

Oxford House, Inc.

Annual Report

Fiscal Year

2012

Oxford House
Good Neighbors – Good Citizens

Oxford House, Inc.
1010 Wayne Avenue, 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 more than 1,600 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 and drug addiction. 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 eight with a range per house of six to sixteen.

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 that require 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 total abstinence. They provide the time, peer support and structured living environment necessary for long-term behavior change to take hold.

Individuals in an Oxford House learn or relearn values and responsible behavior. They slowly but surely develop the long-term behavior necessary to assure comfortable sobriety – forever. Some individuals live in an Oxford House a few months, others for many years. By using participatory democracy and self-support, Oxford House residents develop long-term recovery.

In FY 2012, Oxford House moved closer to the goal of providing enough recovery homes to permit many more alcoholics and drug addicts in recovery the opportunity to live in an Oxford House to foster lifelong recovery without relapse. Oxford House is listed on the Federal Registry of Evidence-based Programs and Practices, 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 2013

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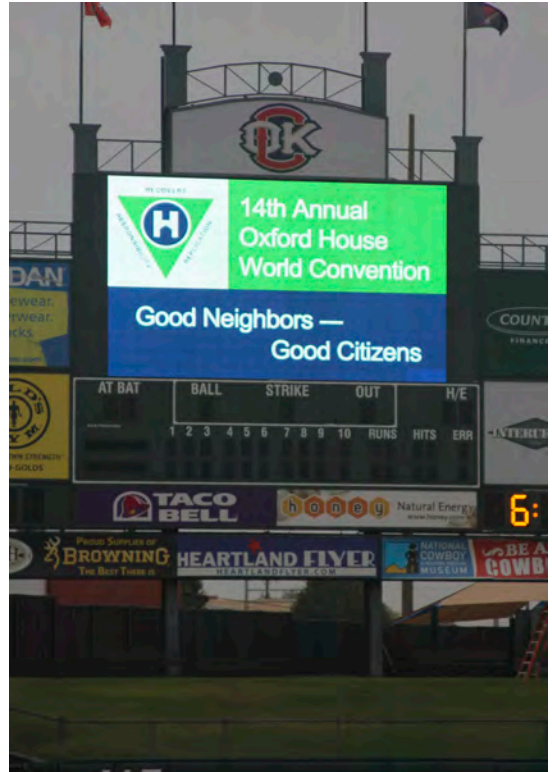
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Scenes from the 2012 Convention

Management Report

FY 2012 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.

In 2012, OHI chartered 152 new Oxford Houses – 63 for women and 89 for men. These new Oxford Houses added a total of 1,150 new recovery beds. The Oxford House network now consists of a total of 1,612 individual Oxford Houses with a combined total of 12,735 recovery beds. Demand for Oxford House residency remained high and, on average, there were more than four applicants for each vacancy.

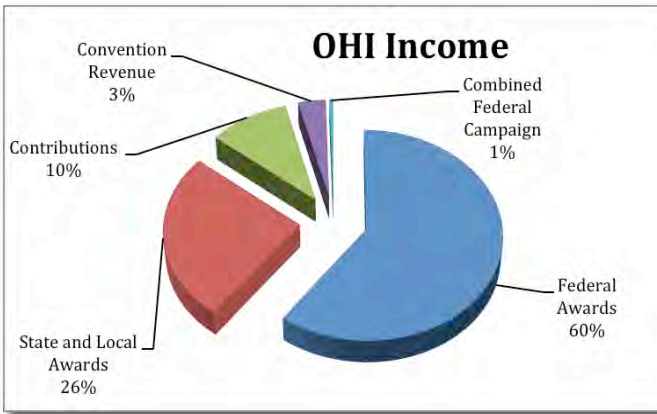
Expansion was particularly strong in states and localities that supported the creation of new Oxford Houses through the provision of grants to OHI. Such grants permit OHI to send trained outreach workers to start houses and assist with quality control. Once started, all Oxford Houses are self-run and self-supported in accordance with their charter conditions. In FY 2012, OHI had contracts with twenty states as well as with some treatment providers, localities and drug courts.

OHI provides some support for the creation of new houses in other areas by using foundation grants and voluntary contributions – including contributions from Oxford House residents – to provide limited loan funds and outreach worker support. On a voluntary basis, many individual Oxford Houses and chapters contribute to OHI. In FY 2012, individual Oxford Houses and chapters contributed a total of \$343,000 in voluntary contributions toward OHI's total expenditures of \$3,691,845. Combined voluntary donations paid for more than 10% of OHI's total expenses. In the future it is hoped that even a larger percentage of the organization's total funding can be internally generated but – at least in the near term – expansion will depend largely on funds from states, treatment providers, drug courts and behavioral managed care providers.

OHI uses a number of time-tested protocols to establish and maintain the network of individual Oxford Houses. To the extent possible, clusters of houses are encouraged to form mutually-supportive chapters to facilitate networking between houses and to help monitor charter compliance. Training materials and standardize operational procedures are provided to all chartered houses and chapters. The central OHI office in Silver Spring, Maryland trains field workers to do outreach to communities throughout the United States and some foreign countries. Within the United States, Oxford House State Associations facilitate coordination between OHI and chapters and individual Oxford Houses.

The establishment and maintenance of an adequate network of recovery homes is the primary purpose of OHI. This effort sometimes requires legal action to assure the civil rights of residents under the Federal Fair Housing Act and the Americans with Disabilities laws. It has now been more than 15 years since the US 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 2012, OHI was actively engaged in twelve cases to protect the legal rights of recovering individuals to live together in order to increase the opportunity for long-term recovery. Fortunately, attorney fees and court costs were minimal.

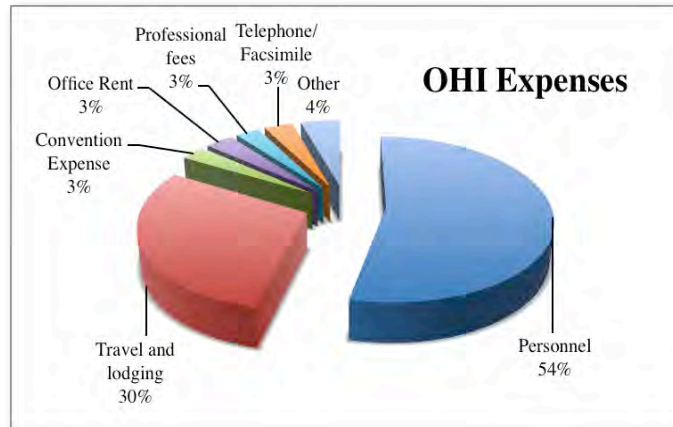
OHI finances remained stable and OHI continued to support the expansion and maintenance of the network of Oxford Houses in an extremely cost-effective manner.



The chart to the left shows the 2012 income sources for OHI. Federal Awards are almost entirely state block grant funds used by various states to pay for development and maintenance of existing networks of Oxford Houses. State and Local Awards are agreements that do not include federal block grant or pass-through federal funding. The financial statements on page 17 show greater detail concerning OHI income.

Total OHI income in FY 2012 was \$3,878,166. Expenditures were \$186,321 less than income. OHI has continued the practice of ensuring that income always exceeds expenses. A significant factor for this result is the generosity of Oxford House™ residents and alumni who make donations. Another factor is that OHI does not own real property or accumulate wealth. OHI focuses on program services.

The chart at the right shows how OHI spends its money. Over 95¢ of every dollar goes to program costs. Travel, telephone and personnel costs account for nearly 90% of costs. In 2012 outreach workers operated in 34 states and Ghana. Their work to bring the Oxford House™ concept and system of operation to new areas accounted for 96% of OHI's travel and lodging costs. Overhead accounted for only 5% of expenditures.



Once a cluster of houses is developed in an area it becomes easier to expand because members of local 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 usually eager to expand the network. The 152 new homes added in 2012 are but one indication of the growing realization that Oxford House™ is an important resource for long-term recovery.

We end the year with a profound sense of gratitude to all who have made the year so successful – the states and other funders that have seen the value in the Oxford House concept and support it and the staff of OHI that works tirelessly to achieve the OHI goals and objectives. Most of all, we applaud the Oxford House residents and alumni, who have amply demonstrated to themselves and their peers that self-run, self-supported recovery housing works and that sobriety without relapse is an achievable goal.

Good Houses in Good Neighborhoods



Oxford House – Cliveden

Oxford House – Cliveden (pictured at left) is an Oxford House for 12 men that was established in Philadelphia on October 1, 1991. Now in its 23rd year, it has served 554 individuals since it started.

Creating an Effective National Recovery Network One House at a Time

National Oxford House Resident Profile¹

Number of Women's Houses:	420	No. of Women Residents:	3,241
Number of Houses For Men:	1,192	No. of Men Residents:	9,494
National Network of Houses:	1,612	Total Number of Residents:	12,735
Number of States with Houses:	45	Cities with Houses:	482
Average Age	36.2	Percent Veterans	18%
Average Educational Level	12.2 yrs.	Range of Educational Level	3-19 yrs.
Average Cost/Person Per Week:	\$108	Rent Per Group Per Month	\$1,420
Residents Working 6/15/12:	92%	Average Monthly Earnings:	\$1,690
Percent Addicted To 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:	78%	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:	4.4

¹ As of June 30, 2012 based on standard OHI survey and house reports. Number of houses and beds is as of the end of CY 2012.

Oxford House Highlights

- **12,735 - Number of Oxford Recovery Beds**
- **1,612 - Number of Oxford Houses as of December 2012**
- **45 - Number of States having Oxford House**
- **482 - Number of towns or cities having Oxford Houses**
- **\$1,690 - Average monthly income of residents**
- **\$108 - Average weekly share of expenses paid by Oxford residents**
- **63% of Oxford House residents had been homeless for an average of 6 months**
- **74% addicted to drugs and alcohol**
- **78% had done jail time connected to their addiction**
- **14.5 months - Average length of sobriety**
- **152 - New Oxford Houses started CY 2012 (63 houses for women; 89 houses for men)**
- **1,169 Total Added Recovery Beds (682 for men; 487 for women).**
- **CY 2012 residents: 26,743 with only 16% relapse rate among residents**

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 200,000 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. Many of the stories are published on the Oxford House website: www.oxfordhouse.org under "About Us/Stories." Below are just a few excerpts from some of the stories.

- "I am a mother and a grandmother who grew up in a military family in Hampton, Virginia. I was clean for ten years but then I relapsed and for six years dived to my bottom losing job, family, friends and all self-respect. I was homeless, unemployed and unemployable. I got into treatment and after four months moved into an Oxford House. I now have two years clean and sober. In Oxford House I have held several offices, been a chapter President and put my life back together. The war is over. I now have a HOME where I feel I belong." – *Lynn W.*
- "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.*
- "In 1989 I found myself in a jail cell facing 90+ felony counts for armed robbery in four states. My freedom from addiction came at my loss of freedom. I spent the next two decades in prison and trying to educate myself to be a man. When I finally got out I was fortunate to get into an Oxford House – a group of caring people with enough experience not to let anyone like me fake or fool them by taking half steps. I found a group where I belonged and had the opportunity to manage a household, pay bills, and all the essentials that are necessary to lead a productive and sober life." – *Scotty D.*
- "I was at the end of the lonely road of addiction. I was going to live or I was going to die and I really didn't care which. I went to treatment and when the time came to leave the counselors suggested I go to an Oxford House. I had never heard of it and was scared stiff. The men there welcomed me with open arms and here I learned responsibility, love, friendship and support. Thank you for saving my life." – *Steve P.*
- "After a life of crime to keep my addiction going I got caught and went to prison. Getting out after two years and six months, I was back using drugs in just three days. I was soon on a full-time crime binge only to be caught again. This time when getting out of jail I ended up at the Salvation Army in Dallas. There I learned about Oxford House and after 90 days got accepted in an Oxford House. That was three years ago and I have been clean and sober since and helping to get new Oxford Houses started. Thank God and thanks, Oxford House." – *Chris M.*
- "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.*

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.

Reaching Out Internationally

Alcoholism, drug addiction and co-occurring mental illness know no geographic boundaries. OHI has shared its expertise with others around the world – supporting the opening of Oxford Houses and sharing the Oxford House story and recovery experience at international gatherings. In the past year, OHI continued to work with the international Oxford Houses and also participated in meetings in Chile and in Sweden – spreading the work about the history and success of Oxford House and encouraging broader adoption of the program. Today there are 32 Oxford Houses in Canada, 6 in Australia, 2 in Ghana and 2 in England with prospects for more houses in other countries.

Nearly twenty years ago, clusters of Oxford Houses began in Australia and Canada. More recently, Oxford House™ began in Ghana and England. A group of Oxford House members from England [pictured at the right] attended the 2012 convention in Oklahoma City.

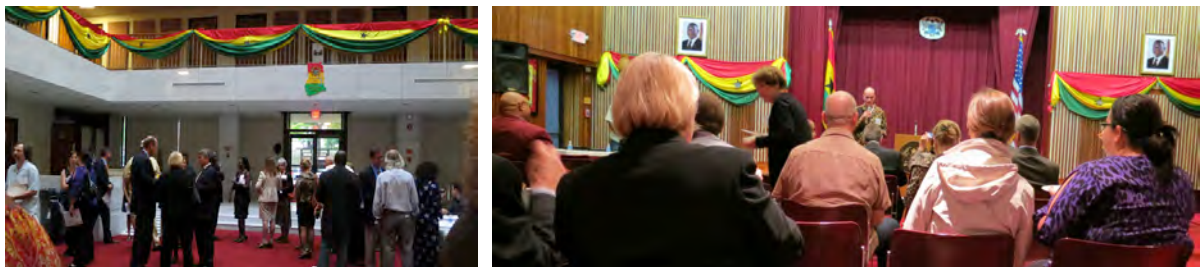


Oxford House – United Kingdom



Five of the six men in Oxford House-UK Middlesbrough, England

In Ghana, OHI has supported the on-site presence of a trained outreach worker – Byron Merriweather. Byron has worked with Dan O’Laughlin to start a recovery movement in Ghana. Oxford House-Hopeful Way is pictured at the right. A reception for Oxford House was held in September in Washington, DC at the Embassy of Ghana pictured below. The event was widely attended by supporters of Oxford Houses and featured a number of speakers who spoke of visiting the houses in Ghana and the need for more homes and the development of a better treatment system in Ghana.



The Ghana Embassy Reception Supporting Oxford Houses in Ghana

In March 2012, OHI CEO Paul Molloy traveled to Chile at the request of the Chilean government and participated in an expert panel on recovery housing. As part of its research on recovery housing, the study participants had learned about Oxford House through web



searching and were interested in learning more about the program. The panel met at the Pontifical Catholic University in Valparaiso over a two-day period and heard presentations from recovery program representatives and academic researchers. The Oxford House concept was new to most, if not all, of the participants and generated considerable interest within the study group. Molloy

is hopeful that eventually many Oxford Houses will be available in Chile and throughout South America.

In late Spring 2012, OHI was represented on a panel on recovery housing at the World Federation Against Drugs [WFAD] conference in Stockholm, Sweden. The other panelists on that panel came from Italy, Sri Lanka and Sweden and represented very different programs. The overall conference agenda, developed in large part by Robert DuPont, M.D., a member of the OHI Board, was wide-ranging and featured speakers from many different countries. Noted speakers included the Queen of Sweden, U.S. Drug Czar Gil Kerlikowske, and many others from around the world. The hope is that, as word of Oxford House spreads, many countries will choose to develop Oxford Houses as a resource for assuring long-term recovery without relapse.



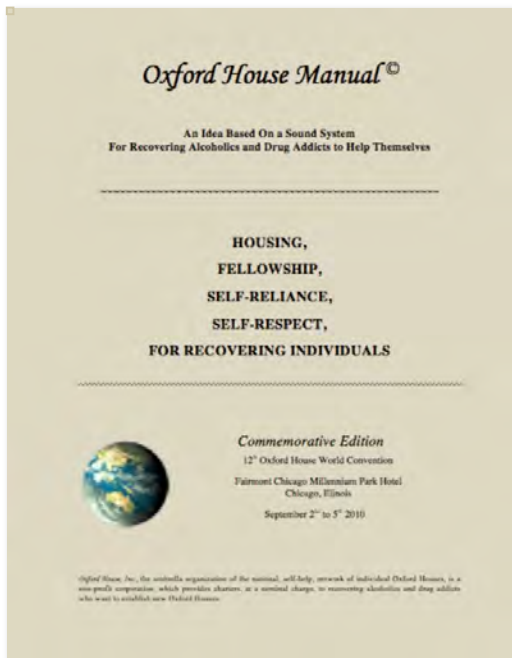
In coming years, OHI expects that international interest in the development of networks of Oxford Houses will increase. Alcoholism, drug addiction and co-occurring mental illness are experienced worldwide. Australia, Canada, England and Ghana show that the Oxford House™ model can take root anywhere. Experienced Oxford House residents and alumni are willing to carry the technical know-how anywhere there is a demand.

It's Not Just About Being Clean and Sober

Oxford House Living Fosters Leadership, Responsibility, Growth and Friendship

Oxford House residents – not managers, counselors or jailers – operate Oxford Houses. Trust that “the inmates can run the asylum” is a hallmark of the Oxford House system of operations. For 38 years this trust has been validated and it is a major factor in assuring that a significant majority of Oxford House residents achieve sobriety without relapse. Oxford House residents are different from each other in many ways – race, ethnicity, age, religion, income, level of education and marital status. All, however, have a common bond – alcoholism and drug addiction. That common bond makes them united.

Oxford House residents focus rigorously on maintaining sobriety and, indeed, expel any House member who returns to using alcohol or drugs. At the same time, however, residents of Oxford House take pride in working together to run their Oxford House and work and socialize with other Oxford House residents through Chapter, State Association and convention activities. Oxford House residents form a close network of friends and associates.



The running of each house is prescribed by practices and procedures enumerated in the Oxford House Manual®. Those practices and procedures follow the American tradition of democratic rule with rights of any minority opinion rigorously protected. All the Oxford Houses elect five house officers to serve for terms not to exceed six months. The five officers are:

- President
- Secretary
- Comptroller
- Treasurer
- Chore Coordinator

Each officer has duties defined in the Oxford House Manual® and is expected to carry out the duties and report to the full house membership at the weekly meeting. Not allowing anyone to hold a particular office for more than six

months at a time protects against ‘boss-ism’ or the development of an entrenched leader who may try to dictate behavior for other house members. This system also ensures that the offices are rotated among all House members so everyone has leadership responsibility. The system breeds trust and the House members rise to meet the high standards of responsibility expected under the system of operation – while at the same time ensuring that each Oxford House is well-run in a time-tested manner of operation.

A classic description of the importance of trust is demonstrated in a short excerpt from the ten-minute segment about Oxford House™ broadcast by the CBS program “60 Minutes” in 1991. Andrea, a house resident, is shown on the program speaking to an audience about

being elected to a house office. (*The full program can be accessed from the Oxford House web site at www.oxfordhouse.org*)

- *Andrea (at a speaking engagement):* My forte was writing forged checks and they voted me the treasurer-comptroller of the house and I said to them, "Do you know who I am?" And they said, "Yes, we do." (*To interviewer Meredith Vieira*) I said, "Wow. If these girls believe I can do it--" that made me believe that I could do it, you know, so it helped a lot.
- *Meredith Vieira – the Reporter: (voice over):* Andrea has been clean for over two years, after several years on crack and 20 years on heroin.

Once a week House residents meet for an orderly business meeting that uses majority rule and parliamentary procedures. The meetings review the House finances and discuss household and resident issues that may have arisen over the prior week. Residents of the house each pay an equal share of the rent and other household expenses – \$108 per week on average. In 2012, the average rent paid by each Oxford House™ for a good house in a good neighborhood was \$1,420 [range \$800 - \$5,300]. Together, the network of houses paid landlords \$27,468,000 last year. Their total household expenses – including rent, utilities and household staples – amounted to over \$69 million.

Where did these Oxford House residents get the money? Most residents [92%] have a job. Some receive Social Security, Veterans Benefits or other income. Together, Oxford House residents earned about \$237 million in 2012 and paid the requisite Social Security and Medicare contributions. For most residents, this contribution to society was a change from their prior path of living with addiction. The resident survey data shows that 63% had been homeless and 78% had done jail time – a status likely to drain revenues from social support programs. Oxford House residents are also luckier than many jobseekers – particularly in a difficult economy. Their fellow residents typically know where local jobs are available and it is in the interest of all House members to have all House members working. Getting a job lets House members contribute their share of household expenses and it also starts them on the path toward building a solid employment history.

Social activities are also an important part of living in an Oxford House. Individual Oxford Houses hold social events and invite both neighbors and residents of other Oxford Houses. Chapters and State Associations also hold social events and workshops – fostering both networking and training. And many residents attend the annual World Convention.

Since the original Oxford House started in 1975, more than 240,000 Oxford House residents have become comfortable enough in sobriety to achieve long-term recovery without relapse. Because each house is rented, self-operated and self-supported, Oxford House™ is able to encourage residents to stay as long as the individual feels is necessary to become comfortable enough in sobriety to avoid relapse.

Oxford House residents routinely practice and exemplify the 2012 World Convention theme – *Oxford House: Good Neighbors – Good Citizens*. When the storm Sandy caused damage to a number of houses in New Jersey. Many residents were temporarily out of work. Throughout the network of Oxford Houses, residents sent them money to help pay their landlords and other household expenses.

Funding Oxford House Expansion

Oxford House, Inc. (OHI), the umbrella organization for all Oxford Houses, 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 private citizens.

All the individual Oxford Houses are governed and funded by the members themselves. House members elect their own term-limited house officers, pay their own rent and household expenses from their own earnings, interview and vote on whether to accept applicants, and follow the basic charter rules of being democratically self-run, self-supporting and immediately throwing out any House member who returns to using alcohol or illegal drugs. The structure of Oxford Houses is very different from traditional fully-staffed halfway houses and different also from sober houses that are actually run by landlords.

While all Oxford Houses are totally self-supporting once established, there are start-up costs associated with expanding the network and creating new houses. While these costs are miniscule compared to the start-up and ongoing costs of traditional halfway houses, they are nonetheless significant. Most new Oxford Houses require a start-up loan to cover the first month's rent and security deposit and new Oxford Houses benefit from the wisdom and assistance of outreach workers who have lived in an Oxford House. They also benefit from the publication, communication and litigation support from OHI. These services are not cost-free and OHI currently relies heavily on external funding, primarily to support expansion.

Ideally, the existing network of Oxford Houses would finance expansion internally. That's how it worked in the first thirteen years of Oxford House. The costs of opening new Oxford Houses 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 was a total of only eighteen Oxford Houses and most were in and around Washington, DC.

Expansion has progressed exponentially since the early days primarily because of funding made available by states, localities and foundations – as well as contributions from Oxford House residents and alumni and the general public. A major breakthrough came with the enactment of the Anti-Drug Abuse Act of 1988, which required states to create revolving loan funds to provide start-up loans for groups of six or more recovering individuals to rent a house using the model developed by Oxford House. The creation of start-up loan funds and other financial support from some states, localities and foundations to fund outreach services has led to the creation of large networks of Oxford Houses in states where such support has been available.

It costs about \$80,000 annually to cover the salary, benefits and expenses of an Oxford House outreach worker. OHI outreach workers find houses to rent, teach new residents the system of operations, develop links with treatment providers, drug courts, and parole officers, troubleshoot and act as resource persons for existing houses. They don't run houses but they all have a wealth of experience and are available to provide advice,

guidance and recovery support. Agreements with states and local governments totaled just over \$3.3 million in 2012 and were the principal source [86%] of funding of outreach workers. OHI also received some foundation funding and contributions from individual donors. Working with governments has advantages in that it helps to bring together the many stakeholders in the recovery field and ties together the multiple public and private resources involved with primary treatment and detoxification, aftercare counseling and incarceration and parole.

Expansion in areas in which government support is not available has also occurred. The William Daniels Fund – headquartered in Denver – has opened the door to OHI’s use of foundation funding – particularly for beginning development in areas unfamiliar with the Oxford House™ program. Because of modest funding from the Daniels Fund over the last several years, OHI has been able to strengthen networks of Oxford Houses in New Mexico (9 houses) and Colorado (23 houses). The Daniels Fund has been the catalyst for development in both states.

OHI also receives voluntary contributions from the network of Oxford Houses and chapters. These contributions amounted to \$343,000 in 2012. These funds support outreach activities in areas where no government or foundation funding is currently available. 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. These contributions from Houses are totally voluntary yet a significant number of Houses contribute each year – showing their gratitude and support for expansion. A few of the awardees honored at the convention are shown below with CEO Paul Molloy and Bill Newman, a member of the OHI Board of Directors.



Oxford House also receives some funding from individuals and community drives such as the United Way and the Combined Federal Campaign. This support is also very important. While OHI does not maintain a fundraising budget and keeps administrative costs very lean, these contributions are very important and donations are accepted through the Oxford House website at: www.oxfordhouse.org by clicking on the “Donate Now” button.

All contributions are used to expand the network of Oxford Houses to afford more recovering individuals the opportunity to achieve long-term recovery. As OHI continues expansion, it will demonstrate that the program results in lower health care costs. Oxford House™ has demonstrated that its cost-effective concept and system of operation produces long-term recovery that avoids cycling in and out treatment. As communities around the country realize the difference Oxford House living can make in assuring long-term recovery, there should be additional funding from local governments, foundations and health care providers to encourage faster expansion of the national network of Oxford Houses.

Research Affirms Oxford House™ Effectiveness

“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.”

*Jeffrey D. Roth, MD, Board Certified in
Addiction Psychiatry
Foreword to Recovery from Addiction in
Communal Settings – The Oxford House Model.
[2011]*

Cooperation with researchers examining recovery from addiction has become part of the Oxford House culture. Oxford House has been a pioneer in conducting its own research and in encouraging external academic research of the Oxford House program. All Oxford House residents and alumni willingly participate in OHI surveys and in research by academics. The result is a wealth of information on the recovery process and – in the process – the research has documented that living in an Oxford House significantly increases the likelihood of long-term recovery for residents.

Academic research on the Oxford House program began in 1987 when William Spillaine, a Ph.D. researcher associated with the Catholic University of America, asked to study what



happened to Oxford House™ residents once they left Oxford House. His target universe was everyone who had lived in an Oxford House since its inception. Using house applications from the then-13 Oxford Houses, Dr. Spillaine tracked 1,280 recovering individuals who had lived in an Oxford House. He found that 80% had stayed clean and sober from the moment they moved into an Oxford House. This result was directly opposite the 20% rate achieved by those

who had gone through treatment generally and those who had lived in a traditional halfway house with a time limit. His conclusion was that the Oxford House™ system of operation and the absence of a time limit resulted in the difference.

Since 1991, the Federal government, through both NIDA and NIAAA, has invested funding in behavioral research to determine the effectiveness of the Oxford House™ model. The DePaul University Community Research Center in Chicago has been the recipient of numerous research grants. Two of the DePaul studies are particularly instructive:

- One study followed, over a 27-month period, 890 individuals residing in 219 Oxford Houses throughout the country. It found that only 13% relapsed.
Leonard A. Jason, Margaret I Davis and Joseph R. Ferrari, “The need for substance abuse after-care: Longitudinal analysis of Oxford House”, Addictive Behaviors: 32 (2007) 803-818
- The other major study involved giving residents an ASI (alcoholism severity index) and PSI [psychiatric severity index] test. Using a randomly selected

national Oxford House sample of 897 individuals, the researchers found that about one-half of the residents tested positive on the PSI index. Of that number, half had minor mental illnesses but half had more serious illnesses. Both groups did well in an Oxford House.

John M. Majer, Leonard A. Jason, et al. "A Longitudinal Analysis of Psychiatric Severity upon Outcomes Among Substance Abusers Residing in Self-Help Settings," American Journal of Community Psychology: 42, (2008) 145-153.

There is a list of more than 165 peer-reviewed published journal articles authored by the DePaul University researchers related to many aspects of Oxford House operations on the website www.oxfordhouse.org, under "Publications/Evaluation/DePaul". Such scientific evaluations are basic for determining best practices and all the research has confirmed that alcoholics, drug addicts and those with co-occurring mental illness respond well to Oxford House living and that the program increases their odds of attaining long-term sobriety.

OHI conducts its own surveys of Oxford House residents. The aggregated data from these surveys are used in the compilation of evaluation reports and the resident profile that appears in this report. They also inform OHI management of trends in both quality control and the balance between supply and demand for individual Oxford Houses.

The research on the Oxford House program led to the listing of the Oxford House™ model on Federal government's National Registry of Evidence-based Programs and Practices.

Evidenced-Based Results

The screenshot shows the NREPP website interface. At the top, the NREPP logo is displayed alongside the text "SAMHSA's National Registry of Evidence-based Programs and Practices". Navigation links include "Find an Intervention", "Reviews & Submissions", "Learning Center", and "Contact Us".

On the left side, there are three contact sections:

- Learn More**
For information on implementation:
Kathleen Gibson
(301) 587-2916
katgibson@nc.nrc.com
- For information on research:**
Leonard Jason
(773) 325-2018
ljason@depaul.edu
- For information on implementation or research:**
Kenneth Hoffman, M.D., M.P.H.
(301) 587-2916
khoffman100@comcast.net

The main content area displays the "Oxford House Model" listing. It includes a "Date of Review: February 2011" and a detailed description of the model. The description states: "The Oxford House Model provides housing and rehabilitative support for adults who are recovering from alcohol and/or drug use and who want to remain abstinent from use. The model is a confederation of chartered community-based, self-supported rental homes that are operated under the umbrella of Oxford House World Services. Each house is self-governed and has at least six same-sex residents, who have a shared responsibility for adherence to Oxford House traditions, on-time payment of household expenses, completion of chores, and successful integration into the community neighborhood. Oxford Houses do not employ professional treatment staff, but residents are free to decide whether to seek psychological or substance abuse treatment by professionals or participate in 12-step self-help organizations (e.g., Alcoholics Anonymous, Narcotics Anonymous) while receiving social support and guidance from fellow residents."

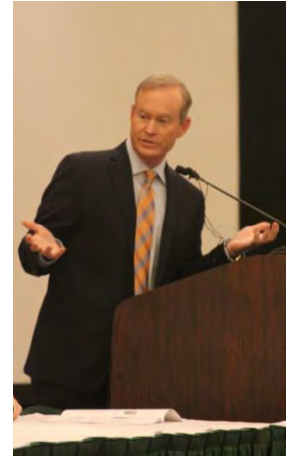
Below the description, it states: "Adults who want to live in an Oxford House must complete an application for admission, be interviewed by current Oxford House residents, and be voted in by the residents. Each new resident receives a booklet of rules, and current residents spend considerable time helping new residents learn the house's system of operation. The Oxford House Model has no maximum length-of-stay restriction, and on average, a resident stays in an Oxford House for a little more than a year. No resident is ever asked to leave an Oxford House without cause. In cases when eviction is a possibility, all residents meet to discuss the potential cause, which can include renewed substance use or disruptive behavior (e.g., failure to pay rent, failure to complete house chores); a dismissal vote is grounds for immediate eviction of a resident. Residents elect house officers, which include a president, treasurer, secretary, comptroller, and household chore coordinator, for a term of no greater than 6 months, giving all residents the opportunity to assume leadership positions in house governance. Recovering individuals who want to establish a new Oxford House must apply to Oxford House World Services for a charter, which is granted free of charge. Individuals interested in becoming an Oxford House resident can use the program Web site to locate vacancies and access the application."

Listing on the website of the National Registry of Evidence-based Programs and Practices

OHI has as its primary goal the establishment and maintenance of an adequate network of recovery homes that foster long-term recovery without relapse. Research is essential to assess whether the program is achieving this goal. It is not enough to provide short-term recovery housing; the OHI objective is to ensure that Oxford House residents have the best opportunity possible to achieve long-term recovery without relapse. Research to date has provided evidence that the program is highly successful in meeting this objective.

2012 Convention – Opening and General Sessions

The opening session included a welcome from the Head of the State Alcohol and Drug Agency, the Governor of Oklahoma and the Mayor of Oklahoma City.



The General Sessions featured awards, presentations and discussion.



One General Session featured campaign speeches and election of new members of the Oxford House World Council – an Advisory Group made up of current and alumni Oxford House residents.



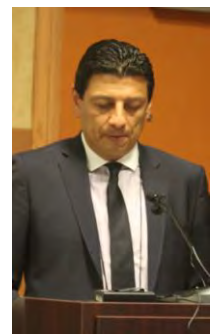
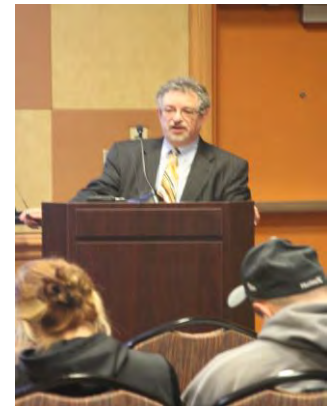
Breakout Sessions

The many well-attended breakout sessions covered many topics



**14th Annual Oxford House World Convention
Room 18**

OH and State Agencies	1st Breakout - Friday	9:35 – 10:50
Women in OH	2nd Breakout - Friday	11:00 – 12:15
Working with CADCA	3rd Breakout - Saturday	8:00 - 9:15
Using New Survey Tools in OH	4th Breakout - Saturday	9:15-10:30
NA-History of Origins and Growth	5th Breakout - Saturday	10:45 – 12:00



Convention Coffee Breaks, the Ballpark and the Banquet Opportunities to Meet Old and New Oxford House Friends

Coffee Breaks



Friday Night at the Ballpark



The Saturday Night Banquet



Oxford House, Inc.

Statement of Financial Position
June 30, 2012¹

ASSETS	
CURRENT ASSETS	
Cash	\$ 262,592
Accounts Receivable, Net	602,653
Employee Advances	3,438
Loans Receivable, Current Portion	43,500
Total Current Assets	917,629
PROPERTY AND EQUIPMENT	
Furniture and Office Equipment	161,421
Less Accumulated Depreciation	(133,172)
Net Property and Equipment	28,249
OTHER ASSETS	
Loans Receivable	59,208
Restricted Cash	95,655
Deposits	10,634
Total Other Assets	165,497
TOTAL ASSETS	\$ 1,111,375
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 253,353
Accrued Salaries	125,560
Accrued Payroll Taxes	17,437
Line of Credit	9,240
Program Advances	75,633
Total Current Liabilities	481,223
NET ASSETS, Unrestricted	630,152
TOTAL LIABILITIES & NET ASSETS	\$ 1,111,375

Statement of Activities

SUPPORT AND REVENUE	
Federal Awards	\$ 2,329,803
State and Local Awards	1,002,752
General Contributions	394,431
Convention Revenue	125,124
Combined Federal Campaign	17,376
Interest Income	90
Total Support and Revenue	\$ 3,878,166
EXPENSES	
Program Services	
State and Local Program - Federal Funds	\$ 2,329,803
State and Local Program - Non-Federal Funds	1,002,752
State and Local Program - Other World Convention	57,561
	105,961
Total Program Services	\$ 3,496,077
Supporting Services	
Management and General	190,768
Fundraising	5,000
Total Supporting Services	195,768
Total Expenses	3,691,845
INCREASE UNRESTRICTED NET ASSETS	186,321
NET ASSETS Beginning of Year	443,831
NET ASSETS End of Year	\$ 630,152

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 by Robert Ben-Kori, CPA.

Oxford House, Inc.

FY 2012 Expenses
By Category and Function

Expense Item	State/Local House Program	Management And General	Total Expenses
Salaries	\$1,476,356	\$ 70,186	\$1,546,542
Fringe Benefits	275,993	11,208	287,201
Payroll Taxes	124,399	5,496	147,441
Total Personnel	1,892,759	88,425	1,981,184
Travel & Lodging	1,090,091	2,882	836,461
Telephone/Facsimile	116,029	6,584	122,613
Rent	98,927	20,254	119,181
Professional Fees	76,232	25,793	102,025
Outreach Program	78,319	0	78,319
Printing/Publications	28,975	916	29,891
Office Supplies	16,572	8,034	24,606
Postage & Delivery	7,741	13,191	20,932
Outreach Supplies	18,564	129	18,693
Depreciation	14,877	3,046	17,923
Meeting/Conference	15,680	950	16,630
Convention Expense	12,857		12,857
Insurance	10,282	1,947	12,229
Office Equipment	8,061	3,810	11,871
Payroll Services	5,785	4,426	10,211
Taxes/Licenses	3,785	2,289	6,087
Bank Charges	0	3,913	3,913
Repair/ Maintenance	130	1,128	1,258
Interest Expense	0	864	864
Other	398	7,187	7,585
Total Expenses	\$3,496,077	\$ 195,768	\$ 3,691,845

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 2012 houses contributed over \$340,000.

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 2012.

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".

OXFORD HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 \$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, 2012.

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 15, 2012, 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, 2012 loans receivable were \$102,708, 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>\$ 125,560</u>
	<u>\$ 125,560</u>

Note 4 – Line of Credit

Oxford House, Inc. has a line of credit note of \$60,000 of which \$9,240 is outstanding at June 30, 2012. 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 \$456,000 at June 30, 2012.

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, 2012:

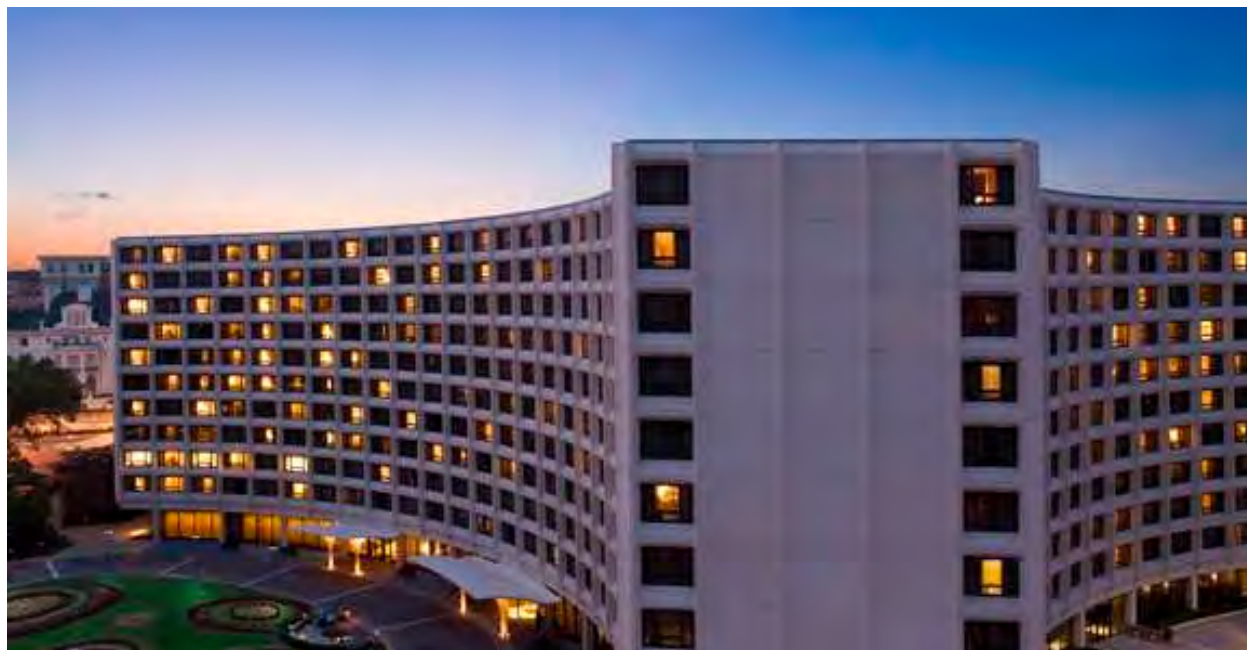
2013	<u>117,122</u>
	<u>\$ 117,122</u>

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

Register on www.oxfordhouse.org for the next Oxford House World Convention



**Washington Hilton – Washington, DC
Site of the 2013 Oxford House World Convention – August 29- September 1, 2013**

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



A few of the more than 1,600 Oxford Houses

Oxford House™

1975-2013

38 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.

Oxford House World Services

1010 Wayne Avenue, Suite 300
Silver Spring, Maryland 20910

Telephone 301-587-2916
Facsimile 301-589-0302

E-Mail Info@oxfordhouse.org
Web Site: www.oxfordhouse.org