

Oxford House, Inc.

Annual Report

Fiscal Year

2013

Oxford House
Meeting The Need

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 1,700 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 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 develop the long-term behavior necessary to assure comfortable sobriety – forever. Some residents live in an Oxford House a few months, others for many years. By using participatory democracy and self-support, alcoholics, drug addicts and those with co-occurring mental illness develop long-term recovery.

In FY 2013, Oxford House moved closer to the goal of providing enough recovery homes to permit every alcoholic and drug addict in recovery the opportunity to live in an Oxford House to foster life-long 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 2014

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MANAGEMENT REPORT

FY 2013 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. We have done so with transparency and careful research.

Expansion

Led by Paul Molloy, CEO and Kathleen Gibson, COO, the organization added more than 1,404 new recovery beds as OHI chartered 182 new Oxford Houses – 65 for women and 117 for men. At calendar yearend, the Oxford House network consists of a total of 1,702 individual Oxford Houses with a combined total of 13,421 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 financial 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.



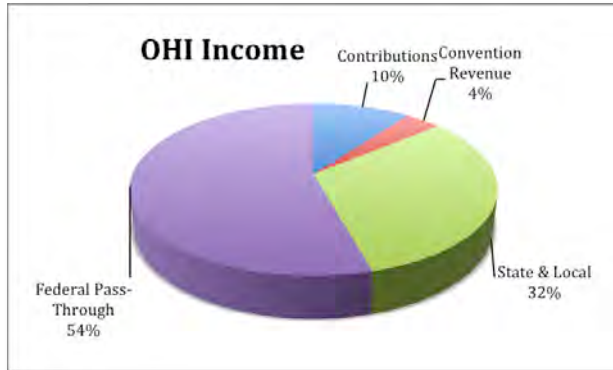
In FY 2013, OHI had contracts with twenty states as well as with some treatment providers, localities and drug courts. OHI provides some support for the creation of new houses in other places by using grants and voluntary contributions – including contributions from Oxford House residents – to provide limited loan funds and outreach worker support. On a voluntary basis, many individual Oxford Houses and chapters contribute to OHI. In FY 2013, individual Oxford Houses and chapters contributed a total of \$372,029 in voluntary contributions toward OHI's total expenditures of \$4,157,289. In the future it is hoped that an even larger percentage of the organization's total funding can be internally generated but – at least in the near term – expansion will depend heavily on funds from external sources such as foundations and government agencies.

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 182 new Oxford Houses added in 2013 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. To the extent possible, clusters of houses are encouraged to form mutually supportive chapters to facilitate networking among houses and to help monitor charter compliance. Training materials and standardized operational procedures are provided to all chartered houses, chapters and state associations. The central OHI office in Silver Spring, Maryland trains field workers to do outreach to communities throughout the United States and some foreign countries. Oxford House State Associations also facilitate coordination between Oxford Houses and treatment providers.

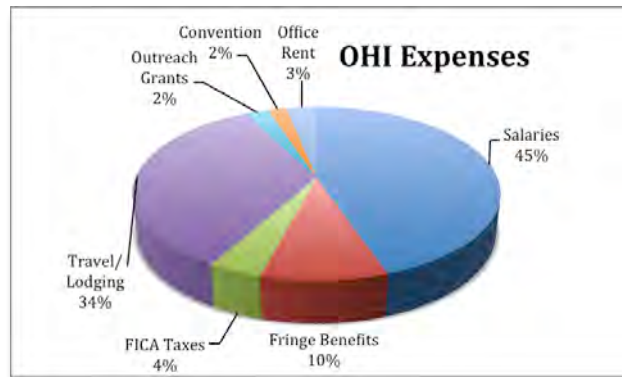
Financial Results

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 2013 were \$54,871 more than income; however, since income exceeded expenditures in FY 2012 by \$186,321, OHI was able to let expenses exceed income in FY 2013 without adversely affecting its financial soundness.



Total income in FY2013 was \$4,102,418. 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 Oxford Houses. *State and Local Awards* are agreements that do not include federal block grant or pass-through federal funding but reflect a state's commitment to using Oxford Houses as a primary resource for assuring long-term recovery from alcoholism, drug addiction and co-occurring mental illness.

OHI's expenditures for FY2013 totaled \$4,157,289. The expenditures are shown in the chart at the right. Over 89¢ of every dollar goes directly to program costs – that is, expanding and maintaining the network of Oxford Houses. Travel, telephone and personnel costs account for nearly 90% of costs. In 2013 OHI 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.

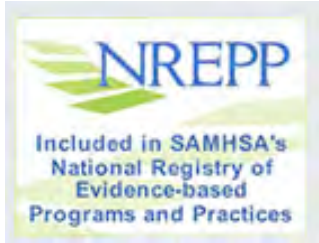


A copy of the audited financials and notes to financials is included at the end of this report.

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 Oxford House. DePaul University has been a major recipient of such grants. The DePaul University studies have produced more than 175 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.



In 2011, the federal government (SAMHSA) 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 a political acceptance of Oxford House, the NREPP listing at <http://nrepp.samhsa.gov/ViewIntervention.aspx?id=223> verified the soundness of the Oxford House model as an evidence-based program for significantly improving treatment outcome for alcoholics, drug addicts and those with co-occurring mental illness.

Litigation

The establishment and maintenance of an adequate network of recovery homes sometimes requires legal actions to assure the civil rights of residents under the Federal Fair Housing Act and the Americans with Disabilities laws. It has now been 19 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 2013, OHI was actively engaged in twelve cases to protect the legal rights of recovering individuals to live together in order to increase their opportunity for long-term recovery. Fortunately, attorneys' fees and court costs were minimal.

Since expansion of Oxford House began in 1989, OHI has defended the rights of recovering individuals to live in good neighborhoods just like ordinary families. Such individuals are protected from discrimination under the 1988 Amendments to the Federal Fair Housing Act and the Americans with Disabilities Act. OHI has been a leader in defining the extent and scope of those rights by vigorously defending civil rights. It shall continue to do so because it is important not to let the hard-fought for rights obtained under the Federal Fair Housing Act be eroded.

FY 2014 Focus

In FY2014, 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. This will be our primary focus.

OHI is currently planning the 2014 Annual Oxford House World Convention to be held in Portland, Oregon September 11 – 14. 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 at the World Convention leave 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 a realistic 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.”

Good Houses in Good Neighborhoods



Oxford House – Invicta

Creating an Effective National Recovery Network One House at a Time

Oxford House – Invicta (pictured at left) is an Oxford House for 10 women that was established in San Antonio, Texas November 1, 2013. It is one of 107 Oxford Houses in Texas; 28 of which were started in 2013 making Texas the fastest growing Oxford House State in 2013.

National Oxford House Resident Profile¹

Number of Women's Houses:	466	Recovery Beds for Women:	3,565
Number of Houses For Men:	1,236	Recovery Beds for Men:	9,856
National Network of Houses:	1,702	Total Recovery Beds:	13,421
Number of States with Houses:	45	Cities with Oxford Houses:	486
Average Age	36.8	Percent Veterans	18%
Average Educational Level	12.2 yrs.	Range of Educational Level	3-19 yrs.
Average Cost/Person Per Week:	\$107	Average Rent/Group/Month	\$1,426
Residents Working:	92%	Average Monthly Earnings:	\$1,695
Percent Addicted To Drugs and Alcohol:	74%	Percent Addicted to Only Alcohol:	26%
Race --		Marital Status --	
White;	58%	Never Married	44%
Black;	38%	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>and</u> AA or NA:	45%
Average Length of Sobriety of House Residents:	12.5 Mos.	Residents Expelled Because of Relapse:	16.7%
Average Length of Stay In An Oxford House:	9.1 Mos.	Average No. of Applicants For Each Vacant Bed:	4.4

¹ As of June 30, 2013 based on standard OHI survey and house reports. Number of houses and beds is as of the end of CY 2013.

Oxford House Fast Facts

- **13,421 - Number of Oxford Recovery Beds**
- **1,702 - Number of Oxford Houses as of December 2013**
- **45 - Number of States having Oxford House**
- **486 - Number of towns or cities having Oxford Houses**
- **\$1,695 - Average monthly income of residents**
- **\$107 - Average weekly share of expenses paid by Oxford residents**
- **64% of Oxford House residents had been homeless for an average of 5 months**
- **74% addicted to drugs and alcohol**
- **76% had done jail time connected to their addiction**
- **12.5 months - Average length of sobriety**
- **182 - New Oxford Houses started CY 2013 (65 houses for women; 117 houses for men)**
- **1,413 Total Added Recovery Beds (931 for men; 482 for women).**
- **CY 2013 residents: 28,184 with 16.7% expelled because of relapse.**

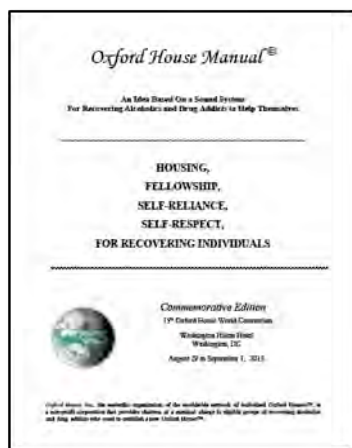
IT'S NOT JUST ABOUT BEING CLEAN AND SOBER

Oxford Houses Foster Leadership, Responsibility, Growth, Friendship and Community

Oxford House residents – not managers, not counselors, not 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 the assuring that Oxford House residents achieve sobriety without relapse.

Oxford House residents focus rigorously on maintaining sobriety and expel any House member who returns to using alcohol or drugs. Residents of Oxford House take pride in running their Oxford House and in working and socializing 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. Each officer has defined duties 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 the meet the high standards of responsibility expected under the system of operation – while ensuring that each Oxford House is well-run.

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. The residents pay the house bills by each contributing an equal share of household expenses, including rent the group pays to a landlord. In 2013, the average monthly rent paid by each Oxford House for a good house in a good neighborhood was \$1,426.

Where did these recovering alcoholics, drug addicts and those with co-occurring mental illness get the money? Most Oxford House residents have a job and are paid by their employers. Some receive Social Security, Veterans Benefits or other income. All 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 64% had been homeless and 76% had done jail time – a status likely to drain rather than add revenues to social support programs. Oxford House residents are also luckier than many jobseekers – particularly in a difficult economy – since other Oxford House residents typically know about 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.

Oxford House members also become active members of the broader communities in which they live. Community building is a part of the Oxford House culture. While neighbors may be wary at first, within a few years, an Oxford House is likely to become viewed by the non-recovering members of a city or town with considerable pride. In many areas, Oxford Houses hold open houses on special occasions and invite neighbors in to share in the celebration. Throughout the country landlords pass the word to other residential property owners that renting to a group of recovering individuals forming an Oxford House is good business. The property stays rented year after year and the tenants pay the rent on time. And Oxford House residents typically make good neighbors.

Since the original Oxford House started in 1975, more than 350,000 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, residents are able to stay as long as they feel is necessary to become comfortable enough in sobriety to avoid relapse. Thousands of Oxford House residents and alumni are sober today because of the Oxford House program.

FACTS ABOUT ALCOHOLISM AND DRUG ADDICTION

- About 18 million Americans are active alcoholics with another 7 million addicted to illicit drugs. (SAMHSA)
- 23.5 million persons aged 12 or older needed treatment for an illicit drug or alcohol abuse problem in 2009 (9.3 percent of persons aged 12 or older). (SAMSHA)
- Of these, only 1.8 million – 7.6 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' worth of losses annually or \$1,426 per American.
- For those receiving treatment 60% had been in treatment before an average of more than three times. [TEDS]

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

Self-run, self-supported Oxford Houses give recovering alcoholics and drug addicts (and those with co-occurring mental illness) the time, responsibility, self-esteem and tools to achieve long-term sobriety without relapse. The program is low-cost and highly effective in reducing recidivism.

OXFORD HOUSES WORK BUT MANY MORE ARE NEEDED

OXFORD HOUSE REVIVES AN EARLY AA PRACTICE

"We used to bring the newcomer to AA home to live with us to help keep them on the wagon long enough for sobriety to take hold. When I learned about Oxford House and how it worked, I realized it was re-introducing the dedication known by us old-timers in AA."

Searcy W. at an Oxford House workshop in Dallas in 1991

Searcy R. Whaley was the 12th member of Alcoholics Anonymous [AA] in Texas. He became sober in 1946 and remained sober until his death 57 years later in 2003 at the age of 93. Searcy was a close personal friend and colleague of Bill Wilson. He is well known among those familiar with AA history as the person who, at Bill Wilson's request, took Ebby T. home to live with him for over two years – Ebby's longest period of continuous sobriety. It was Ebby T. who introduced Bill Wilson to the Oxford Group in 1934. Out of that AA was born.

In 1991, when Oxford House had begun opening houses in Texas, Searcy came to an Oxford House workshop in Dallas. Everyone at the Oxford House workshop listened with respect and attention as Searcy told his story and talked about his interest in Oxford House. He explained that he had become a little depressed that AA members were becoming professionals and he worried that AA would lose the missionary zeal it had shown during its early days. In those early days, AA members would bring newcomers home to live with them, becoming part of their families for as long as was needed for them to achieve sustainable sobriety. He was delighted to learn about Oxford House and to realize that Oxford House was reviving the old tradition of persons in recovery bringing newly recovering alcoholics home to live with them and their families.



Oxford House –Dallas established February 1, 1991

The founders of Oxford House didn't set out to re-institute this practice when they started in 1975. Their original focus was just on figuring out how they could keep themselves sober in the wake of the closing of the halfway house. They decided that living together to support their sobriety made sense and they created the first Oxford House. Pretty soon, others in recovery saw what the folks in Oxford House were doing and concluded that they seemed to be on the road to recovery and seemed pretty comfortable in doing so. Consequently, some of them asked to join the group. There wasn't room in the first Oxford House for any more residents but, since the group felt an obligation to those who wanted to join them, they decided to rent another house and have some members of the original group move to the new Oxford House. Then each of the two Oxford Houses would interview applicants and vote on accepting new members. It worked and soon those two Oxford Houses were filled and the group set about looking for a third house to rent.

In practice, the Oxford House members were doing what the early AA members had done; they were bringing newly recovering folks home to live with them and their families – for the residents of each Oxford House truly are a family. They live together, they keep up the house together, they argue together, they celebrate together and they keep each other on the path to long-term sobriety.

As time went on, more Oxford Houses were created but by 1988 there were only 18 Oxford Houses in existence. There was pent-up demand for more but there were obstacles to easy expansion. The biggest problem was accumulating the money needed to rent another house. That obstacle was overcome in 1988 with the passage of the 1988 Anti-Drug Abuse Act (PL 100-690) and support from several states. That minimal state assistance (a loan fund for House start-up and grants to OHI for outreach support) has made all the difference in the expansion effort.

The limited nature of the government funding supports the self-help, family nature of Oxford Houses. State support for an individual Oxford House is limited to the disbursement of a start-up loan, repayable over 24 months. Outreach grants to OHI permit OHI to send trained outreach workers (all of whom are in recovery and have lived in an Oxford House) to help establish new Oxford Houses. Participating states recognize the importance of Oxford House and respect the fact that, once established, Oxford Houses are democratically self-run and self-supported.

Oxford Houses are not just a place to live – they are families and part of the broader community of Oxford House families as well as their own local community. The common interest that brings Oxford House residents and alumni together is the desire to become comfortable enough in sobriety to avoid relapse. For nearly eighty years AA has demonstrated the power of self-help based on the common interest of a shared disease. Millions have transformed their lives through AA/NA. Oxford House™ has demonstrated that the same common bond that unites individuals in AA/NA unites residents and alumni of Oxford House. The shared hardship of their active addiction



Stacey Levin, a Texas outreach worker, getting an award from Oxford House COO Kathleen Gibson

becomes a common bond. Because an Oxford House™ is a place of residence, the bonding is even stronger than in 12-Step groups. Individuals work together to make their living place into a supportive family and community.

Each Oxford House has a weekly meeting in which everyone participates and has an equal voice. Also, each house elects five house officers who have specific duties and responsibilities and individuals rise to the challenge of becoming an officer. The duties of the office help provide the officeholder with leadership skills and new self-esteem.

The building of community does not stop within the four walls of a particular house. Houses bond together to form chapters. Chapters help Houses work out problems, assure quality control and also organize social events – picnics and other get-togethers. Gatherings may include not only Oxford House residents but

also neighbors of Oxford Houses who have come to know and respect both the program and its residents.

While Oxford House revives the early practice of bring newcomers home to live as family members, current Oxford House members remain highly supportive of current AA (and NA) programs and activities. Participation at 12-step meetings is not required of Oxford House residents and no 12-step meetings are held in Oxford Houses; nonetheless, Oxford House residents voluntarily attend an average of five 12-step meetings a week. They welcome the 12-step programs and the association with the many AA and NA members with much longer-term sobriety. They know that their participation furthers their own sobriety. Furthermore, not infrequently, newcomers to AA or NA learn about the Oxford House program from Oxford House residents attending meetings and decide that they too would welcome the opportunity to grow in an Oxford House. They then apply and are usually accepted as new members of the Oxford House family.

Searcy would continue to be proud of the Oxford House program. He would particularly welcome its expansion in his home State of Texas. During 2013, the network of Oxford Houses in Texas grew by more than 40% with 109 Oxford Houses having 817 recovery beds. It is anticipated that the growth of the network of Texas Oxford Houses and the growth of houses throughout the country will continue during the coming years.

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 private citizens.

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 experience living 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 – just as it was done from 1975 to 1988 during the first thirteen years. Then 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 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 loan funds to provide start-up loans for groups of six or more recovering individuals to rent a house using the Oxford House model. The participating states have recognized the importance of the Oxford House program and respect the fact that, once established, Oxford Houses are self-run and self-supported. State support for an individual Oxford House is limited to the disbursement of a start-up loan, repayable over 24 months. Outreach grants permit OHI to send trained outreach workers (all of whom are in recovery and have lived in an Oxford House) to help local groups establish new Oxford Houses and teach them the system of operations.

Today it costs about \$80,000 annually to cover the salary, benefits and expenses of an Oxford House outreach worker. 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 a resource persons for residents. They don't run houses but they all have a wealth of experience and are available to provide guidance and recovery support. Agreements with states and local governments totaled just over \$3.5 million in 2013 and were the principal source of funding of outreach workers.

Keep in mind that these monies primarily support expansion; once up and running, individual Oxford Houses are self-run and self-supported. Contrast this with the cost of a traditional halfway house. The 13 men who started Oxford House in 1975 took over a halfway house run by the county at a cost of \$114,000 a year (\$488,000 in 2012 dollars). Without the cost of the manager, cook and counselor, the operating cost dropped to about \$1,000 a month or \$12,000 a year. This was and continues to be a huge price differential. The traditional fully staffed halfway house continues as a

high cost operation today. A recent New York Times series about large halfway houses in New Jersey used as a substitute for jail or prison incarceration cost taxpayers about \$37,000 a year per bed.¹ This is a 117 times more costly than Oxford House beds in the same state. The taxpayer cost to operate a traditional halfway house is primarily staff and food. An Oxford House™ does not have staff and does not provide food. Instead the residents democratically run the house and pay their own household expenses.

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. The six states in the chart below provide such support. The 894 Oxford Houses in these states constitute 52% of the total Oxford Houses.

Oxford Houses and Recovery Beds in Six States

State	Men's Houses		Women's Houses		Chapters	Total Houses and Beds	
	Houses	Recovery Beds	Houses	Recovery Beds		Houses	Recovery Beds
WA	171	1,422	72	603	27	243	2,025
NC	126	962	47	351	21	173	1,313
OR	115	900	45	351	16	160	1,251
NJ	89	648	27	202	14	107	850
VA	73	607	29	231	10	102	838
TX	66	496	43	321	11	109	817

In FY 2013, OHI also received expansion support from the states of Louisiana, South Carolina, West Virginia, Oklahoma, Nebraska, Pennsylvania, Delaware, Tennessee and Mississippi. Expansion in areas in which government support is not available has also occurred although progress has been slower. Because of modest funding from the Daniels Fund and the Joyce and Donald Rumsfeld Foundation, OHI has been able to initiate networks of Oxford Houses in New Mexico and Colorado.

OHI also receives voluntary contributions from the network of Oxford Houses and chapters. These contributions amounted to \$382,000 in 2013 and constituted about 10% of the overall funding of OHI. 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 their support for expansion.

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

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

¹ New York Times, editorial June 20, 2012 reported the annual taxpayer cost per bed at \$37,368. OHI has 107 Oxford Houses in New Jersey with 869 recovery beds or a taxpayer cost of \$317 per year.

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 2013 Oxford House Convention Program. The full versions can be found on the Oxford House website (www.oxfordhouse.org).

- "I either lived on the streets, eating out of dumpsters and stealing in order to get high, or was in Essex County Jail in Newark. I don't want to go into a war story; it was a typical life for an addict. Stealing, manipulating etc..... I know I would not have been able to stay clean without the structure and help of this Oxford House. Some days when it has been hard to stay clean, just knowing that I cannot use because I am in this sober living house has sometimes been what has kept me clean for that day. I am now able to have a job, good friends, family, and, most important, self worth and respect." *A. J. - New Jersey*



- "I moved into the Canyonview Women's Oxford House in February 2011. The ladies in my house loved me until I could love myself. They gently nudged me in the directions where I could grow. Inviting me to all kinds of functions and meetings showing me that, yes, Oxford is fun, we are a family; I cannot express the feelings of gratitude I have for Oxford Did Oxford save my life? Absolutely!" *Angele W. - Oregon*

- "When I moved into the Morehead House, I was scared, alone, and had nothing but the clothes on my back. I was welcomed by open arms by complete strangers. ... Within a few weeks of moving in, I was elected to be the House Treasurer. Me! The same one who just a few months before had stolen money from my own family, managing thousands of dollars for a group of people who barely knew me. They showed me in a loving and caring way that we all have a past but it doesn't have to define us." *Matt - North Carolina*

- "Today, as I look over the past 2 years, Oxford House has given me a sense of freedom from the bondage I had imposed on myself through my drug and alcohol addiction; structure in my life that I had never I had before; friendships with other strong women who embraced the same freedom that Oxford House offers; and I have come to realize that I can pick up the phone and call any one of the over 1,600 houses worldwide where my fellow family members reside." *Tracy G. - Louisiana*

- "For seventeen years I used meth and lived in chaos. Eventually I ended up in prison. I went to treatment and from there directly to Oxford House. Today, I have a life I could never have imagined. I have almost 3 years of sobriety. I graduated with my first college degree; I have my child back with me; I am off probation; I have relationships that matter to me, and, mostly, I have a life of value. . I still live in Oxford and will continue to live in Oxford. I am a part of something that is bigger than me, and I have found a place where I belong. all that I have today is a direct result of my recovery without relapse." *Jossie Brown -- Colorado*



- "Oxford House has been a life-saver for me. I've gone from illegally sponsoring prostitutes to spiritually sponsoring fellow alcoholics and addicts; from a gang member to a leader in the Oxford House and recovery community; and from a low-down junkie to a recovering addict with 20 months of sobriety. I owe Oxford House everything and whenever I am called upon by Oxford I will never say no, because when I was in need, Oxford House was truly there for me." *J. J. - Louisiana*

- “When I walked through the front door of an Oxford House in Colorado Springs, I had no idea that I had taken the first arduous step down a long road. ... When the time came for me to move out of Oxford House, I left with a strong set of tools to continue in my sobriety. I know that each person is different, and that there are many avenues one can take in fighting addiction. For me, Oxford House was the answer that I desperately needed.” *Jon E. – Colorado*
 - “Through the years, I had 2 kids, a few failed marriages, 4 DUI’s, jail time, and numerous medical detoxes. On June 1, 2011, with barely a week sober, I moved into my first Oxford House. I have been in Oxford ever since. ...I love Oxford and everything it stands for. I love being the welcoming face when a new member moves in, and being there for support for those new in recovery. Without Oxford, I know I would not be where I am today, with over 2 years sober. ... Oxford gave me my life back.” *Jessie – Oregon*
 - “By the time I landed in rehab there was nothing left. ... Two weeks into treatment, I attended a presentation for the Oxford House because my counselor made me. I was homeless at this point and this was the last avenue I had available.... During the three years I lived in the Del Mar house, I held every position in the house. I have since moved out on my own and my continued affiliation as an Oxford Houses alumna is a necessary part of my on-going journey in recovery.” *Leslie R. -- Colorado*
-
- “Oxford House gave me that one thing I was missing. Motivation and Structure! I had to learn not only to live well with others but also to be honest and reliable. These were some of the traits that I learned at the Oxford House. ... I began working with other Oxford Houses -- training other people at other House's in every position. I began to give back what was so freely given to me. In October 2013, I will celebrate 3 years in sobriety and with Oxford House. I haven't found anything more powerful than my time with Oxford House.” *Vincent S. – North Carolina*
 - “At the Atlantic City Rescue Mission, I was introduced to Oxford House, a recovery environment with no drinking or drugging. It was just what I needed in my life to help make that 360 degree turn. I thank GOD for Oxford houses.” *Alvin – New Jersey*
 - “In August 2011, I was sentenced to six months in a treatment facility. Upon my release I moved directly into Oxford House Beacon Hill. In the home I found love and understanding for the first time in my life. The guys knew me; they shared my story and understood my struggles. Being of service and giving back what was freely given to me in my Oxford House community has become a huge part of my recovery. On August 25, 2013 I celebrated two years away from active addiction. I owe a great amount of gratitude for the structure, love, and accountability that Oxford has given me.” *John B. – San Antonio, Texas*
 - “On May 2, 2012 I entered my first Oxford House. I had just been released from jail and there was no other place for me to go.... I have lived in Oxford going on 15 months and I do not see me going anywhere anytime soon. I am currently the Chapter President for NM Chapter #One. I hold the office of treasurer in my own home group. I work with outreach to help others who are where I have been and want help on the road to where I am going.” *Conner – New Mexico*
 - Since getting out of prison I have gone through a lot.... Oxford helped me to learn responsibility and accountability. I have been a check-signer of our Chapter... It's amazing to me that my chapter trusts this convicted felon and thief with their money. The BEST part is that I have never considered taking any of it. I have such immense gratitude for Oxford that I don't want to hurt them. I have almost two years sober and I have little doubt that I would have been using if not for the support and accountability of Oxford. .God truly gave me a gift when that counselor told me about Oxford House. *Stephanie H. – North Carolina*

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.

BUILDING COMMUNITY

Oxford House uses a basic building block of family and community. Instead of biological kinship, the groups use kinship based on common failure – alcoholism, drug addiction and the sad consequences of those afflictions. At first blush such a foundation would seem to invite chaos and unhappiness rather than order and comfortable behavior. That would be wrong. Actually, the common pain, hardship and self-delusion of addiction form a common ground for exceptional personal growth. Oxford House™ manages to bring two basic meanings of community together – place to live and common interest.

Place to Live

Because alcoholism, drug addiction and co-occurring mental illness often cause dysfunctional behavior, those afflicted may become economic burdens on the state. A million or more Americans are homeless and a large percentage of those individuals can be identified as alcoholics, drug addicts or those with co-occurring mental illness. More than 2 million of our fellow Americans are incarcerated. As many of 80% of those behind bars are alcoholics, drug addicts or those with co-occurring mental illness.¹ When an individual transitions from incarceration or detoxification [treatment] their return to destructive behavior is often a certainty. They usually go back to where they lived before their incarceration. This is also true of those in treatment. It also makes it more unlikely that the individual will stay clean and sober. If you want to ‘feel better,’ old habits are hard to shake. This is why relapse or recidivism following treatment or incarceration is the norm rather than the exception. What Oxford House™ introduced in 1975 was an alternative to returning to the old house, old family members and old friends.



Rental of a nice house in a good neighborhood as an Oxford House is but a first step. Equally important is building upon the community of interest inherent in the group forming an Oxford House™.

Common Interest

Oxford House™ has demonstrated since beginning in 1975 that the same common bond that unites individuals in AA unites residents and alumni of Oxford House. The shared hardship of their active addiction becomes a common bond upon which to help each other master new behavior. Because an Oxford House™ is a place of residence, the bonding is even stronger than in 12-Step groups. Individuals work together to make their living place into a supportive community. The concept of disciplined democratic operation coupled with defined duties requires acceptance of responsibility by everyone in the household. In return, each individual learns how to function without the use of alcohol or illicit drugs. In doing so, the individuals learn firsthand the benefits of staying sober.

The building of community does not stop within the four walls of a particular house. While the house becomes a home, the quest to expand the opportunity for others to benefit from Oxford House living pushes individuals into becoming productive citizens in the larger society. Houses

¹ Jeffrey Lieberman, President of the American Psychiatric Association, in a January 24, 2014 letter in the Washington Post reports that 30% of those incarcerated and 40% of the homeless is mentally ill. In most cases those who are mentally ill have tried treating the symptoms of their illness with alcohol and/or illicit drugs.

bond together to form chapters and members share their experiences, strengths and hopes for the future. Alcoholics, drug addicts and those with co-occurring mental illness tend to become more and more isolated as their disease progresses. When individuals move into an Oxford House, it is the first step toward learning socialization again – or even for the first time. It is also a time to learn how to function without the use of booze or drugs. For most residents, functioning while clean and sober is a new experience – at least something that has not been done for a long time.

Each Oxford House has a weekly meeting in which everyone participates and has an equal voice. Each house elects five house officers who have specific duties and responsibilities. They become part of the system that enables the house to function smoothly while maintaining an alcohol and drug-free living environment supportive of long-term recovery. It is amazing how individuals rise to the challenge of becoming an officer in their Oxford House. Generally the individual just getting elected to an office has watched others perform the duties of the office and knows what should be done. In the event a person does not understand the responsibilities and duties of a particular office, they may learn from others in the house, or from the chapter or the central Oxford House service office. The duties of the office help provide the office holder with self-esteem in addition to the practical role played in assuring smooth operation of the household.

Integration With the Larger Community

Each Oxford House is a community of individuals living together but to exist well it reaches out to other communities both as a good neighbor and a recovery resource. Since each resident of an Oxford House pays an equal share of household expenses the equal share is set low enough to make the house affordable and high enough to pay all the bills. In 2013, nationally Oxford House residents paid a weekly share of household expenses of \$108 [range \$85 to \$165]. Whenever there is a vacancy in a house its becomes important that the group fill the vacancy right away because others in house will have to pay more as long as the vacancy exists. To keep the beds filled the officers of each house keep close contact with treatment providers and the recovery community. In addition, many Oxford Houses try to set examples of good citizenship by inviting the homeless to Thanksgiving dinner or holding family cookouts for newcomers in recovery. In brief, Oxford Houses extend their communitarian living to the larger community.



Community building is a part of the Oxford House culture. It not only serves as a linchpin for the smooth operation of each house but it also produces good will from the many other communities reach. Within a few years an Oxford House is likely to become viewed by the non-recovering members of a city or town with considerable pride. Throughout the country landlords pass the word to other residential property owners that renting to a group of recovering individuals forming an Oxford House is good business. The property stays rented year after year and the tenants pay the rent on time. The community building both within a particular house and within the larger community has paid off. The members of more than 1,700 individual Oxford Houses know the value of community building and so do the 483 communities where Oxford Houses are located.

2013 OXFORD HOUSE WORLD CONVENTION

Each year since 1999, the network of Oxford Houses has congregated at an annual convention alternating each year between Washington, DC and some other city – so far: Kansas City, Seattle, San Antonio, New Orleans, Chicago, Wichita and the 2014 Convention will be in Portland, Oregon in September. The size of the convention has grown from about 150 attendees in 1999 to more than 800 at the 2013 convention. Each



convention provides an opportunity for Oxford House residents and alumni to learn the latest findings about the nature of addiction and successful recovery and for those in the addiction field to learn more about Oxford House.

Residents and alumni from all around the country arrive at the convention in plenty of time to register for all the events. It is a time to renew old friendships and to reinforce the satisfaction that comes from staying clean and sober. It also a time to promote the expansion of Oxford House so that more individuals can gain the time and peer support necessary to become comfortable enough

in sobriety to avoid relapse.

These few pages highlight some of the convention activities. Each convention features general sessions with keynote speakers, breakout panels with each panel focusing an specific aspects of addiction and recovery, and social events to encourage sharing of knowledge, support and encouragement among the representatives from the entire network of more than 1,700 Oxford Houses located in 45 states.

National Leaders Share their Expertise with the Oxford House Family



Dr. Stuart Gitlow, President of ASAM



Selecting which panel to attend



Veterans panel with General Hawkins [Ret. USA]



Dr. Ken Hoffman, Panel on Medications



Dr. Westley Clark, CSAT, Addressing General Session

Saturday Night Banquet Links National Leaders to Oxford House



William Cope Moyers, Hazelden Betty Ford Foundation Vice President of Public Affairs and Community Relations, at Oxford House Convention – reading from his latest book and audience pictured below.





Each year an award is given to individual houses that make a minimum contribution to OHI of \$50 a month for the preceding 12 months. It is called the "Hundred - Year Award" because of the belief that eventually Oxford Houses can be truly self-supporting including expansion. The group pictured above represents North Carolina Oxford Houses who were among those receiving the "Hundred-Year Award." Board Chair Jerry Conlon is in center of picture.



Assistant Secretary of Labor Phyllis Borzi addressing the General Session on Saturday about Affordable Care Act



Residents and alumni learned more about addiction and recovery and met with leaders throughout government.

Administration Addiction Officials
Address the Convention –



Dr. Westley Clark, CSAT and Gil Kerlikowske, Director of the Office of National Drug Control Policy shared their thoughts with the Oxford House residents and alumni at the national convention. Both have appeared at prior conventions and are strong supporters of Oxford House. Both help to make recovery without relapse the norm rather than the exception.

2014 Annual Convention in Portland, Oregon September 11 – 14

Oxford House – Building Community

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



Pictured above are typical Oxford Houses. If all 1,702 Oxford Houses were pictured using the same format of 15 houses pictured per page, it would require 114 pages like this one to show all the houses. Each house is rented. Each 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 \$107 a week [range \$85 to \$165].

There are Oxford Houses for men. There are Oxford Houses for women and Oxford Houses for women with children. There are no co-ed houses. There is no residency time limit as long as a resident does not drink alcohol or use illicit drugs and pays his or her equal share of expenses. Average length of stay is a little over 9 months with about 16% expelled for resuming use of alcohol or illicit drugs. Most relapses occur during the first three months of residence.

Oxford House, Inc.
Statement of Financial Position
June 30, 2013

ASSETS	
CURRENT ASSETS	
Cash	\$ 78,605
Accounts Receivable, Net	645,166
Employee Advances	20,805
Prepaid Expenses	12,349
Loans Receivable, Current Portion	<u>53,728</u>
Total Current Assets	<u>810,653</u>
PROPERTY AND EQUIPMENT	
Furniture and Office Equipment	167,643
Less Accumulated Depreciation	<u>(145,972)</u>
Net Property and Equipment	<u>21,671</u>
OTHER ASSETS	
Loans Receivable	76,870
Restricted Cash	95,704
Deposits	<u>10,634</u>
Total Other Assets	<u>183,208</u>
TOTAL ASSETS	<u>\$ 1,015,532</u>

LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 245,509
Program Advances	31,550
Accrued Payroll Taxes	20,280
Line of Credit	8,352
Accrued Salaries	<u>134,560</u>
Total Current Liabilities	<u>440,251</u>
NET ASSETS	<u>575,281</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$1,015,532</u>

Statement of Activities

SUPPORT AND REVENUE	
Federal Awards	\$ 2,229,357
State and Local Awards	1,301,997
General Contributions	388,074
Convention Revenue	148,422
Combined Federal Campaign	14,677
Restricted Contributions	14,175
Litigations Settlement Income	4,604
Outreach Training Registration	1,050
Interest Income	<u>62</u>
Total Support and Revenue	<u>\$ 4,102,418</u>

EXPENSES	
Program Services	
State and Local Program – Federal	\$ 2,229,357
State and Local Program –State/Local	1,301,997
State and Local Program – Other	104,852
World Convention	<u>76,142</u>
Total Program Services	<u>\$ 3,712,348</u>
Supporting Services	
Management and General	444,807
Fundraising	<u>140</u>
Total Supporting Services	<u>444,951</u>
Total Expenses	<u>4,157,289</u>
DECREASE UNRESTRICTED NET ASSETS	(54,871)
NET ASSETS Beginning of Year	<u>630,152</u>
NET ASSETS End of Year	<u>\$ 575,281</u>

Oxford House, Inc.
FY 2013 Expenses
By Category and Function

Expense Item	Program	Management And General	Total Expenses
Salaries	\$1,542,654	\$ 187,898	\$1,730,552
Fringe Benefits	334,590	30,075	364,665
Payroll Taxes	<u>142,519</u>	<u>13,266</u>	<u>155,785</u>
Total Personnel	<u>2,019,763</u>	<u>231,239</u>	<u>2,251,002</u>
Travel & Lodging	1,163,318	28,419	1,191,737
Telephone/Facsimile	131,690	6,529	138,219
Rent	37,549	83,655	121,204
Professional Fees	57,888	62,717	120,605
Outreach Grants, etc.	91,751	0	91,751
Office Supplies	19,580	14,523	34,143
Printing/Publications	32,075	1,588	33,763
Meetings/Conferences	29,969	1,180	31,149
Postage and Supplies	11,722	15,524	27,246
Convention Expenses	26,234	0	26,234
Insurance	21,049	1,866	22,915
Outreach Supplies	20,073	0	20,273
Depreciation	6,408	6,392	12,800
Payroll Services	5,133	4,789	9,922
Bank Charges	2,000	4,976	6,976
Taxes and Licenses	2,820	2,982	5,802
Office Equipment	4,202	0	4,202
Contract Labor	4,100	0	4,100
Interest Expense	0	1,339	1,339
Charitable Donations	1,000	0	1,000
Repair/Maintenance	692	215	907
Total Expenses	<u>\$3,682,808</u>	<u>\$474,481</u>	<u>\$4,157,289</u>

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 2013, houses contributed over \$340,000.

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, 2013.

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 December 31, 2013, 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, 2013 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>\$ 134,560</u>
	<u>\$ 134,560</u>

Note 4 – Line of Credit

Oxford House, Inc. has a line of credit note of \$60,000 of which \$8,352 is outstanding at June 30, 2013. The note is secured by a \$64,777 certificate of deposit, which is included in restricted cash appearing on the statement of financial position. The interest rate is currently .05%. 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 \$1,292,724 at June 30, 2013.

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, 2013:

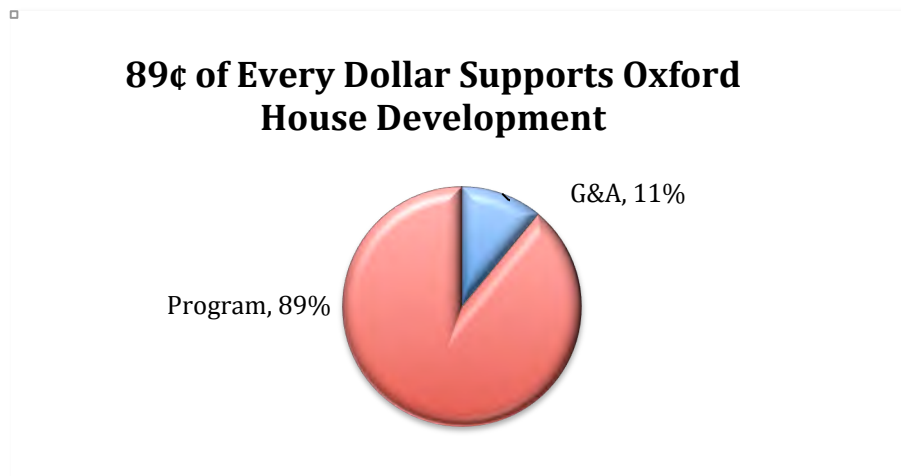
2014	105,387
2015	108,442
2016	111,681
2017	115,017
2018	<u>118,482</u>
	<u>\$ 559,009</u>

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 by 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 very low because the formula for expanding the number of Oxford Houses has been kept simple. Houses are rented, not owned. Each Oxford House is autonomous with residents responsible for operating the household following the standard Oxford House system of democratic operation. Quality control is maintained by strict review of standard charter conditions and by keeping sole authority for charter issuance and revocation within OHI. The central services office in Silver Spring, Maryland maintains the various revolving loan funds administered by OHI. The bottom-line is that 89¢ of every \$1 is used directly for establishing and maintaining a strong worldwide network of Oxford Houses.

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 House™

1975-2014

39 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

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