are currently almost 2,000 Oxford Houses operating today but many more are needed. The current opioid epidemic illustrates the growing problem of addiction and the need for more and better recovery resources. Furthermore, as a society we have begun to recognize that extended incarceration is a very costly and not a very effective way to deal with individuals with alcoholism and drug addiction. More needs to be done to cope with the growing need.

Experience has shown that Oxford Houses provide the peer support and time needed by individuals to attain long-term sustainable recovery AND that they are fairly easily replicated. Replication of Oxford Houses is not cost-free but it is far cheaper than the costs of incarceration or more traditional fully-staffed housing facilities. All Oxford Houses are all self-supporting once established but there are initial start-up costs required for replication. Oxford House, Inc. has found that expansion of the network of Oxford Houses requires the existence of funding for both start-up loans and trained outreach staff.

Start-up loans of \$4,000–\$6,000 are used to cover the first month’s rent, security deposit and basic house furnishings and are repaid by the House residents monthly over 24 months. Outreach workers teach residents the disciplined system of self-operation and self-support. The outreach workers also help clusters of houses to organize chapters for mutual support and quality control. Experience has shown that start-up loans and technical assistance both are needed to develop strong statewide networks.

The box at the right shows typical development costs. Once a house has been established, the recovery group living in it pays all household expenses. Each house not only becomes self-supporting but also repays the original start-up loan to enable more homes to be started. The system of operation and the organization of mutually supportive chapters assure quality control.

Sample Development Costs	
6 Recovery Homes	
Revolving Start-Up Loan Fund @ \$6,000:	\$ 36,000
Two Trained and Supervised Field Workers	\$ 160,000
10% G&A [overhead]	<u>\$ 16,000</u>
TOTAL	\$ 212,000
24 Recovery Homes	
Revolving Start-Up Loan Fund @ \$6,000:	\$ 144,000
Eight Trained and Supervised Field Workers	\$ 640,000
10% G&A [overhead]	<u>\$ 64,000</u>
TOTAL	\$ 848,000
100 Recovery Homes	
Revolving Start-Up Loan Fund @ \$6,000:	\$ 600,000
Thirty Trained and Supervised Field Workers	\$2,400,000
10% G&A [overhead]	<u>\$ 240,000</u>
TOTAL	\$ 3,240,000

In 1998 Congress included §2036 in the 1988 Anti-Drug Abuse Act [PL 100-690] to encourage states to develop self-run, self-supported recovery homes and that provision has been a significant factor in promoting expansion of Oxford Houses. At the time of passage, there were only 18 Oxford Houses in existence; currently there are almost 2,000 Oxford Houses.

Key State	Number Houses	Recovery Beds
Washington	266	2,265
North Carolina	207	1,587
Oregon	173	1,367
Texas	164	1,228
New Jersey	131	1,047
Virginia	122	994
Louisiana	99	724
Oklahoma	83	726
Delaware	66	486

Oxford House, Inc. [OHI] has worked with interested states to develop statewide networks of Oxford Houses, with some states participating more than others. OHI has developed a very efficient system for expansion and development and currently has development contracts with twenty states. At the end of 2015, there were 1,959 houses in 42 states; over half of the Houses and recovery beds are located in nine of the states that provide state funding to support replication. The table at the left shows Oxford House concentration in these nine states. Such development is available to any state but

such development requires some funding support for start-up loans and technical assistance. As noted above, the one-time costs to start a new Oxford House are not great but the rewards are many for those who get the opportunity to live in the new Oxford House.

CONTRIBUTIONS SUPPORT EXPANSION

Oxford House, Inc. (OHI) focuses its efforts on the expansion of the network of Oxford Houses and on supporting existing houses through publications, litigation support, and organization of the annual Oxford House World Convention. Funding for these efforts comes from government funds, foundation grants, and contributions from Oxford Houses and from other citizens.

Ideally, the existing network of Oxford Houses would finance all expansion – just as was done from 1975 to 1988 during the first thirteen years. The costs of opening new Oxford Houses then were borne solely by the residents and alumni of the existing network of Oxford Houses. However, expansion was extremely slow as it took time for the existing Oxford House residents to accumulate enough money to start a new house. By 1988, there were only eighteen Oxford Houses and most were in and around Washington, DC.

Since that time, Oxford House has expanded so that there are now almost 2,000 Oxford Houses. Expansion has been greatest in the 22 states where there is government support; however, Oxford Houses exist in other states also. Expansion and maintenance of Oxford Houses in these other states has depended on contributions from residents of Oxford Houses, foundations and individuals – alone or through government or community charity drives.

The largest portion of voluntary contributions received by OHI comes from Oxford Houses and their residents themselves. These contributions are totally voluntary but House members recognize the need to expand the network and help OHI do so. Oxford Houses and chapters that contribute at least \$600 a year to OHI are honored with the presentation of a certificate at the annual World Convention. *(See photos and brief discussion in the convention section of this report.)* A significant number of Houses contribute each year – showing their gratitude and their support for expansion.

Foundations also help expansion. For example, because of modest funding from the Daniels Fund, OHI has been able to initiate networks of Oxford Houses in New Mexico and Colorado. Similarly, a donation in 2015 from the Peter G. Dodge Foundation has enabled OHI to provide start-up loans to four new Oxford Houses in Maryland. Pictured at right is Oxford House – Ozzy, an Oxford House for eight men in Hagerstown that was opened with a start-up loan from Dodge Foundation funds.



Oxford House-Ozzy
Hagerstown, Maryland

Other contributions come from individuals and community drives such as the United Way or the Combined Federal Campaign (CFC). OHI does not maintain a fundraising budget and keeps administrative costs very lean, and these contributions are very critical to OHI's operations. Thank you!

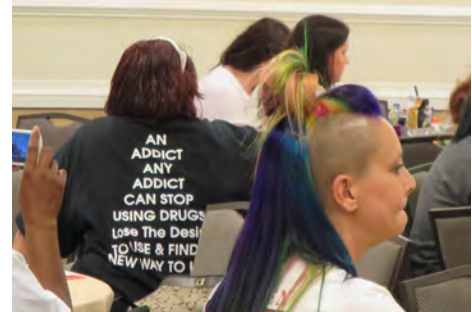
Oxford House, Inc. is a qualified IRS 501(c)(3) non-profit corporation and all donations are tax-exempt. Donations are accepted through the Oxford House website at: www.oxfordhouse.org by clicking on the 'Donate Now' button or by sending a contribution directly to:

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

THE OXFORD HOUSE™ FAMILY

The statistical profile of Oxford House residents shows a demographic picture of the Oxford House family but it doesn't capture the people themselves. Since its inception, over 350,000 people have lived in Oxford Houses. Many residents and alumni have written their personal stories of addiction and subsequent recovery. These stories go well beyond the statistics and illuminate what Oxford House means to its residents and alumni. Below are excerpts from a few of the stories that were published in the 2015 Oxford House Convention Program. The full versions can be found on the Oxford House website (www.oxfordhouse.org) at "about us/stories."

- My last binge was in January of 2014. I used meth, heroin, Xanax, and vodka for about 2 weeks... I checked into Cenikor in Waco.... My third day there, a woman came and did a presentation about Oxford House. I remember thinking, "She looks happy. That is EXACTLY what I want."... I have so many wonderful friends from Oxford; I would literally do anything for them. I learned not only to hold other people up to the rules but also to hold myself accountable. I am back in school. I have had a job for a whole year! I have been sober since January 22, 2014, and I owe it all to my higher power, the steps, the support from my friends and family and, very importantly, Oxford House. Thank you. **AMBER WYATT -Texas**



- Oxford House has truly saved my life.... I've struggled with addiction for the past ten years. Oxford House gave me an opportunity to do something different. The ladies in the house showed me how to hold myself as well as others accountable... The miracle in an Oxford House is indescribable. The fact that I've banged down death's door several time and that today I am happy, joyous and free, is something I could never repay. I can actually work today, do chores, cook, clean, play with my children, and, most importantly, live! I never thought I would be able to be who I am today. I'm thankful for the Oxford House; it's given me back me. **BONNIE M. South Carolina**

- While incarcerated I was put through a treatment program, and I figured: what the heck, I will give recovery a try for 18 months while I am on supervision. I was in work release and went to a meeting where I ran into a person who I had been incarcerated with who was living in the Skagit Valley Oxford House. ... They started talking to me about the re-entry program and how I could move in on a trial basis. ... I learned so much in Oxford, starting with the whole chore system. I learned how to be responsible as House Treasurer and pay the bills monthly. I got to be House President and learned how to facilitate a business meeting... I moved out of Oxford after 2 years and got my first apartment; that was 3 years ago. Since then I got engaged, bought my own home and have started working on a bachelor's degree. Oxford house not only changed my life, it saved my life.I have been pretty busy with life since leaving Oxford, but what I do know is that, without the re-entry program, I would be locked up or dead by now instead of getting ready to celebrate nine years of recovery. I know several other men that have lived in the Skagit Valley Oxford House that came via re-entry that are still clean and living productive lives in society. Thank you for giving me a chance, Oxford, when not even my own family would. **JEFF HUNNZIKER - Washington State**



- I moved into an Oxford House in October of 2013 after having spent over 30 years in active addiction... Now that I'm the person with the most seniority at my house, I find the gentlemen count on me for guidance as to how Oxford works.... At times it's very trying, and I'll admit there are times when I just don't feel like being bothered with anyone – least of other recovering addicts and their problems. Oxford has taught me honesty, gratitude, humbleness and, most importantly, patience. When living with as many as 8 other men, problems do arise. The great thing is that we talk about what's going on, how to resolve a conflict, and move on (I would have never done that in my active addiction). I would like to thank Oxford House for allowing me to mature and grow as a man, a human being, an addict in recovery. **KEITH P. - District of Columbia**

- I have been clean and sober for 17 months now, and a lot of that is because of what Oxford has offered me. I will forever be thankful for the opportunities I have had with Oxford and I hope others are able to benefit from it as much as I have. I have been battling addiction for 10+ years. After 17 months in Oxford I have seen the miracles first hand. I am able to give back by helping new women in my house get through struggles they are facing, and I have the women there to help me as well. I have been able to help open a new house, help with housing services, and give back in every way I can. Thanks to Oxford I have my family back in my life....

LAURA JOHNSON - Nebraska



- After jail, I starting working in the oil field and meth was everywhere. I worked 7 days a week to spend every penny I earned on my meth habit. I stayed on the streets about 2 months. I was in an abandoned building in March of 2013. It was very cold and I was praying to die. I stayed in the abandoned building for about 2 weeks and my legs became so exposed to the cold weather that, after I was found by a homeless man, the hospital had to amputate both my legs above the knee. Well, I guess you could literally say that using brought me to my knees. Although I don't have legs, I realized I am very fortunate. ... I have lost the desire to use, thanks to the Oxford House Traditions and the NA steps. The best part about being in an Oxford House is being a helping hand to the next sick and suffering addict or alcoholic. ... If a man without legs can live in an Oxford House and change, any addict or alcoholic can... Oxford House is truly God-given. If you get the chance, please take it, and at least "give it a year."

MICHAEL JOHNS - North Carolina

- I was 17 years old and was already homeless once again, selling myself for drugs, addicted to heroin, living out of a trash bag and had recently been diagnosed with Hepatitis C. My old sponsor got me an interview at the only women and children's house in the city... I didn't think I was going to get accepted because I had just turned 17 but they believed in me and saw hope that they could help me grow. Immediately upon my moving in, I felt glad to have discovered that I don't have to run and hide anymore. I started out as Treasurer and got more involved when I was made HSR. I really got to know Oxford House at a chapter level and eventually at a state level and, soon, at a national level.

ROCKII Q. - Texas

- In December of 2005, I was sitting in prison past my Early Release Date with nowhere to go. My family had restraining orders against me and I had no "friends" who could pass the DOC release address inspection... I finally got to Kitsap County about 2 am and made it up to the Oxford House. All the ladies in the house were waiting for me and watching Narnia... The next morning I had a STRONG cup of coffee, then one of the ladies took me up to check in with my CO and to a noon NA meeting. That was the beginning. Had I not had the immediate support of a welcoming group of ladies, I am not sure what would have happened. I wonder sometimes what would have happened if I had served my whole sentence and not had supervision and Oxford when I got out, or if I had been released and gone to my old stomping grounds. I celebrated 9 years clean in June of 2014. As far as my life today... I am a real estate broker/property manager and I work for an attorney... I have an amazingly strong support network and am an active member of my 12-step fellowship. I have been carrying the message of recovery into treatment facilities and DOC institutions for years and have been asked to speak to members of the TC programs a number of times. I believe in the power of addicts helping addicts and have nothing but evidence that it works. Thank you, Oxford, for taking a chance on me and giving me a home when no one else would.

SARAH E. - Washington State



- Oxford House has taught me so much and has given me some amazing relationships. I have learned how to be a productive member of society through the fellowship and Oxford House... I made sure to make the most of the opportunity that was given to me when I was accepted into my first Oxford House.

SHAWN - Delaware

- I remembered having looked into Oxford in the past and found that there were houses in my area. I was voted into Oxford on October 3, 2014 and moved in. Since that day, the structure, accountability, and support I've gotten have worked miracles in my life. I'm two days short of 13 months clean as I am writing this, the longest I have every been clean without some sort of outside pressure. I know beyond any doubt that Oxford has made the difference –

the support of others in my house, the encouragement of members from our chapter as well as guidance of my sponsor – and, by the grace of a loving God, I've achieved more in the past year than I had in the 25 years since I used my first drug.

ANDY M. - Texas

- The fact that I've banged down death's door several time and today am happy, joyous and free, is something I could never repay. I can actually work today, do chores, cook, clean, play with my children, and, most importantly, live! I never thought I would be able to be who I am today. I'm thankful for the Oxford House; it's given me back me. I'm thankful for the opportunity to grow every day!

BONNIE M. South Carolina



- The men that I live with value my friendship, even though I didn't know it was possible to have friends that didn't harbor sinister motives. They trust me with our checkbook and have elected me as the Treasurer of our home, even though I haven't always been trustworthy. We work together to make life better, not to criticize or pass judgment. When situations arise, as they do in all Oxford Houses, we deal with these issues expediently and fairly. Simply put, we hold each other accountable with care and concern to the best of our ability... My Oxford House has allowed me to be of service and feel necessary and needed, which I didn't believe was possible. We all have a story and Oxford House is now a permanent, vital component of mine. For that, I am thankful. **JOHN - Oregon**

- The most blessed part of being a part of Oxford, to me, is the service work. When I went to the World Convention in 2014 in Portland, OR, I heard the announcement about World Council. Something in my gut told me to go for it, and, as I stood in front of a thousand people to explain why they should vote for me, I realized how amazing this program is. Everyone in that room had their lives changed due to Oxford being there for them and, no matter what, I would give my all to Oxford. Oxford gave me everything I could ever need, a safe place, a room to call my own, a family who loves me no matter what, and the beautiful life I get to live today. **ILLYANA WHITELEY – Washington State**

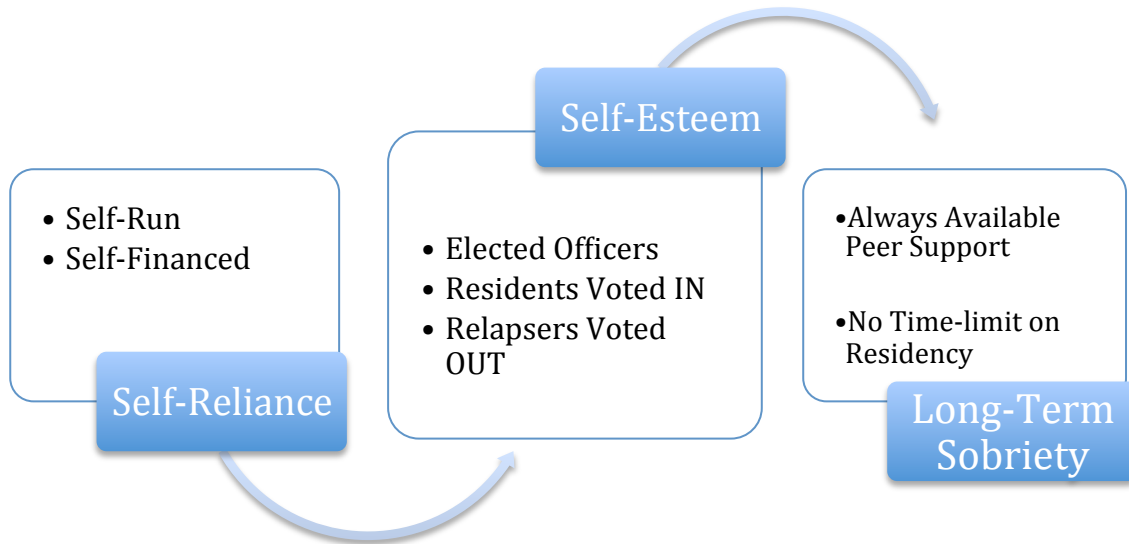


- When I was released from treatment, I was taken to a local homeless shelter where I was given a list of phone numbers and told to “try scheduling an interview at an Oxford House” before trying the other houses on the list... One of the questions I was asked during my interview was, “What are you willing to contribute to Oxford House if you are voted in?” My housemates held me to my answer of “Whatever I'm asked to do.” The day after I moved in, I attended a chapter meeting, was nominated and voted Chapter Secretary and got sucked into service from that point forward... Oxford House has always been more than just a place I lived. It became my family, my safe haven and always my home. Without Oxford House, I wouldn't have found recovery through the 12 steps and would've returned to the miserable existence I was barely scratching out for myself. I have always believed that the reason I survived the suicide by overdose attempt is because my higher power had a greater purpose for me and that purpose is to help others find recovery through Oxford House and the 12 steps. I have an immense amount of gratitude for every member of an Oxford House who steps up to be a core member of a new Oxford House because it is such selflessness that gave me an opportunity to change my life. **STACEY – Texas**

Oxford House living saves lives and creates responsible and productive citizens. Many more recovering persons deserve the chance to experience recovery in an Oxford House.

Oxford House™

Unique • Evidenced-based • Time-tested



FACTS ABOUT ALCOHOLISM AND DRUG ADDICTION

- About 17 million Americans are primarily active alcoholics with another 8 million addicted to illicit drugs. (SAMHSA)
- 20.3 million persons aged 18 or older needed treatment for an illicit drug or alcohol abuse problem in 2013 (8.5 percent of persons aged 18 or older). (SAMHSA)
- Of these, only 1.25 million – 6.2 percent of those who needed treatment – received it.
- Government reports show that alcohol and drug abuse is responsible for the admission of almost 1.5 million people to emergency rooms nationwide and drug addiction results in nearly half a trillion dollars’ economic loss annually or \$1,426 per American.
- For those receiving treatment, 60% had been in prior treatment an average of more than three times. [TEDS]

Oxford Houses Provide a Low-Cost, Highly Effective Method of Reducing Recidivism

The Process of Recovery

Not everyone who drinks alcohol becomes an alcoholic. Not everyone who uses mood-altering drugs becomes a drug addict. But some do. Society has struggled with effective ways to help those who become addicted to change behavior because their addiction can cause harm to them, their families and society at large. There is no magic wand but there is a process that works.

- Intervention
- Detoxification [*Ending physical dependence*]
- Treatment [*Motivation and education*]
- Long-term Behavior Change [*Supportive Living Environment*]

The weak link in the process is society’s failure to support living environments that foster long-term behavior change. Most individuals relapse after the first three steps of the process – intervention, detoxification and treatment.

Significant evidence suggests that Oxford Houses provide the time, peer support and structured democratic process to make recovery without relapse the norm – not the exception.

HIGHLIGHTS OF THE 2015 OXFORD HOUSE WORLD CONVENTION

Over 1,000 Oxford House residents, alumni and friends participated in the 2015 Oxford House World Convention held in Washington, D. C. in September over Labor Day weekend. The convention theme – Celebrating 40 Years – set the stage for discussions of Oxford House over the years. (A copy of the full 2015 convention program can be found on the website (www.oxfordhouse.org under ‘About Us/History.’)



A large audience listened intently to the opening general session (above). Following an invocation by Deacon Ron Ealey and a convention overview by Paul Molloy, Dr. Westley Clark, recently retired from SAMHSA, gave a keynote speech in which he discussed recovery and addiction and praised the success of Oxford House.



Over the course of the convention, there were 20 breakout panels that covered topics including general addiction education, veterans’ issues, research, the opioid epidemic, the use of prescribed drugs in Oxford Houses, technology in Houses and other housekeeping issues.



The Recovery and Re-entry from Incarceration panel explored both policy views and personal experience. Moderated by David Patton, Executive Director and Attorney-in-Chief of the Federal Defenders of New York (standing, below), the panelists included Ryan King, a fellow at the Justice Policy Center at the Urban Institute (center, below) and 5 Oxford House alumni. Oxford House is in the forefront of helping persons leaving incarceration get into an Oxford House to break the cycle of recidivism into either addiction or crime. Links to the convention program and a panel video are on the Oxford House website.



Three-quarters of Oxford House residents have served some jail time – though often only a day or two. Noe Soriano (below left) spoke of his 8½ years in prison – much of it in solitary – and his subsequent tenure in Oxford House (*Read Noe’s story in the convention program found on the website*). Steve Polin (center) came into Oxford House following a Federal prison stint and currently is a leading attorney in civil rights litigation. Kurtis Taylor (right) leads an Oxford House re-entry program in North Carolina.



On Friday evening, convention participants enjoyed a buffet dinner that featured good food, a panel discussion on the origins of Oxford House, and the presentation of the 100-Year awards. The evening began with remarks by Msgr. Joachim Bazan, who recalled his visits with early Oxford House residents.



The panel discussion featured early Oxford House residents Paul Molloy, Myrna Brown, James McClain, Steve Polin and Mark Spence and was moderated by Peter Carlson (in photo below to left of Paul), whose 1989 article on Oxford House in the Washington Post Magazine (The Oxford House Experiment) sparked widespread interest in Oxford House. *(A copy of the article can be found on the Oxford House website.)*



The 100-Year Awards are presented to all Oxford Houses that voluntarily contribute at least \$600 a year to Oxford House, Inc. to support expansion and maintenance of Oxford Houses. OHI Board Chair Jerry Conlon (above right) signed the 474 certificates and presented them to the Houses at the buffet supper.



Saturday was busy with three sessions of breakout panels – 12 panels altogether. Topics included Use of Technology, Medication in Houses, Housekeeping issues (like bedbugs) and the Importance of Having Fun in Recovery. The research panelists (pictured below) reported on new research – published and in progress – and also presided over a session called ‘Brainstorming with Researchers’ that focused on audience questions and proved to be highly informative for both researchers and audience participants.



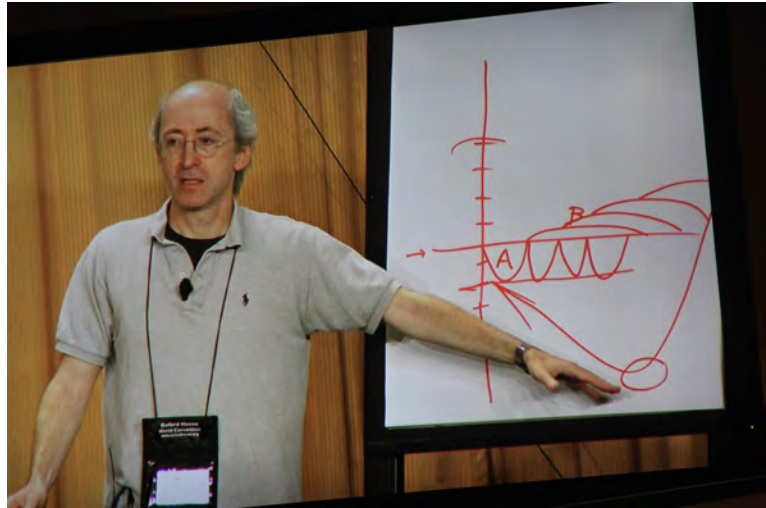
Audience members were eager to ask questions at all of the breakout sessions. A few are pictured below.



A Drug Court panel (below) featured Nelson Rupp, an Adult Drug Treatment Court judge in Maryland, Arthur Burnett, Sr., head of the National African-American Drug Policy Coalition, and Oxford House residents.



The afternoon General Session featured a keynote address by Stuart Gitlow, M. D., introduction of new World Council members and votes on resolutions – including site selection for the 2016 convention. As always, Dr. Gitlow’s talk was enthusiastically received as he used flip charts and stories to explain the science of addiction and recovery to an audience well practiced in the use of addictive substances.



Each year at the convention, the participants vote on candidates for open World Council seats. The World Council members (continuing and newly-elected members) are pictured below.



Presentations were made for the location of the next Oxford House World Convention and Dallas, Texas won. The convention will be held from September 29 – October 2, 2016. We hope to see everyone there!

The Saturday night banquet featured remarks by Board member Bill Newman, presentation of awards and a recovery speech by Tom Coderre of SAMHSA.



FY 2015 Financials

Oxford House, Inc. Statement of Financial Position June 30, 2015¹

ASSETS	
CURRENT ASSETS	
Cash	\$ 470,939
Accounts Receivable, Net	928,370
Employee Advances	27,031
Prepaid Expenses	20,446
Loans Receivable, Current Portion	53,976
Total Current Assets	<u>1,500,762</u>
PROPERTY AND EQUIPMENT	
Furniture and Office Equipment	192,727
Less Accumulated Depreciation	<u>(156,856)</u>
Net Property and Equipment	<u>35,871</u>
OTHER ASSETS	
Loans Receivable	77,120
Restricted Cash	95,799
Deposits	15,285
Total Other Assets	<u>188,204</u>
TOTAL ASSETS	<u>\$ 1,724,837</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 242,582
Program Advances	278,805
Accrued Payroll Taxes	20,279
Accrued Salaries	136,810
Deferred Lease Obligation	26,093
Total Current Liabilities	<u>704,569</u>
Total Liabilities	<u>704,569</u>
NET ASSETS, Unrestricted	<u>1,020,268</u>
TOTAL NET ASSETS	<u>1,020,268</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$1,724,837</u>

Statement of Activities

SUPPORT AND REVENUE	
Federal Awards	\$ 3,209,749
State and Local Awards	2,050,262
General Contributions	490,117
Convention Revenue	244,077
Litigation Settlement Income	35,000
Combined Federal Campaign	15,941
Revolving Loan Management Fees	4,350
Outreach Training Registration	1,400
Interest Income	115
Total Support and Revenue	<u>\$ 6,051,011</u>
EXPENSES	
Program Services	
State and Local Program – Federal Funds	\$ 3,209,749
State and Local Program–State/Local	2,050,262
State and Local Program – Other	46,426
World Convention	150,768
Total Program Services	<u>5,457,205</u>
Supporting Services	
Management and General	409,454
Fundraising	2,406
Total Supporting Services	<u>411,860</u>
Total Expenses	<u>5,869,065</u>
INCREASE UNRESTRICTED NET ASSETS	181,946
NET ASSETS Beginning of Year	838,322
NET ASSETS End of Year	<u>\$ 1,020,268</u>

¹ 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 from Robert Ben-Kori, CPA.

Oxford House, Inc. FY 2015 Expenses By Category and Function

Expense Item	State/Local Program	G&A	Total Expenses
Salaries	\$2,374,430	\$152,213	\$2,526,643
Fringe Benefits	506,418	38,022	544,440
Payroll Taxes	<u>202,345</u>	<u>11,489</u>	<u>213,834</u>
Total Personnel	<u>3,083,193</u>	<u>201,724</u>	<u>3,284,017</u>
Travel & Lodging	1,714,731	1,907	1,716,638
Telephone/Facsimile	135,275	9,533	144,808
Professional Fees	97,910	70,255	168,165
Rent	131,738	44,953	176,691
Litigation Settlement		15,635	15,635
Local Training	56,300	0	56,300
Printing/Publications	45,461	2,268 ²	47,729
Insurance	22,869	11,439	34,308
Other	26,912	20,531 ³	47,443
Meeting/Conference	20,422	908	21,330
Office Supplies	12,811	12,744	25,555
Convention Expense	54,456		54,456
Outreach Supplies	22,578	896	23,474
Postage and Supplies	12,448	9,372	21,820
Payroll Services	8,569	5,063	13,632
Depreciation	8,824	3,011	11,835
Bank Charges	2,708	273	2,981
Interest Expense	0	1,348	1,348
Total Expenses	<u>\$5,456,205</u>	<u>\$411,860</u>	<u>\$5,869,065</u>

Individual Oxford Houses followed through on a resolution at the 1999 Oxford House World Convention to encourage voluntary contributions to Oxford House World Services for the purpose of defraying expansion and service expenses.

During FY 2015, Oxford Houses contributed \$452,648 to OHI.

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 \$80,000 was used for start-up loans in FY 2015 and the remainder for on-site technical assistance.

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 to receive a copy of the audit. The IRS form 990 is available to download at www.oxfordhouse.org under "About Us/Finances".

² Includes \$486 for fundraising

³ Includes \$1,920 for fundraising

OXFORD HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 –Organization and 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 \$1,000 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, 2015.

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 30, 2015, 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, 2014 loans receivable were \$130,598, net of allowance of \$3,724.

Note 3 – Accrued Salaries

Included in accrued salaries are salaries and royalties owed to an officer of Oxford House, Inc. as follows:

J. Paul Molloy, President	<u>\$ 136,810</u>
	<u>\$ 136,810</u>

Note 4 – Line of Credit

Oxford House, Inc. has a line of credit note of \$75,000 of which \$0 is outstanding at June 30, 2015. The note is secured by a \$64,809 certificate of deposit, which is included in restricted cash appearing on the statement of financial position. The interest rate is currently .09%. 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 \$1,470,000 at June 30, 2015.

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 2013 and is scheduled to terminate June 30, 2018. Lease expense for the year ended June 30, 2015 approximated \$176,691, which included parking spaces and common area fees.

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, 2013:

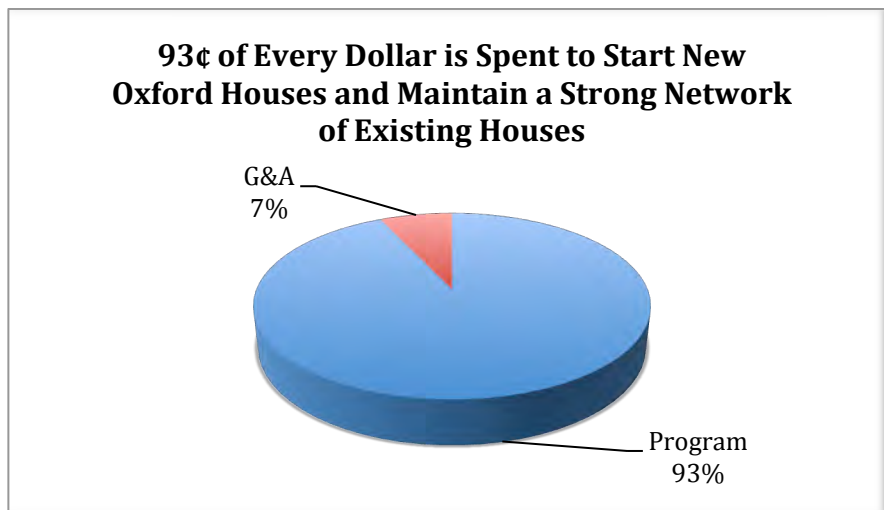
2016	169,609
2017	174,679
2018	<u>179,934</u>
	<u>\$ 524,222</u>

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.

Note: The auditor's full report, including supplemental single state audits, can be obtained by sending an e-mail to info@oxfordhouse.org or writing to Oxford House, Inc., 1010 Wayne Avenue, Suite 300, Silver Spring, Maryland 20910.

Getting the Most Out of Every Dollar of Income



OHI has kept overhead at a very low percentage because the formula for expanding the number of Oxford Houses is based on the time-tested formula for technical assistance and small start-up loans. The central services office in Silver Spring, Maryland maintains the various revolving loan funds administered by OHI.

The bottom-line is that 93¢ of every \$1 is used directly for establishing and maintaining a strong worldwide network of Oxford Houses.

Oxford House: Creating a National Network of Recovery Houses One House at a Time



Pictured above are typical Oxford Houses. If all 1,979 Oxford Houses were pictured, using the same format of 15 houses per page, it would require 132 pages like this one to show each house. Each house is rented. Each house has a charter from OHI. Each house is self-run and self-supported by the residents in recovery. The national average equal share of household expenses is \$112 a week [range \$85 to \$165].

There are Oxford Houses for men and Oxford Houses for women. There are also Oxford Houses for women with children and for men with children. There are no co-ed houses. There are no residency time limits as long as the resident does not drink alcohol or use illicit drugs and pays his or her equal share of household expenses. The average length of stay is a little over 9 months with about 16.9% of the residents expelled for resuming use of alcohol or illicit drugs. Most relapses occur during the first three months of residence.

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.

Oxford HouseTM

1975-2015

*40 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

Write or Call

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